

XPRO INDIA LIMITED



Birla Building (2nd Floor),
9/1, R. N. Mukherjee Road,
Kolkata - 700 001, India

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May 26, 2020

National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051

Stock Symbol: XPROINDIA(EQ)

The Dy. General Manager
Bombay Stock Exchange Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
Mumbai 400 001

Stock Code No. 590013

Dear Sir,

Sub.: **Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Updates regarding impact of Covid-19**

Ref: **SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020**

In respect of the above referred Circular, we would like to inform that we had sent the intimations regarding the temporary suspension of plant operations since March 23, 2020 at our units located at Barjora (West Bengal), Ranjangaon (Maharashtra) and Greater Noida (Uttar Pradesh) following the "lockdown" imposed by Government(s) consequent to the COVID-19 pandemic and subsequently, regarding respective resumption of manufacturing operations at Barjora (West Bengal) and Ranjangaon (Maharashtra), to the extent permitted by the local administration/competent authority.

We now furnish, as directed by SEBI, the latest updates regarding impact of Covid-19 on the business of the Company as under:

1. Impact of Covid-19 on the business:

The COVID-19 pandemic has given rise to the 'lockdown' and consequent interruption in production, economic uncertainty, supply chain disruption and challenges in logistics, non-availability of personnel, etc.

The Company is a leading OE and industrial supplier to the consumer durables and capacitor industries and is subject to uncertainty of demand as these industries are yet to significantly resume production, and also the behaviour of our clients' ultimate consumer and other markets cannot be estimated or forecast with any reliability at this point in time. The medium term impact of the corona virus on the businesses of the Company could vary depending on future health and social developments or Government dictates that cannot be reliably predicted including steps to contain the spread of the disease, revive market demand and mitigate the crippling impact on the business economy.

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2. Ability to maintain operations/Schedule for restarting:

Operations at our manufacturing units at three locations were temporarily suspended since March 23, 2020 in accordance with Government directions for the nation-wide lockdown. After getting necessary permissions from the Government and the concerned local authorities and ensuring compliances related to Covid-19 guidelines, the Company has begun plant operations in phased manner from April 20, 2020. Currently, our plants located at Barjora (West Bengal) and Ranjangaon (Maharashtra), are operating with limited manpower and other resources (including financial). Plant Operation at Greater Noida (Uttar Pradesh) is anticipated to resume after June 1, 2020 as of now. The administrative and commercial office of the Company were operating on a Work-from-Home basis and offices are also now open with limited man power as per relevant local guidelines. The internal ability and readiness to maintain operations is high; however on the external front further interruptions are subject to a large range of variables, beyond control of the Company, which cannot be reliably forecast/foreseen at this time, though prospects of normalization appear reasonable.

3. Steps taken to ensure smooth functioning:

The Company is following all relevant Government directives and guidelines regarding health and safety of the workforce on resumption of production activity. Work From Home facility has been extended where feasible and prudent.

Adequate stocks of key input materials for the time being are available. Efforts are being made for smooth despatches of the finished goods. Normalization of external logistics is awaited.

4. Estimation of the future impact of COVID-19 on operations:

The temporary suspension of manufacturing and the continuing reduced levels of operation are likely to have significant financial impact, the extent of which is not quantifiable, as the rate of resumption and ramping up of operations is yet difficult to predict. An attempt to formulate estimates will become speculative at this point. The Company is making every effort to mitigate this.

5. Details of impact of COVID-19 based on certain performance parameters:

- a. **Capital and financial resources and profitability** - Future impact on operating results and financial health of the Company cannot as yet be reliably ascertained or quantified. Adverse impact on revenues, profits and resultant cash flow would depend upon containment of the disease, remedial measures taken at a larger level, and revival of end-markets/demand.
- b. **Liquidity** - In anticipation of strained cash flows, rigorous control implemented.
- c. **Ability to service debt** - Three months moratorium/deferral on payment of term loan instalments (and interest where applicable) falling due in March - May 2020 is being availed from Company's Bankers. Moratorium as announced by RBI expected to be extended by another 3 months, Covid-19 Emergency Credit Line loan of about Rs.4 crore may be availed from Company's bankers.
- d. **Assets** - No impact
- e. **Internal Financial Reporting and Controls** - The Company systems continue as usual.
- f. **Supply chain** - Inward and outward logistics were suspended to a large extent and continue to be strained. However, we expect gradual improvement in supply chain as the states announce relaxations and take steps to improve trade and commerce. We were able to meet export commitments as well as supplies to essential sectors through the lockdown period.
- g. **Demand** - Uncertainty of market demand is likely to continue for multiple months.

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6. Impact on contracts/ agreements:

The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim by or against the Company.

7. Other relevant material updates:

No other material matter can be identified at present. We will continue to follow the recommendations/advisories as may be issued from time to time by the relevant authorities.

Thanking you,

Yours faithfully,
For Xpro India Limited

A handwritten signature in blue ink, appearing to read "S. C. Jain", with a horizontal line underneath.

For S. C. Jain
Company Secretary