



2nd June, 2020

BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, Mumbai - 400001 BSE Code No. 507880	National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. NSE Code – VIPIND
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Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of COVID-19 pandemic on the Company

Dear Sir / Madam,

Pursuant to SEBI Circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure as Annexure-I on material impact of COVID-19 pandemic on the Company.

This is for your information and record.

Thanking you,

Yours Faithfully,

For V.I.P. Industries Limited

Anand Daga
Company Secretary & Head – Legal

Encl.: As above.

VIP INDUSTRIES LIMITED

Registered Office: DGP House, 5th Floor, 88C, Old Prabhadevi Road, Mumbai 400 025. INDIA.
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CIN - L25200MH1968PLC013914



Annexure-1

1.	Impact of the CoVID-19 pandemic on the business	<p>Due to Covid-19 pandemic, the operations of the Company substantially got effected from mid of March, 2020 due to closure of factories of the Company, disruption of supply chain, closure of malls and shops across the country.</p> <p>This has impacted sales of the Company for Q4 2019-20 with an estimated impact (based on best judgment) of approx Rs. 120 Crores. The negative impact on sales is expected to continue in FY 20-21 and we expect sales for 20-21 to be around 50% of 19-20 sales. The Company is trying to reduce the fixed overheads to the best possible extent to protect the bottom line.</p>
2.	Ability to maintain operations including the factories/units /office spaces functioning and closed down	<p>Due to lockdown, Company's plants suspended its operations effective 22nd of March, 2020 and are not resumed to date. Both the factories of the Companies are located in Red zone and therefore the Company has not yet commenced the commercial production at either of the factories. Even after completion of lockdown, the Company shall adopt a cautious approach and is not in a hurry to commence production as the Company have enough inventories to cater to the demand of the consumer in near future.</p> <p>However, selected Company run stores and warehouses has been re-opened in the different parts of the Country based on the directions/orders issued by both State and Central Government depending on the situation in the respective zones.</p>
3.	Schedule, if any, for restarting the operations	<p>Further, the Company's office including its registered office remains shut due to lockdown. However, all the employees of the Company have been allowed the facility to work from home whereby important official work is being done to a larger extent.</p> <p>The Company expects to restart its offices including its registered office after completion of the lockdown and will function initially with 20%-50% employee strength for several weeks and/or months.</p>
4.	Steps taken to ensure smooth functioning of operations	<p>The Company is taking utmost care of its staff deployed at its Company run stores / warehouses and various precautions and safety systems have been implemented with appropriate training to staff including following of strict social distancing norms.</p>
5.	Estimation of the future impact of CoVID-19 on its operations	<p>Impact of Covid-19 upto Q4FY20 has been provided in Point no. 1. It is difficult to estimate the impact of COVID-19 on our future operations at this point of time.</p>

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6	Details of impact of CoVID-19 on the Company:	
	• capital and financial resources	There is no impact on capital and financial resources of the Company.
	• Profitability	As mentioned above in point No. 1
	• liquidity position	The Company had Net Cash as on 31 st March 2020 to meet requirements in case of any emergency and we do not foresee any liquidity crunch. Company has further raised its borrowing by Rs. 100 crore to meet its future requirements.
	• ability to service debt and other financing arrangements	Due to Covid-19 there is no impact on Company's ability to service debt. In fact, during this period the Company has discharged its liability towards lenders well within time and as mentioned above, the Company has sufficient cash reserves and unutilised banking lines to draw down in case of any emergency, if the need so arise.
	• Asset	There is no significant impact on debtors and inventory and all assets are at fair value.
	• internal financial reporting and control	All the internal financial reporting and controls have been maintained adequately.
	• supply chain	The supply chain has been disrupted due to lockdown since March 2020 and unless the full supply chain resumes back to normal the availability of raw materials, packing material, etc is an issue in view of the countrywide lockdown. However since Company has enough stocks at this stage it will not have any adverse impact.
	• demand for its products/ services	Since the Company products falls under the non-essential categories, the demand for its products will remain low and will tend to witness a recovery in demand once the situations gets normalize.
7.	Existing contracts /agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business	None

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