



To

BSE Limited,
Corporate Relations Department.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 506146

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th floor
Plot No. C/1, 'G' Block, Bandra-Kurla
Complex, Bandra (E)
Mumbai – 400 051
Symbol: VIVIDHA

Dear Sir,

Sub: Disclosure on impact of Covid-19 on the business of the Company pursuant to the SEBI circular no SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.

Ref.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and SEBI Circular dated May 20, 2020 on ‘Advisory on disclosure of material impact of CoVID–19 pandemic on listed entities under LODR’, please find enclosed a note on impact of Covid-19 pandemic on the business and financial position of the Company.

You are requested to kindly take the above information on your record.

Thanking you,

Yours faithfully,

FOR VISAGAR POLYTEX LTD

(Tilokchand Kothari)
Managing Director
DIN: 00413627



COVID-19 PANDEMIC AND RELATED DEVELOPMENTS – UPDATE

The outbreak of COVID-19 is subjecting India and the world to extreme stress and uncertainty. Amidst this unprecedented period, our priority has been to safeguard the health and well-being of our employees, customers and communities at large while continuing our business operations with responsibility and care.

I. Impact of COVID – 19 Pandemic on the Business

In the light of heightened concern on spread of Coronavirus across the country and Lockdown imposed by Central/State Government, our employees are unable to get to plant and offices. The Lockdown has also blocked movement of raw material and finished goods. The working capital cycle is adversely affected as the demand for goods is significantly reduced. In the circumstance, our Company has shut down the manufacturing operations at its Plant, in Surat w.e.f. 25th March '2020 for combating with Covid-19 pandemic effect and most of the available workforce has left for their respective hometowns. Since the above closure is for the reasons beyond the control of the company, we are unable to assess the impact as of now.

Having said that we continue to incur committed cash outflows, including some salary pay-outs, other overheads, this has and will have significant negative impact on profitability and liquidity during lockdown and even thereafter till business comes to normalcy.

Further once the production restarts, we may not be able to run at normal capacity utilization levels on account of social distancing measures, reduced demand, supply chain issues, availability of labour as well as health concerns that our employees may have. On account of this, our revenue and cash flow generation may be impeded even once we are allowed to restart operations.

II. Operational Steps to ensure continuity:

At present the staff movement is not possible, hence registered office at Mumbai is closed for time being. The essential accounts and secretarial personnel are working from home under the guidance of management remotely, through the implemented IT systems, to ensure compliance measures.

The Company has undertaken review of financial impact of COVID-19 and related developments on the business. On basis of the review, the Company sees impairment of its assets including current assets and major costs in maintenance of assets, plant & machinery once operations restart.

III. Re-opening Schedule:

Central Governments have introduced Guidelines for re-opening (Unlock 1) [As per Ministry of Home Affairs (MHA) Order No. 40-3/2020-DM-1(A) dated May 30, 2020], where Government have come out with Phase wise re-opening of activities in areas outside the containment zones. Employees' well-being and safety are matters of utmost priority for the Company. We are carefully monitoring the rapidly evolving situation due to Covid-19 pandemic and ensure safety and health of all our employees and

compliance with various directives being issued by Central/State/Municipal authorities from time to time. As mentioned essential accounts & secretarial employees in our offices have already been instructed to work from home in order to maintain compliance continuity as much as possible.

Due to the adverse event of Covid-19 pandemic and the already stressed textile sector in which Company operates before the pandemic, we predict a significant negative impact on the sector & its overall business cycle. The major operational activities of the Company are closed for time being until there is normalcy. The manufacturing activities are stopped till labour returns back and will be re-started once there is demand.