

20<sup>th</sup> August, 2020

To,  
Bombay Stock Exchange Limited  
1st Floor, Rotunda Building,  
B. S. Marg, Fort,  
Mumbai – 400 001

To,  
National Stock Exchange of India Limited  
“Exchange Plaza”,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai – 400 051

**Sub: Disclosure on Impact of Covid 19**

**Ref: Disclosure under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

This is in continuation to our letter dated 21<sup>st</sup> May, 2020 pertaining to disclosure under Regulation 30 of SEBI (LODR) regulations, 2015 and SEBI circular dated 20<sup>th</sup> May, 2020, we hereby submit the brief details regarding impact of Covid 19 on the operations and performance of the Company:

**1. Impact of Covid 19 pandemic on the Business:**

The COVID-19 pandemic has rapidly manifested itself into a global crisis, adversely affecting economies of all nations. Like elsewhere, even in India, the initial response by the authorities was to impose nationwide lockdown, leading to closure and/or disruption of production and service activities. Our business operations across all manufacturing sites and sales offices were consequently impacted since the latter half of March, 2020. The Company, subsequent to gradual relaxation in lockdown restrictions, has resumed its operations in all plants across country in phased manner, after obtaining necessary approvals from relevant authorities. In accordance with the stated guidelines as given by Ministry of Home affairs (MHA), and the relevant local authorities, all the necessary health and safety protocols have been duly complied with.

**2. Ability to maintain operations including the factories/units/office spaces functioning and closed down:**

The Company, in order to ensure health and safety of its employees and other staff, took adequate pre-emptive measures to enhance the hygiene and sanitization protocols including social distancing, across all offices and plants, in line with guidelines in force by local authorities. The health of the employees coming to work space is being continuously monitored for any signs of health complications and adequate containment measures are in

## **PIONEER EMBROIDERIES LIMITED**

**Regd. Office:** Unit No. 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off New Link Road, Andheri (West), Mumbai -400058. Website: [www.pelhakoba.com](http://www.pelhakoba.com), E-mail: [mumbai@pelhakoba.com](mailto:mumbai@pelhakoba.com)

**Corporate Office:** Unit No 21 to 25, 2nd Floor, Orient House, 3A Udyag Nagar, Off S.V. Road, Goregaon (West), Mumbai – 400 062. Maharashtra (India), Tel: +91-22-4223 2323 Fax: +91-22- 4223 2313.

**CIN: L17291MH1991PLC063752**

place. Company is committed to provide a safe working environment to its employees for as long as the epidemic is prevalent. At the same time, we are keeping our plants operational and thus contributing towards the restoration of the economic activity and providing earnings to labor and staff.

### **3. Schedule, if any, for restarting the operations:**

The Company's operations are already functional.

### **4. Steps taken to ensure smooth functioning of operations:**

An extensive protocol has been put in place for health and safety of workers and Staff members who are coming for work. Company has also adopted Work from Home policy. The Company has put in place strict monitoring process for Covid-19 precautions ensuring the following:

- a. Temperature Screening and Sanitization of all employees and visitors entering office premises;
- b. Sanitization of the premises and vehicles on regular basis;
- c. Maintenance of social distancing at all work places, including canteen areas;
- d. Enforcing wearing of masks and regular cleaning of hands with soap water and sanitizers;
- e. Encouraging the workforce to use Arogya Setu App as recommended by the Government of India;
- f. Limiting the attendance to essential and low risk staff, that too on rotational basis.

The management continues to monitor the situation closely and follow all directives of the administration to ensure the safety and welfare of our employees, which remains our primary concern.

### **5. Estimation of the future impact of CoVID-19 on its operations:**

The impact assessment of COVID-19 is continuing process given the uncertainties associated with its nature and duration. The management will continue to closely monitor the developments. Once the procurement of raw materials and export logistics is back to its normal functioning, we expect the operations and revenue to also come on track . However, the pace of recovery for the Company would largely depend on the restoration of overall economic activity and consumer demand across the country.

As the situation is continuously evolving, and the economy and business at large is coming to terms with the spread and impact of the COVID-19 pandemic, the extent to which the same will affect your Company's operational and financial position still remains uncertain.

### **6. Details of impact of CoVID-19 on the Company:**

#### **i. Capital and financial resources:**

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The Company's capital, financial resources and Banking facilities remain unaffected. There was no liquidity crisis reported inspite of adverse impact on sales. However, there may be some delay in receivable collections.

**ii. Profitability:**

In view of lock down announced across the country, the profitability of the Company during financial year 2020-21 is likely to be impacted. However, It is expected to improve with the rise in economic activity across the Country.

**iii. Liquidity position:**

Due to the conservative approach by the Company, the liquidity position is reasonable.

**iv. Ability to service debt and other financing arrangements:**

The Company has working capital facilities and sufficient cash accruals to meet its' financial requirements. Considering this the Company does not foresee any challenges in meeting its financial obligations.

**v. Assets:**

None of the Assets of the Company have been impacted or impaired by the Covid-19 and the Assets of the Company are fully insured.

**vi. Internal financial reporting and control:**

The Company has efficient systems in place for internal financial reporting and control. Even during the period of lockdown, and employees working from home, all reporting systems worked seamlessly without any disruption.

**vii. Supply chain:**

Due to imposition of restrictions on movement across the country, there is some impact on supply chain. It will take some time to normalize. But with the rise in economic activities within the country, the same should get restored within a short span.

**viii. Demand for its products/services:**

There has been impact on demand of some of the products. However, demand is expected to improve to previous levels in the next couple of quarters, post restoration of normalcy.

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

The Company is in a position to honour all its existing agreements and contracts. There are no such contracts with any party where non-fulfilment may have significant impact on business.

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**8. Other relevant material updates about the listed entity's business:**

None

Thanking you.

Yours faithfully,

**For Pioneer Embroideries Limited**

**Harsh Vadhan Bassi**  
**Managing Director**

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