



VAIBHAV GLOBAL LIMITED

Ref: VGL/CS/2020/133

Date: 28th August, 2020

**National Stock Exchange of
India Limited (NSE)**
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra, Mumbai – 400 051
Symbol: VAIBHAVGBL

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 532156

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Dear Sir/Madam,

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20th May, 2020 and further to our letter dated 26th March, 2020 and 28th April, 2020, please find enclosed herewith disclosure on impact of COVID-19 on the Company under Regulation 30 of SEBI (LODR) Regulations, 2015, in the prescribed format.

Kindly take the same on record.

Thanking you

Yours truly,

For Vaibhav Global Limited


Sushil Sharma
Company Secretary



1. Impact of the CoVID-19 pandemic on the business;

The recent outbreak and global spread of COVID-19 have a significant and prolonged impact on global economic conditions. The Company had responded quickly to ensure the safety of its employees and other stakeholders, as per guidelines issued by authorities in each jurisdiction. It also ensured that our supply chains and operations were able to function with the least disruption. In keeping with its policy of prioritizing employee safety, the Company had issued early guidelines to its employees on maintaining social distancing, hygiene at workplaces, and had adopted "Work from Home" approach for employee long before the lockdown enforcement.

As per government directives, the operations at Company's manufacturing units located at Jaipur (India) were stopped on 24th March, 2020 which were resumed with partial capacity w.e.f. 27th April, 2020. The operations have been scaled up gradually to normalized level in a phased manner complying with government directives. All the necessary approvals have been obtained and various directives issued by Central/State/Municipal authorities, in India, have been complied with. Further, we had resumed operations in China on 2nd March, 2020 and had been able to source for our retail channels.

The business activities at our global retail businesses i.e. Shop LC in US and TJC in UK, remained operative as usual supported by our global supply chain. The addition of some 'essential' items to our offering in both the US and UK helped us to maintain a growth trajectory during the last few weeks of FY 2019-20, and the first quarter of FY 2020-21.

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

The Company's manufacturing units located at Jaipur (India) had restarted operations w.e.f. 27th April 2020. Operations were resumed at partial capacity initially and scaled up to normalized level in a phased manner complying with government directives. The operations of the Company are now working at full capacity by adopting various directives issued by Central/State/Municipal authorities, in India. The functions/operations which can be operated through home, are working from home. The Company has taken appropriate precautionary measures to ensure safety and health of all its employees.

Our global retail businesses i.e. Shop LC in US and TJC in UK, are continuously operating while taking necessary precautions for the safety of our employees, partners, and customers.

3. Schedule, if any, for restarting the operations

Currently all the plants are operational.

4. Steps taken to ensure smooth functioning of operations

The operations were closed for ~ a month in India during the lockdown and were resumed at partial capacity but scaled up to normalized level in a phased manner complying with government directives and maintaining social distance. The Company has segregated the functions which can be performed from home and are continuing to work from home.



All the safety protocols related to COVID-19, as advised by the Government have been implemented. The Company is making adequate provisions for masks, sanitizers, facility for washing of hands & transportation (wherever needed) to its employees. Regular fumigation of offices & manufacturing facilities is being carried out. Sanitization & Thermal screening of employees & other entrants is being ensured. The Company has maintained regular touch with its vendors & customers during lock down.

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

The Company is not foreseeing any material future impact on its operations. Till date, the lockdowns enforced in any geography have not disrupted our business activities and the Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers.

6. Details of impact of COVID -19 on listed entity's

(i) **Capital and financial resources –**

There is no adverse impact of Covid 19 on capital and financial resources of the Company.

(ii) **Profitability**

We witnessed a good start to FY21 with both geographies recording strong performance during the first quarter. Our revenues increased by a strong 25% YoY to Rs. 550 crore. Q1FY21 EBITDA margin expanded by 170 basis points YoY to 14.1% and profit after tax grew by 47% YoY to Rs. 53 crore.

(iii) **Liquidity position**

The Company has a strong balance sheet with net cash position (consolidated) as on 30th June, 2020 amounting to Rs. 358 cr. We reported healthy cash flows for the Q1FY21. Operating cash flows for this quarter stood at Rs. 87 crore and free cash flow came in at Rs. 82 crore.

The Company has also declared interim dividend of Rs. 5/- per share in its Board Meeting of Q1.

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

The company has no long term debt and holds a healthy net cash position and is well positioned to meet its working capital financing obligations

(v) **Assets**

There is no adverse impact of Covid 19 on the Assets of the Company.

(vi) **Internal Financial Reporting and Control**

The Company has proper and adequate systems of internal controls system in place and there has been no adverse impact of Covid-19.

(vii) **Supply Chain**

Our global supply chain network includes manufacturing set-ups in India and China and direct sourcing from micro markets in more than 20 countries. When China and India were in respective lock-downs, other countries picked up the slack and kept retail operations adequately stocked. This diverse and wide locally staffed sourcing footprint has helped us serve our customers at elevated demand levels and continued to offer a wide range of products, quick turn-around in product offering, and gross margins around the target levels.



(viii) Demand for its products / services

Towards the end of the fourth quarter of FY20, we saw nervousness in the markets, and we responded with agility. In addition to our regular fashion jewelry and lifestyle products, we quickly offered health supplements, kitchen appliances, home-cleaning products, masks, sanitizers, and the like to our audience. This resulted in significant volumes increase to 3.2 million pieces in Q1FY21 from 2.3 million in Q1 last year - a 39% increase.

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

The Company at present continues to fulfil its obligations with respect to all the existing contracts and agreements. The Company does not foresee any material impact on account of non-fulfilment of obligation by any party in existing contracts or agreements.

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

The Company has been regularly updating the Stock Exchanges about its business and will continue the same whenever there would be any material change.

