

PDL/SEC/SE/2020-21/

May 27, 2020

National Stock Exchange of India Ltd  
Exchange Plaza  
Bandra-Kurla Complex, Bandra (E)  
Mumbai-400051

BSE Limited  
Phiroze Jeejeebhoy Tower  
Dalal Street  
Mumbai- 400001

Dear Sirs,

**Scrip Code No.: PARSVNATH- EQ (NSE); 532780 (BSE)**  
**Subject: Material Impact of COVID-19 pandemic**

Pursuant to the applicable provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 issued by SEBI, the material impact of COVID-19 pandemic is given as under:

S. No.	Particulars	Disclosure
1	<b>Impact of the CoVID-19 pandemic on the business</b>	<p>Real estate is one of the worst affected sectors due to the COVID-19 pandemic. The Company's construction activities as well as offices were shut down due to COVID 19 pandemic and the consequent lockdown, which have now partially been resumed w.e.f. May 4, 2020 consequent to the approval granted by the Central and State Governments. The functioning at Corporate Office, Construction sites and the overall operations of the Company have been adversely affected. The pandemic is significantly impacting the business operations and future growth plans of the Company by way of supply chain disruption, reduced sales booking, unavailability of labour etc.</p> <p>The real estate sector was already going through adverse impact of liquidity crunch, a high inventory overhang and subdued demand conditions. The COVID-19 outbreak is expected to further worsen the weakness in the sector, with slowdown in sales and collections and project execution activity, in the short term.</p> <p>However, the extension of moratorium on term loan instalments till August 31, 2020, announced by the RBI, will provide some comfort in case of overall cash flows during this period. We also strongly believe that there is</p>

**Parsvnath Developers Limited**

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		a huge inherent demand in the housing sector in India due to attractive housing loan interest rates, various deductions available in income tax, RERA Compliant projects etc.
2	<b>Ability to maintain operations including the factories/units/office spaces functioning and closed down</b>	Pursuant to the guidelines and directives issued by the Ministry of Home Affairs, Government of India and the State Government Authorities, the Company has resumed its operations as the Corporate, Marketing, Site Offices and construction activities have started, with permitted and available workforce, w.e.f. May 4, 2020, adhering to the prescribed safety norms.
3	<b>Schedule, if any, for restarting the operations</b>	Operations have resumed at partial capacity, with permitted workforce, and construction activity will be scaled to normal level in a phased manner based on the directives issued by the authorities, from time to time. The Company expects construction to reach optimum levels in 6 to 9 months post lifting of lockdown as migrant labourers may resume work gradually.
4	<b>Steps taken to ensure smooth functioning of operations</b>	The Company has taken a series of pro-active and preventive measures to ensure the safety and health of all its employees and a safe workplace for them, with appropriate social distancing norms and high standards of hygiene. The Company has also taken various prescribed steps such as thermal screening of all its employees and visitors at the entry gate, sanitizing the premises on regular basis, enforcing wearing of masks, asking all employees to have 'Aarogya Setu' App installed on their mobiles and continuously follow guidelines, as prescribed by the Central or State Government, from time to time. 'Work from home' option also continues for certain category of employees. The Company has also ensured complete adherence to all safety guidelines to minimize the spread of this deadly corona virus. The Company also has Risk Management framework and internal control system in place, to mitigate the effect on the overall operations of the Company.
5	<b>Estimation of the future impact of CoVID-19 on its operations</b>	<p>The temporary suspension of construction activities and the reduced level of operations are likely to have significant financial impact, the extent of which is not quantifiable at this moment. Moreover, there is acute shortage of labour. Though we do hope the business situation should normalise soon once the situation comes under control.</p> <p>It is very early to assess the future impact of COVID-19 with reasonable certainty.</p>

6	<p><b>Details of impact of CoVID-19 on Company's:</b></p> <ul style="list-style-type: none"> <li>• capital and financial resources;</li> <li>• profitability;</li> <li>• liquidity position;</li> <li>• ability to service debt and other financing arrangements;</li> <li>• assets;</li> <li>• internal financial reporting and control;</li> <li>• supply chain;</li> <li>• demand for its products/services</li> </ul>	<p>In this evolving situation, the overall financial impact or the duration thereof cannot be predicted with any reasonable certainty. The capital and financial resources, profitability and liquidity are likely to be adversely impacted due to COVID 19 lockdown and impact of the same is being ascertained and shall be disclosed while submitting the Financials of the Company for the Year/ Quarter ended March 31, 2020 and for the first quarter ended June 30, 2020, as the same are subject to review / examination by the Audit Committee and Board of Directors and are also subject to Audit by the Statutory Auditors of the Company.</p> <p>The financial arrangements have been rescheduled with various lenders. As informed vide our earlier disclosure dated April 4, 2020, the Company has provided an interest holiday on outstanding amounts to all its customers / home buyers for three months from 15<sup>th</sup> March, 2020 till 15<sup>th</sup> June, 2020.</p> <p>There is no impact on the assets of the Company.</p> <p>The Company has a strong Internal Audit framework in place to ensure operational efficiency, risk management and internal financial reporting and control.</p> <p>The Company has near term visibility of supply of all regular building materials through established and dependable suppliers. All vendor and supplier payments are being processed, as and when due, as per normal business practice.</p> <p>The pandemic will certainly impact the purchasing power of prospective customers/ buyers, which in turn, shall affect the demand.</p>
7	<p><b>Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;</b></p>	<p>The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim by or against the Company.</p> <p>The Company ensures that all the commitment are honoured in agreed and amicable time frame and as per agreed mutual interest of the parties.</p>
8	<p><b>Other relevant material updates about the business of the Company</b></p>	<p>No other material matter can be identified at present. We will continue to follow the recommendations/advisories as may be issued from time to time by the relevant authorities.</p>



		<p>The Company shall keep its stakeholders informed as and when any material developments take place having significant impact.</p> <p>As the current environment is very dynamic and resultant situation is evolving, the business operations are highly influenced by the decisions taken by the Government and Regulators, from time to time. Accordingly, any material change in the business operations and its impact will be updated from time to time.</p>
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Thanking you.

Yours faithfully,  
For Parsvnath Developers Limited



V Mohan  
Company Secretary & Compliance Officer

