



July 10, 2020

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

Scrip Code: 520113

Scrip Code: VESUVIUS

Dear Sirs,

**Sub: Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

Ref: SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and further to our earlier disclosure on the subject submitted by us on March 26, 2020 and announcement made on June 3, 2020, we hereby submit an update relating to the impact of the COVID-19 pandemic on operations of the Company as per the Annexure A.

The same is submitted for public dissemination.

Thanking you,
Yours faithfully,

VESUVIUS INDIA LIMITED


Vikram Singh
Company Secretary

Vesuvius India Ltd.

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Pan No : AAACV8995Q , GST Regn Type : Regular/TDS/ISD, GST Regn No : 19AAACV8995Q1Z1 , GST State Code : 19

Corporate Identification No. : L26933WB1991PLC052968
Corporate Email ID : vesuviusindia@vesuvius.com
website : www.vesuviusindia.com





Annexure A

A. Impact of the COVID-19 pandemic on the business

In view of the COVID-19 pandemic, and consequent to the lock-down orders issued by the Central and State Governments, our operations were disrupted at our plants (Kolkata, Visakhapatnam and Mehsana) and various customer sites. Further, road closure in conjunction with the aforesaid orders had resulted in the restriction of movements of personnel and incoming and outgoing goods.

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

During April 2020, our plants worked only at the skeletal level due to lockdown restrictions while manpower availability at our plants and movement of goods remained a challenge. Things started improving from May 2020 but a rising number of Covid-19 cases and availability of the transport of workers remained a cause of concern. However, the Company could meet the demand of its products, mostly through available inventory and in parts through production from our plants and permitted despatches. Since customer operations were also impacted due to the Covid-19 outbreak, customer demand remained subdued during the lockdown period.

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

Following the lockdown declared by the Government and disruption caused thereof, our plants were closed temporarily, however consequent to the relaxations in lockdown and due to the permissions received from the authorities for Vizag, Kolkata and Mehsana plants on March 28, March 31 and April 25 respectively, our operations at the Plants re-started and our level of operations has improved since. Notwithstanding the foregoing, during April and May 2020 operations remained subdued due to reduced customer demand and had been limited to skeletal level with permitted lower number of staff /workers. In June 2020 we have seen an increased level of operational activity due to improvement in customer demand.

In the short term, it is expected that the manufacturing activity will be well below the normal level of production, due to lack of end-user demand and consequent subdued demand by our customers. The Company is expected to gradually ramp up its operations to full scale depending on waning effects of lockdown restrictions and an increase in customer demand.

D. Steps taken to ensure smooth functioning of operations

- a) Social Distancing at workplace
- b) Weekly roster to ensure limited exposure to our employees coupled with Work From Home facility
- c) Temperature check & sanitization at the entry gate
- d) Regular deep sanitization of premises, cars and goods vehicles
- e) Mandatory usage of mask while within 2 meters
- f) Changes in infrastructure
 - Bio-Metric attendance replaced with RFID card
 - Signages for awareness & information

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- Changes in the door handles
- Restricted and marked out movements within the Plant premises
- g) Canteen Arrangements – staggered timing and social distancing
- h) Foot-operated sanitizer dispensers
- i) Meetings and group gatherings have been dispensed with and meetings are conducted online.

E. Estimation of the future impact of COVID-19 on its operations

It is very early to assess the future impact of COVID-19 with reasonable certainty. However, since the Covid-19 pandemic has severely impacted the entire global economic scenario, operations of our customers were also adversely impacted resulting in sub-normal demand and accordingly, sales volumes and profitability of the Company will be correspondingly impacted. Imported materials are being held back at ports by customs officials for longer periods, thereby limiting and delaying our raw material supplies. Uncertainties are associated with the nature and duration of Covid-19 pandemic. Recovery depends on multiple factors like end-user and customer demand, opening-up of the economy post lockdown, restoration of normal supply-chain and availability of workers. The Company expects the operations to remain sub-normal in the immediate future. The Company will continue to monitor any material changes to future business conditions and take actions where appropriate.

F. Impact of COVID-19

(i) Capital and financial resources

The Company has adequate capital and financial resources to meet its need. Measures like reducing breakeven point, conservation of cash have been initiated. More ways to change to the “new normal” are being explored.

(ii) Profitability:

The Company’s cash flow from operations has been adversely impacted during the lockdown. Exact profitability for the quarter ending in June 2020 would be measured and reported as part of the quarterly results to be declared by the Company in due course.

(iii) Liquidity position:

There has been no major impact on liquidity position and hence the Company is in a comfortable position to meet its commitments. The Company has adequate capital and financial resources presently, to run its business.

(iv) Ability to service debt and other financing arrangements:

Since the Company has no debt and other financial arrangements, the inability to service the debts or other financial arrangements does not arise.

(v) Assets:

None of the Company’s assets have been impacted by the Covid-19 situation. The Company is making efforts to further optimise its level of inventory and raw materials as a part of its cash conservation measures.



(vi) On internal financial reporting and control:

There is no major impact on internal financial reporting and controls due to the COVID-19 situation. The Company has a robust SAP ERP System and other internal control systems and all locations are well networked.

(vii) Impact of COVID-19 on supply chain

During the initial days of the lockdown, the Company encountered disruption like consignments being stuck on highways, delay while clearing raw material from ports and challenges regarding supplies from the vendors operating from Covid-19 impacted zones. Restrictions on the movement of workers also adversely impacted operations. However, ease in lockdown restrictions over time have been helpful to attain normalcy.

(viii) Demand for products:

Demand for the Company's product remained sub-normal during the lockdown period and is expected to increase with an overall improvement in the industrial activities and economic scenario.

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

The Company has positioned itself appropriately for its obligations against all the existing contracts and agreements. Recovery from customers remains a focus area in the coming months. At present, the Company does not foresee any significant and unmitigated risk emanating from the nonfulfillment of obligations by any party which could have a significant impact on the Company.

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

Performance of the first half (and especially second quarter) of the financial year is likely to have its impact on the annual performance for the current financial year.

Statements expressed herein describe the Company's objectives and expectations based on the information as are available now, whereas actual results may differ depending on the extent of disruption caused by the Covid-19 and impact of subsequent recovery on the economy, customer demand and other relevant factors.