

Date: 30/07/2020

To,
Listing and Compliance
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (East)
Mumbai-400051

Subject: Intimation of Material Impact of COVID-19 pandemic under Regulation 30 of SEBI (LODR) Regulations, 2015.
NSE Symbol – PANACHE

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby submit the disclosure of Material Impact of Covid-19 Pandemic on the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you,
Yours faithfully,

For Panache Digilife Limited



Nitesh Savla
CFO

Place: Mumbai

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CIN: L72200MH2007PLC169415 | ISO 9001:2015 & 14001:2015 Company

PANACHE DIGILIFE LIMITED

Registered Office
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Mumbai-Nashik Highway NH3, Saravali Village
Bhamburda, Thane-421302, MH, India

Corporate Office
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L.B.S. Marg, Ghatkopar West
Mumbai-400086, MH, India

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

1. Impact of the COVID-19 pandemic on the business and schedule if any for restarting the operations:

With the implementation of complete lockdown in the last week of March 2020 and restrictions imposed on various activities to contain the spread of Covid-19 virus, the business operations of Panache Digilife Limited (hereinafter referred to as the "Company") were completely at a standstill.

The key metrics of Revenues and Profitability were affected due to the reason of closure of business operations that restricted all business activities from 21/03/2020. The Company had stocks in place in the Factory however the new production was at standstill due to the imposition of Lockdown. Another key metric was our dependence on imports for some supplies which was affected in the 4th quarter along with the delay in supplies from Vendors due to disrupted supply chain.

The Company has adopted Work from Home policy for its employees. The factory commenced its operations from 27th May 2020 in accordance with the government directives and based on the availability of the employees.

The Company is assessing the demand, availability of workers at its facilities, reconfiguring its facilities for effective social distancing and is working towards resumption of operations to normalcy at the earliest.

2. Steps taken to ensure smooth functioning of Operations

The Company has developed a "Workplace Guidelines" in line with directives issued by Ministry of Home Affairs (MHA). The Company has put in place strict monitoring process for preventing the spread of Covid-19 by ensuring thermal screening of all the employees & visitors, Sanitizing the premises and vehicles on regular basis, Maintenance of social distancing at all workplaces, Enforcing wearing of masks and regular cleaning of hands, Getting regular update of the health of all the employees and their families, Asking all employees at the facilities of the Company to have the Arogya Setu App.

3. Estimation of the future impact of CoVID-19 on its operations

In general the Business ecosystem has been impacted by CoVID-19 in various aspects like

- Closure of manufacturing facility
- Disruption in Supply Chain for goods
- Non availability of Labour
- Intermittent availability of Transport facilities
- Increase in the prices in Goods
- Changes in the Payment terms for fresh purchases
- Reduced Orders from Customers

While the above is applicable in general, we have been impacted by the above parameters in varying degree.



Some of the pending Orders in hand had been carried forward and executed post opening of our Factory in Q1 FY20-21 while some are even postponed further.

Considering the spillover of orders and our improvised supply strategy we have been able to maintain the our normal Business post gradual uplifting of lockdown along with recouping some lost business of Q4 FY19-20. The situation regarding CoVID-19 is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty the future impact on its operations. However, the Company is confident about adapting to the changing business environment and shall respond suitably to fulfill the needs of its customers.

The impact on the operations of the Company cannot be assessed at this point and it is very early to assess the future impact of COVID-19 on the operations of the Company with reasonable certainty.

The Company is closely monitoring the situation and will take all necessary measures as directed by the Central and State Government and authorities, from time to time.

4. Financial position

a. Profitability

As discussed hereinabove, due to the primary reason of suspension of operations and the supply chain disruption in international market, our Revenues and the Profitability has been affected significantly. The revenue for Q4 FY2019-20 has reduced by 42.22% as compared to Q4 FY2018-19 and the profit after tax has reduced by 84.69%. While comparing the Annual figures the revenues and profit have reduced by 23.46% and 50.31% respectively for FY2019-20 over FY 2018-19.

b. Liquidity

Due to the sudden implementation of Lockdown, the Cash flow had been adversely affected. The management has taken steps to ensure adequate liquidity by availing additional finance from the Financial Institutions as well as by way of taking Unsecured Loans from Directors to tide over the short term Cash flow issues.

The company has not availed any moratorium facility from the banks and have made timely payments of its Term Loan liabilities as well as other financial obligations like L/C's and interest in time, even though collections from debtors has impacted marginally during lockdown period.

c. Ability to service debt and other financing arrangements

The company has serviced interest obligations in time and there is no default of any loan or interest commitments. Barring unforeseen situation, we do not foresee any difficulty in meeting our loan, interest and other commitments in near term.

d. Assets

None of the assets of the Company have been impacted or impaired due to the Covid-19.



e. Internal financial reporting and control

The Company has been trying to maintain the adequacy of the internal financial controls. The controls are being adhered to and are being monitored timely. The reporting requirements are being fulfilled as stipulated and are being complied.

f. Supply chain

The Supply chain of the company has dependence on the supplies of goods from international markets. Prior to Lockdown in India our overseas suppliers were closed due to the Spread of Covid-19. This had affected the procurement in Q4 FY2019-20.

Currently, the International supply chain has eased however there are still bottlenecks due to limited Logistics operations in terms of Sea Shipments and Air Shipments.

However, the situation continues to improve due to lifting of lockdown and relaxations given by the government. The Company has been closely working with its vendors to resume & align production schedules and de-bottleneck supply chain concerns.

g. Demand for its products:

As the Company deals in IT products the impact of CoVID-19 has been both Negative as well positive with reference to the demand for the product.

In some B2B categories like BFSI, Retail, etc. the operations have reduced significantly, however certain other categories like End Consumer, Education, Projects, the demand for IT products have increased. The net effect of CoVID-19 has been positive, as there is change in the consumer sentiment to go for Made in India products.

h. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

The Company is well positioned to fulfill its obligations and existing contracts/ arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfillment of obligations by any party.

Cautionary Statement:

Cautionary Statement issued from time to time by the relevant authorities. Statements given herein describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include actions to contain or treat the Covid-19 disease and mitigate its impact on the economies of the affected countries, demand and supply conditions affecting selling prices of finished goods, input availability and rates, changes in the government regulations, tax laws, economic developments within the country and litigation and industrial relations, among others.

