

V.B. Desai Financial Services Limited

Category I Merchant Banker - SEBI Registration No. INM 00002731

June 26, 2020

The Manager,
Corporate Relations Department
BSE Limited
P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001

Dear Sir,

Ref: Company Code No: 511110

Sub: Disclosure of material impact of COVID-19 pandemic on the Company under Regulation 30 of SEBI (LODR) Regulations, 2015 and SEBI circular No. SEBI/HO/CFD/CMDI /CIR/ P/2020/84 dated 20th May 2020.

With reference to the above, under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI circular No. SEBI/HO/CFD/CMDI /CIR/ P/2020/84 dated 20th May 2020, we submit as per attachment, the disclosure of material impact of COVID-19 pandemic on the Company's business and operation.

Please take the same on your record.

Thanking you,

Yours faithfully,

For V.B.DESAI FINANCIAL SERVICES LIMITED


Pradip P. Shroff
Managing Director

Encl: as above

UPDATE ON OPERATION AND PERFORMANCE – COVID 19 PANDEMIC

A. Impact of CoVid-19 pandemic on the business

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Consequent to the announcement to the announcement of lockdown in across India by Government/Municipal Authorities, our only Office in Mumbai remained closed from March 24, 2020 onwards. To ensure the well being of the employees, the Company had adopted work from home policy for all employees to maintain the continuity of basic operations.

The Company is in Service Industry; lock down has partially affected the operations in last quarter of FY 2019-20 and first quarter 2020-21. As of date, the Management feel that it is too early to gauge with certainty of the future impact of COVID-19 on business and operations of the Company. As of date, it is expected that income will recover to normal by the end of second quarter of FY 2020-21. The impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company is monitoring the situation closely and moderate impact is expected in the financial results in FY 2020-21.

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

The Company's only Office at Mumbai is still closed, the work from home policy adopted have achieved almost normal business activities till date. We expect the Office to reopen soon as per Government/Authorities directives after considering the health and safety of the employees. The incremental cost to adhere to the standard operating procedures notified by the Government /Authorities were not significant.

C. Schedule if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

The Company's only Office in Mumbai remained closed from March 24, 2020 onwards. The decision to reopen the office of the Company will be taken considering the local condition including directives of the Government/ Municipal Authorities considering the health and safety of our employees. However, the Company continue to operate normal business activities on account of work from home policy adopted by the Company.

D. Estimation of the future impact of Covid-19 on its operations:

It is expected that Covid-19 may have moderate impact on the income of the Company in Q1 and Q2 of FY 2021. Presently it is too early and the Company is not in a position to gauge with certainty the future impact of Covid-19 on business and operation of the Company.

E. Details of impact of Covid on the listed entity's:

1. Capital and financial resources:

The company has no long term debt hence no material impact is expected on the financials resources.

2. Profitability:

Covid-19 will not have any significant impact on the profitability of FY 2020. As of date, we expect it will have moderate impact on profitability in FY 2021.

3. Liquidity position:

Considering the present liquidity position of the Company, does not foresee any adverse impact on its liquidity position and its ability to meet its liabilities as and when they fall due.

4. Ability to service debt and other financing arrangements:

The Company has no long terms debt or financing arrangements.

5. Assets:

The Company does not expect incremental risk to recoverability of Assets including receivables and investments.

6. Internal financial reporting and control:

There is no impact on internal financial controls due to prevailing Covid 19.

7. Supply chain:

The Company is in the service industry, there is no disruption in the supply chain of various input material requirements of the Company.

8. Demand for its products/services:

The Company's business are service oriented, moderate impact is expected on the business of the Company in FY 2021.


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

As of date, the Company does not foresee any significant impact on the business due to nonfulfillment of the obligations by any party.

G. Other relevant material updates about the listed entity's business.

The Company does not foresee any incremental risk in terms of impairment of receivables, investments or assets. We will continue to update the exchange in case there is any material development in this regard.

For V.B.DESAI FINANCIAL SERVICES LIMITED


Pradip R. Shroff
Managing Director