



**ENDURANCE
ENDURANCE TECHNOLOGIES LIMITED**

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CIN No. : L34102MH1999PLC123296

25th June, 2020

The Manager – Listing,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

The Manager – Listing,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400051

Sub.: Intimation of impact assessment of Coronavirus (COVID 19)

- Ref.: (1) SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020; and**
- (2) Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).**

Dear Sir/ Madam,

We inform you that pursuant to the above-mentioned SEBI circular dated 20th May, 2020 and Regulation 30 of the Listing Regulations, a disclosure note on impact assessment of Coronavirus (COVID 19) on the Company is attached.

You are requested to take the above disclosure on record.

Thanking you,

Yours faithfully,
For **Endurance Technologies Limited**

Sunil Lalai
Company Secretary and Executive Vice President – Legal

Encl.: As above.





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Disclosure on Impact Assessment of Coronavirus (COVID 19) as per requirement of SEBI Circular dated 20th May 2020

[To be read in conjunction with our communications in this regard submitted to Stock Exchanges from 23rd March 2020 till date]

The COVID 19 pandemic and the consequent lockdown has impacted economies and industries across geographies. The lockdown led to protracted suspension of economic activity as well as significant drop in consumer demand. Post relaxation, as industries are in the process of ramping up operations, they are faced with the twin challenge of reduced availability of work-force and some disruption in the supply chain.

Impact of the pandemic on the Company is as follows:

Gist of impact on business of the Company	Production at our plants in India was suspended for periods ranging from 30 to 50 days between March and May. Production at our plants in Italy were also suspended due to lockdown for about 40 days. Shutdown at some of our OEM customers' and vendors' plants adversely impacted our post-lockdown operations. Demand from OEM customers was low, also due to low end user demand for vehicles and inability of their dealers to keep the sales outlets open.
Extent of Close-down and timing of restart	Operations in all our plants in India and Italy were suspended from 23 rd / 25 th March 2020, in view of the lockdown requirements in both these countries. Operations in plants in Germany were also significantly truncated during April, due to low end-user demand. All our plants resumed in a phased manner during April / May 2020 with low level of activity. Upon restart, resources were channelised in our factories and our supply chain to ensure supply to our customers, as per their schedules.
Steps taken to ensure smooth functioning of our operations	All requisite measures have been taken to adhere to the government directives for COVID 19 management. Standard operating procedures of social distancing, workplace sanitation and employee healthcare are being followed.
Estimation of the future impact of the pandemic on the Company's operations, and on the demand for its products.	It is difficult to estimate the impact of the pandemic on future Company performance, which is linked to the extent and timing of containment of the pandemic, the stance taken by authorities w.r.t. relaxation of lockdowns, and the revival of end-user demand. We believe that normalcy will be restored in the economy in the medium term. Revival of vehicle demand might be affected by lower purchasing power in the hands of the consumer. On the other hand, quick economic revival, a good monsoon, preference for personal mobility and higher door delivery activity might help quick revival of demand for smaller vehicles.
Impact on the Company's Revenues	Consequent upon the lockdown, Endurance lost revenues for approximately 9 days in FY 2019-20. Revenues in April 2020 were also negligible. Resumption of industrial activity has been tepid through the month of May, and June has seen improved volumes. We expect gradual ramp-up with restoration of normal volumes

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	in the third quarter and probable growth in the fourth quarter of this fiscal. As explained above, it is difficult to estimate and give projections in the current environment.
Impact on the Company's Profitability	In order to face the challenges of lower volumes, the Company has taken various steps to contain fixed and variable costs, capital expenditure and working capital requirements. Despite such measures, the lower volumes would have an adverse impact on the profits of the Company. It is difficult to assess the impact of the pandemic on our financial results. However, results for future quarters will be viewed against the corresponding periods of the previous year to understand this impact.
Impact on the Company's Liquidity and ability to service debt and other obligations	The Company has a strong Balance Sheet, with Consolidated Net Worth of Rs. 30 billion and zero net debt as on 31 st March 2020. On 29 th May 2020, CRISIL has reaffirmed the Company's credit rating of AA/Positive for long term facilities and A1+ for short term facilities and CPs. Despite the lockdown, all our major customers have been regular in honouring payments due to the Company. With significant undrawn bank facilities and high cash balances, the Company has maintained a strong liquidity position. The current situation has not impacted the ability of the Company to meet its debt and other financial obligations.
Impact on the Company's assets	We believe that normalcy will be restored in the economy in the medium term. Based on current indicators of future economic conditions, the carrying value of the assets on the Company's Balance Sheet will be recovered. However, we believe that the assessment of the impact of COVID-19 will be a continuing process, given the uncertainties associated with its nature and duration.
Contractual Obligations	At the start of the lockdown, force majeure notices were exchanged between the Company and its counterparties wherever applicable. However, this did not have any impact on the business or financial results of the Company, except for loss of volumes due to change in lifting schedules. Thereafter, there has been no significant breach of any contractual obligation by the Company or by counterparties under their contracts with the Company.
Impact of the pandemic on Internal Financial Reporting and Control	No impact
Insurance coverage for loss of profit due to the pandemic	Not covered under Insurance.

25th June 2020



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