

Date: 24/07/2020

To
The Manager
Department of Corporate Services
BSE Ltd.
Dalal Street, Fort
Mumbai – 400 001

Subject: Intimation of Material Impact of COVID-19 pandemic under Regulation 30 of SEBI (LODR) Regulations, 2015. Security Code - 538742

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 Innovations Limited



Prakash Vichhivora
Managing Director
DIN: 03123043

Place: Mumbai

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:

The Company has already adopted Work from Home for all employees at all its offices and warehouses. In the operations, focus is being maintained on social distancing and hygienic practices, for the safety of the people. While the lockdown and restrictions imposed on various activities were necessary to contain the spread, it has impacted the business operations of Panache Innovations Limited (hereinafter referred to as the "Company"). Consequently, revenues and profitability have been affected for the period during lockdown.

The Company commenced partial operations at its Warehouses from 1st May 2020 on alternative days in week after obtaining due approval from local authorities and with key team working from office from 8th June, 2020 with following necessary guidelines as issued from State / Central / Local Government from time to time. 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 at the offices & Warehouses of the Company for Covid-19 ensuring Thermal screening of all the employees and 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 and asking all employees to have the Arogya Setu App.

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

We believe there will be an impact on the revenue and profitability for Q1FY21 as our operations were shut in April, 2020 and were gradually started in May, 2020. Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty and 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 also 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

Due to the suspension of operations & Supply chain disruption, our revenues for Q4 19-20 has been impacted by 30-40%. In order to mitigate some of the impact, Company has taken various initiatives to manage its costs across the organization and took actions to conserve cash. There may be some impact on receivables cycle from customers. However, the



company foresees no major risk given its high quality of customers. The Company has postponed and/or deferred most of its capex while ensuring the safety and sustainability of the business.

b. Liquidity

The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. The company has not availed any moratorium facility from the banks and made payment towards 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

All the internal financial controls are in place as they were in the normal periods. All the controls are being adhered to and are being monitored on daily basis. The reporting requirements are being fulfilled as stipulated and are being complied.

f. Supply chain

The Supply chain of the company is mainly depending on importing goods from China. Prior to Lockdown in India our suppliers in China was closed due to widespread of Covid-19 in Public Republic of China. It has affected their Supply chain to 30% to 40%. The Company was having in stock inventory through which company achieved sales through partial activity post lockdown. In future there might be impact on Sales approx. 30-40 % due to shortage of stock of inventory. 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:

The lockdown impacted most of the Company's customers in India and also having to shut their operations. There was a drop in sales in the month of April, 2020 as there was a complete Lockdown in month of April, 2020 as the Company is predominantly engaged in the distribution of goods across India. The resultant sales to these domestic customers are starting to resume due to lifting of lockdown and relaxations and we hope to ramp up capacity utilization month on month. The silver lining for the company has been tie ups with Online Marketplace which continued to operate even during the lockdown in India. This led to a quick resumption in sales in the markets for such customers. While the demand is at significant reduced levels, the Company is actively gauging the return to normal levels of demand with these customers. At this stage, while we continue to engage with customers, it will be hard to estimate the time for a complete recovery.



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

As the Company has no history of entering into long term commitments, it has not been impacted by non-fulfillment of the obligations of existing agreements/contracts.

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.

