ajanta pharma limited

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13th July 2020

National Stock Exchange of India
Exchange Plaza, 5th Floor, Plot No.
C/1, G block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Kind Attn.: Tehsin Karbhari
Sub: Impact of COVID 19

Madam,

With reference to your e-mail dated 8th July 2020 on the subject matter, you have observed that we have not addressed all the points of disclosure in our letter dated 11th June 2020 as specified in the aforementioned Circular. Our understanding was that we need to disclose only relevant impacts and hence gave disclosure which were appropriate giving fair idea of COVID impact on our company.

Nonetheless, as desired we are giving below, point-wise disclosures:

#	Parameters	Disclosure by the Company
1.	Impact of the COVID-19 pandemic on the business	Being in a pharmaceutical sector, company has seen relatively lesser disruptions. Significantly higher material and freight costs etc. are impacting the business. Exact impact will be quantified in Q1FY2021 results.
2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down	All our manufacturing units are working, as per guidelines issued by the Central and State Governments and have provided necessary and critical support in this challenging times. There are certain challenges such as low attendance of staff, supply chain disruptions etc. All our offices are completely closed since 20th March 2020 and employees are working from home and providing necessary and critical support to ensure that manufacturing and other operations run seamlessly.
3.	Schedule, if any, for restarting the operations	All our manufacturing units are working and as such, there is no need for restarting the operating the units. All our offices are located in Mumbai and hence, reopening will be only after the situation improves & as per Gov. guidelines.
4.	Steps taken to ensure smooth functioning of operations	a) All employees were equipped with laptops, desktops, broadband connectivity and other arrangements for smooth transition to work from home. b) All operations are running normal with the help of various initiatives and web based applications. c) Critical and essential support for smooth functioning of all manufacturing units and supply chain is extended by all teams working from home.

		d) International & domestic travels of all employees of the company are suspended and all employees are advised to follow the Govt. guidelines about lockdown including use of 'Aarogya Setu' app. e) Advisories are being issued from time to time on the company portal for the guidance and benefit of employees.
5.	Estimation of the future impact of CoVID-19 on its operations	We are still in the process of ascertaining the future impact of Covid 19 on our operations due to uncertainty prevailing in terms of its spread & control.
6.	Impact of CoVID-19 on:	
	a. capital & financial resources	There is no material impact on capital and financial resources
	b. profitability	Yet to be ascertained
	c. liquidity position	The company is debt-free and is carrying cash and cash equivalents which can meet its requirement for next few quarters.
	d. ability to service debt and other financing arrangements	No debt & current liquidity is enough to meet all financing arrangements
	e. assets	None of our assets have been impacted or impaired as a result of the pandemic. However, some of the capex program is getting delayed due to the pandemic.
	f. internal financial reporting and control	Company continues to adequately maintain all internal financial and reporting controls.
	g. supply chain	There are supply chain constrains but the same are at manageable levels and not impacting manufacturing or supply operations.
	h. demand for its products/services	There is some softness in Indian Pharmaceutical market and same will be applicable to us also where our India business performance will be impacted in similar lines.
7.	Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	None
8.	Impact of the COVID-19 pandemic on their financial statements	There is no impact on financial statements. Company has already published Q4 FY 2020 results and is planning to publish Q1 FY 2021 results within the permitted time frame.

We reiterate that the impact of COVID 19 on the business is minimal and company is taking all the steps to mitigate the adverse impact of the pandemic. Company is strictly following all the guidelines prescribed by the Govt. at all our locations including social distancing, hygiene, etc.

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Further, we would like to also mention that company and its employees have contributed more than Rs. 7 cr. for the efforts of Govt. to fight the pandemic.

Hope this would suffice with the requirements.

Thanking you,

Yours faithfully,

Gaurang Shah
Digitally signed by Gaurang Shah
Date: 2020.07.13 09:35:34 +05'30'

Gaurang Shah
AVP – Legal & Company Secretary