



## VIP Clothing Limited

Registered Office : C-6, Road No.22, M.I.D.C., Andheri (East), Mumbai – 400 093

Website : [www.vipclothing.in](http://www.vipclothing.in) Email ID : [investor.relations@viporg.com](mailto:investor.relations@viporg.com)

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CIN : L18101MH1991PLC059804

**July 07, 2020**

To,

The Listing Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code : 532613**

To,

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

**Trading Symbol : "VIPCLOTHNG"**

**Sub:- Impact of the Covid-19 pandemic on the business.**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we have enclosed herewith the disclosure of material impact of COVID-19 pandemic on the business.

Due to the prevailing situation, this intimation is being filed under sd/-.

This is for your information and record.

Thanking you.

Yours faithfully,  
**For VIP Clothing Limited**

**Sd/-**  
**Sunil Pathare**  
**Chairman and Managing Director**

**Encl : As above.**

## **Impact of the Covid-19 pandemic on the business:**

- 1. Ability to maintain operations including the factories/units/office spaces functioning and closed down; Schedule, if any, for restarting the operations;**
  - The Operation of the Company including its 2-factories, warehouses and registered office were shut during the lock down period. The employees of the Company were allowed to work from home during the lock down period as a part of precautionary measure.
  - With prior permission and relaxation given by the State and Central Government the Company's factories and warehouse have resumed its operation's except factory at umbergaon in Gujarat location
  - As per the prescribed guidelines of Government, our registered office has also re-opened by allowing minimum staff to work from office premises and rest are continuing to work from home.
  - Safety norms and precautions are strictly followed at all locations, considering the risk of Corona virus and also to keep a control on it.
  
- 2. Steps taken to ensure smooth functioning of operations;**
  - In order to smooth functioning of operation, the Company is adhering the guidelines and direction issued by State and Central Government including the local administrative authority for maintaining the health and safety norms across its all locations including physical distancing, compulsory use of face mask and hand sanitization etc.
  
- 3. Estimation of the future impact of COVID-19 on its operations;**
  - The situation is still evolving and it is difficult to guess on how this pandemic will make further influence. The Company is closely monitoring the emerging situation arising out of COVID-19 and subsequent restrictions imposed by the regulatory authorities.
  - It is possible neither to foresee the duration for which this pandemic will last, nor predict its course. Nevertheless, the Company is making every effort to ensure that the after effects are dealt with. In view of the prevailing uncertainty, no precise estimation can be made about overall impact of this pandemic.
  
- 4. Details of impact of COVID-19 on listed entity's -**
  - a. **Capital and financial resources:** - The Capital employed of the Company is intact. In order to ease out the requirement of liquidity, Company has availed the emergency covid credit line sanctioned by bank and availed the relaxation given by RBI.
  - b. **Profitability:** - The revenue and profitability for the first quarter of the financial year 2020-21 will be more impacted due to lock down situation and we expect to recover ground in remaining quarters. The Company has taken various steps to reduce overheads to manage the operations.

- c. **Liquidity Position:** - Company has adequate resources to maintain its liquidity, however during the lockdown, cash flow was disrupted due to lower collections and fixed expenses commitments.
  - d. **Ability to service debt and other financing arrangements:** - The Company does not have any long term debt except for working capital debt, on resuming the operation; there is no impact on ability to service debt.
  - e. **Assets:** - There has not been any impact on assets due to Covid-19.
  - f. **Internal Financial Reporting and Control:** - The management is constantly endeavouring in resulting an effective internal financial reporting and control measure, and there has not been any impact on internal financial reporting and control. In order to facilitate the smoother operation remote access of technology has been given with built in requisite control.
  - g. **Supply Chain:** - There was distribution on supply chain during lockdown. The Company is actively working with its vendors and logistic provider for ensuring seamless supply of raw material and despatches of finished goods.
  - h. **Demand for its products/services:** - The Company expect that post lock down demand will take off on coming months on revival and opening of the market.
5. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business;**
- No such existing contracts/agreements have been identified where non-fulfilment of the obligations by any party will have significant impact on the Company.
6. **Other relevant material updates about the listed entity's business.**
- The Company shall keep its stakeholders informed as and when any material developments take place having significant impact. As the current environment is very dynamic and resultant situation is evolving, the business operations are highly influenced by the decisions taken by the Government and Regulators, from time to time. Accordingly, any material change in the business operations and its impact will be updated from time to time