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Vishal Fabrics COVID-19 Business Update

Ahmedabad, May 06, 2020: Vishal Fabrics Limited (VFL), one of the leading manufacturers of Denim Fabric is closely monitoring the evolution of the Corona Virus situation and its impact on the business. The following update is in the interest of investors and stakeholders.

Business Operations:

- As per government directives, and current circumstances, company in pursuance of the approval received from the concerned authorities in the State of Gujarat subject to fulfilment of certain conditions, the Company's manufacturing facility at Dholi Ahmedabad has partially resumed its operations with a limited workforce from April 11, 2020.
- The Company is monitoring potential knock-on effects on production and deliveries and will try to mitigate the same.
- We have a sufficient liquidity and bank limits in order to protect ourselves from any potential delay in the working capital cycle.

Employees:

- All permanent employees have been asked to work from home.
- Our HR department is playing very proactive role by constantly communicating with all our permanent and on-contract employees and monitoring their health.

Working Capital Update:

- Our sales and marketing team has been in constant touch with our customers across the country and well-positioned to tap the opportunities that may come across post the lockdown.
- Trade receivables may be delayed; however, company is in a comfortable scenario to withstand the impact of the same.
- We have a strong orderbook and will continue to serve our customers diligently.
- The Company is well equipped to fulfil all the export commitments.
- Being a large firm. MSME vendors will be paid on a timely basis because we understand that we need to take care of people and help society at large.

Credit Rating:

This is to inform that the ratings of Vishal Fabrics Ltd bank loan facilities amounting to Rs. 3442.9 Mn have been revised/reaffirmed by Brickwork Ratings as follows:

Facility	Previous Limits Rs. Mn	Present Limits Rs. Mn	Tenure	Rating History (March 2019)	Review Ratings*
Fund Based – Term loan	2116.3	1582.9	Long Term	BWR BBB+ (Stable)	BWR A- Outlook: Stable
Fund Based – Cash Credit	1700.0	1600.0			
Non Fund Based	265.0	260.0	Short Term	BWR A2	BWR A2+
Total	4104.7	3442.9	₹ Three Thousand Four Hundred Forty Two Million and Nine Lacs Only		

Response by the Management:

- **Business Continuity:** All the departments are in constant touch in order to take inputs and to ensure business continuity. We are in regular touch with our suppliers, customers, employees, bankers and the authorities.
- **Employee Safety:** Employee safety is our utmost priority. We have shut down all our offices, cut down all non-essential travel and given work from home to all our permanent employees.
- **Liquidity Management:** Preserving cash in the need of the moment. We have identified areas for cost reduction and several initiatives have been taken to reduce the cost. We have already received moratorium from our Bankers. We also have sufficient cash and undrawn line of credit from the banks.

CSR Activities:

- Chiripal Group contributed with Rs. 1 crore to Gujarat CM Relief Fund to fight Covid-19 pandemic.
- We have sanitized the surrounding villages.
- The Chiripal Group has supported 50,000 plus people with sanitizers and soaps.
- The Company supplied food grains to 2,500 plus families.
- We have also distributed food packages to 50,000 plus people in need.
- We also distributed masks to 50,000 plus people to fight the pandemic.
- The Chiripal Group also donated towels to 20,000 plus people.

About Vishal Fabrics Limited (BSE Code – 538598)

Established in 1985, Vishal Fabrics Limited (VFL), is one of India's leading manufacturers of Denim Fabric is a part of the Chiripal Group. The company has state of the art manufacturing facility near Ahmedabad, Gujarat with an installed capacity of 80 MMPA and a processing unit of 105 MMPA. VFL is a premier supplier of top-quality stretch denim fabric which is very popular among people of all ages.

Company had appointed Haribhakti & Co. as its internal auditors, a step towards improvement in corporate governance.

Further, the Company through its CSR initiative promotes **ROBOTICS Education** in Rural and Urban Schools. The company has conducted 8 (Eight) ROBOTEX workshops and educated more than 2,000 number of children . The Robotex India competition event enrolled more than 5,000 participants.

Disclaimer

This press release and the following discussion may contain “forward looking statements” by Vishal Fabrics Limited that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Vishal Fabrics about the business, industry and markets in which Vishal Fabrics operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Vishal Fabrics’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Vishal Fabrics. In particular, such statements should not be regarded as a projection of future performance of Vishal Fabrics. It should be noted that the actual performance or achievements of Vishal Fabrics may vary significantly from such statements

For More Information, Please Contact:

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