

March 24, 2020

<p>The Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001</p>	<p>The Manager Listing Department, National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051</p>
<p>Ref:- Scrip Code: 532953</p>	<p>Ref:- Symbol: VGUARD</p>

Sub: - Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - reg.

Dear Madam / Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we hereby inform that, in view of the directions / advisories issued by the Central Government / various State Government / local authorities, to prevent and contain the spread of COVID – 19, which has been declared a pandemic, and to ensure the safety of employees and workmen, the Company has temporarily shut down the operations of plants situated at various States and closed down all the offices and warehouses. To ensure safety of employees, the Company has adopted Work From Home Facility for its employees through various software systems which helps in maintaining social distance and ensuring business continuity. The Company believes in keeping communication lines open constantly with all the stakeholders in this challenging time.

Operations will be resumed basis the directions / advisories issued by the Central Government, State Governments and / or other Government Authorities.

Kindly take the above information on your records.

Thanking you

For V-Guard Industries Limited

Jayasree K
Company Secretary & Compliance Officer

May 13, 2020

The Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	The Manager Listing Department, National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Sub: - Intimation on partial resumption of operations under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 - reg.

Ref: - Intimation dated March 24, 2020 made regarding temporary closure of operations

Dear Madam / Sir,

With reference to the captioned subject and disclosure made dated 24th March 2020, this is to inform you that as per the various directives issued by the Central Government/ State Government on the exemptions from lockdown and by adhering to the Standard Operating Procedures / Guidelines prescribed by respective State Governments, the Company has partially resumed operations at various offices and warehouses with limited workforce. With a view to maintain the social-distancing norms, the Company continues to provide the facility of Work from Home to employees.

The Company will continue to closely monitor the situation and take appropriate action as per regulatory guidance.

Kindly take the above information on your records.

Thanking you

For V-Guard Industries Limited



Jayasree K
Company Secretary & Compliance Officer



V-GUARD INDUSTRIES LTD.

Regd. office 42/962,
Vennala High School Road,
Vennala, Kochi - 682 028.
CIN: L31200KL1996PLC010010

P +91 484 300 5000, 200 5000
F +91 484 300 5100
E mail@vguard.in

A. Impact of CoVid-19 pandemic on the business

The CoVid-19 pandemic and the country-wide lockdown imposed to fight it have had a collateral impact on the Company's business. All facilities of the Company were closed between March 24th and May 4th as the Company's products are classified as non-essential. The Company had near zero revenues during this period. After May 4th, the Company's warehouses progressively started functioning to limited capacity, in adherence to Central, State and Local Government regulations and protocols.

During the month of May, markets were partially open. The Company operates through a network of Distributors and Dealers, many of whom are located in Red and Orange zones which continued to be under lockdown. Some of the key product categories of the Company are seasonal in nature; therefore, the sales loss during summer months has a significant impact on the overall financial results.

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

As mentioned in Section A, all facilities of the company went into shutdown, including warehouses, factories, sales offices and corporate offices. During the lockdown period, the Company made adequate arrangements for employees in office-based roles to effectively work from the safety of their homes.

Prior to reopening any facility as and when permitted, the Company took all appropriate measures to ensure the safety of its employees at all its workplaces. Actions taken include:

- Sanitization of workplaces
- Screening of employees coming to work, provision of thermal scanners and PPE
- Frequent communication to all employees regarding safety protocols – including use of Arogya Setu app
- Limiting attendance to essential and low-risk staff
- Infrastructure enhancements at workplaces to minimize contact
- Implementing social distancing measures in all aspects of work

As of 31st May, the Company's Head Office at Kochi is open and is functioning with about 33% attendance. About two-thirds of the employees continue to work from home. All warehouses have started functioning. The Wires factories at Chavadi and Kashipur reopened in the last week of May and are operating at about 30% capacity. The Company plans to reopen its other factories and branch offices progressively during June.

We expect that it will take a few more weeks for the Supply Chain to revert to its normal capacity. There will be a lead time for some of the factory workmen to be able to return to work, raw material availability to normalize and our vendors to restart their operations. Over the next few weeks, the Company is hopeful of ramping up production, based on consumer demand pick-up and normalization of inventory levels at the Company's warehouses and with the channel partners.

C. Estimation of the future impact of CoVID-19 on its operations

The Company unable to estimate the effect of the pandemic on the business in future to any reasonable level of confidence. However, overall indications are that consumer spending on discretionary items will



show only a slow recovery, which will adversely impact the demand for the Company's products for the next few months. The Company views the subdued demand to be a temporary phenomenon.

D. Impact on profitability, liquidity position, ability to service debt & other obligations, Financial reporting & controls

The lockdown led to a revenue loss about Rs 250 Cr in FY 20, with an attendant impact on the bottom-line of about Rs 70 Cr. Sales during April were near zero. With partial opening of business in May, the revenues for the month were about 70% of the corresponding month of the previous year. We expect that it will take some more time for the consumer offtake to revert to normal levels. Considering these, it is likely that the Company's financial performance for FY 21 will be impacted. The Company has initiated cost containment measures which will offset a part of this impact. The Company has not resorted to any layoffs or salary cuts. The cost containment measures focus on avoiding discretionary spends and improving effectiveness of spends.

The Company has a strong balance sheet and does not foresee any liquidity risk. The cash balance as at end March is adequate to fund a few months of fixed costs. The Company has the highest credit rating (A1+) for short term borrowings and is rated AA for long term borrowings. The company is entirely debt-free, and has substantial working capital lines which are available, should the need arise.

The Company does not foresee any incremental risk in terms of impairment of receivables, investments or assets. The Company has a strong and long-term oriented relationship with its Channel Partners and has a track record of managing its working capital prudently. The Company has taken various measures to support its Channel Partners during this crisis and is confident that its distribution network remains robust despite these challenges.

The company does not foresee any risk in meeting all its contractual obligations.

=====

