



POEL POCL ENTERPRISES LIMITED

REF: POEL/SKK/BSE/2020 - 21/07
JUNE 8, 2020

BSE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI- 400001

DEAR SIR,

SUB: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC
REF: SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/84 DATED 20-05-2020

With reference to the above captioned subject and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20-05-2020, enclosed is the disclosure on Material impact of COVID-19 pandemic on the Company.

This is for your information and record.

Thanking You,

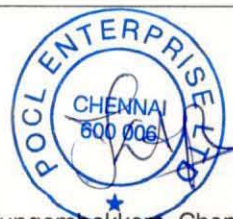
Yours faithfully,
For **POCL ENTERPRISES LIMITED**

AASHISH KUMAR K JAIN
COMPANY SECRETARY & FINANCE HEAD



DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

SN	Particulars	Disclosures
1.	Impact of the COVID-19 pandemic on the business	The Company's manufacturing facilities remained shutdown from March 23, 2020 due to lockdown and partially re-opened w.e.f. May 06, 2020, which has impacted its operations during April and May, 2020. Some of the Company's pending orders are on hold as per requirements of buyers and a couple of export orders are also cancelled. However, upon opening of factories we are in process of dispatch of some of our export orders to Singapore, Russia, Thailand, Saudi Arabia and Malaysia. The sales are yet to pick-up to normal levels for our metal and metallic oxides segment. Deficiency of the working capital due to piling up of inventory and poor debtor's collection has impacted the Company's cash flow position. Adding to this, due to poor cash flow position and lack of support from some of the Shipping Lines, the Company has incurred significant detention charges for the imported materials. The drastic fall of the LME prices of the Zinc and Lead Metals has majorly affected the Company's profitability. The Company was forced to square off its hedging positions on the LME market due to heavy mark to market losses. The average LME prices of Lead and Zinc Metals have plunged from \$ 1925/MT in January, 2020 to \$ 1618/MT in May, 2020 and \$ 2357/MT in January, 2020 to \$ 1963/MT in May, 2020 respectively. This has also resulted in holding of high-cost inventory.





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2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down	The Company has restarted operations considering order book and available workforce, since May 06, 2020, adhering to the safety norms prescribed by Government of India. However, due to the labour shortage because of the migrant workers going back to their hometown has lowered the production and impacted the scheduled delivery of the orders.
3.	Schedule, if any, for restarting the operations	
4.	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of its staff and work force like sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material.
5.	Estimation of the future impact of CoVID-19 on its operations	April – June, 2020 being lockdown months, the revenues and profitability of the Company are adversely impacted. The interest cost during the lockdown period will have a major bearing on the Company's Profitability. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalise during 3rd and 4th quarter.
6.	Details of impact of CoVID-19 on listed entity's:-	
6.1	Capital and financial resources	The Company's capital and Banking facilities remain intact. However, the company is witnessing delay in receivable collection from buyers as buyers are extending their payment terms. Hence, there are liquidity concerns due to poor debtor's collection and piling up of inventory.





SN	Particulars	Disclosures
6.2	Profitability	In view of lock down, the profitability during 1st quarter (April to June) is adversely impacted. Due to the plunge in the LME prices of the Lead and Zinc Metals, which are the main raw materials, the Company is holding inventory at high cost and this will impact the profitability. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalise during 3rd and 4th quarter.
6.3	Liquidity position	As explained above, there are liquidity concerns due to poor debtor's collection and slow-moving of inventory. Accordingly, the cash position will be under stress. The company hopes that the cash position to be normal by the mid of 2nd quarter.
6.4	Ability to service debt and other financing arrangements	Though the cash position is challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement.
6.5	Internal financial reporting and control	The Company has taken cash flow control and overhead control measures to manage the operations and weekly review mechanism adopted to review the account receivables.
6.6	Demand for its products/services	There is temporary reduction in demand due to lock down, which we expect to improve in 3rd quarter and normalise by 4th quarter.
7.	Non-fulfilment of the obligations of the existing contracts/ agreements by any party, which have significant impact on the business	There is no non-fulfilment of obligations for the existing contracts by any party. Approximately 3-5% of the open export orders has been cancelled due to CoVID-19 impact by the buyers which the management considers, will not have significant impact on the business.

