

NPR FINANCE LIMITED

Todi Mansion, 1, Lu- Shun Sarani, 9th Floor, Kolkata-700 073
CIN-L65921WB1989PLC047091 , E-MAIL- npr1@nprfinance.com
PHONE NO. – 033 2237 7201,
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26th May, 2020

To,
**The Department of Corporate Services,
The Bombay Stock Exchange Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001**

Sir,

Sub.: Disclosure of material impact of COVID–19 pandemic on listed entities under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Ref.: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated 20th May, 2020.

With due reference to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated 20th May, 2020 and in line with the requirement of Regulation 30 of the Listing Regulations, requisite disclosure pertaining to the material impact of Coronavirus (“COVID-19”) pandemic is as under:

1. Impact of the COVID-19 pandemic on the Business:

Being primarily a Non-Banking Financial Company (“NBFC”), our collections from customers has been deferred as the same has been adversely impacted due to restrictions on the movement of people, as a result of which, our employees have not been able to make on-field visits at the customer’s place. Further, various customers are facing financial crunch due to the lockdown and this has also impacted our business.

The Money-Changing Sector’s growth depends on the economic well-being of the Nation, travel spends of corporates and other customers, etc. At present, the travel movements being highly restricted and the global economy going through a recessionary phase due to the COVID-19 phenomenon, the Money Changing division of our Company has thus felt a significant adverse impact of the COVID-19 phenomenon.

With reference to our Wind Power Generation division, the maintenance activities in relation to our Power Plants at Dhule and Sangli in the State of Maharashtra have been impacted due to restriction on movement of our Operation & Maintenance (“O&M”) Consultants and Vendors in Maharashtra. However, both the Power Plants of our Company are continuing to be operational.

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

All employees have been advised to Work from Home where their job duty permits it, until further Notice by the Management. In this connection, our Company has been following a dynamic Work-from-Home Policy.

Further, we have restricted the staff attendance on a single day at each office in a manner so as to commensurate with the mandatory guidelines and rules laid by the Statutory Authority(s).

3. Schedule, if any, for restarting the operations:

The Wind Power Plants of the Company in the State of Maharashtra are continuing to be operational.

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The Company is resuming “Work-from-Workplace” in a phased manner to facilitate a smooth transition from “Work-from-Home”.

Those who are required to work from the respective office locations, are doing so upon obtaining approval of the Management and subject to following of the mandatory guidelines prescribed by the Regulatory Bodies. The remaining employees have been advised to Work from Home where their job duty permits it – till further Notice by the Management.

Further, permission of on-field visits at customer’s place is being provided after taking into account the magnitude of the COVID-19 disease spread in the respective area of the customer, subject to adherence to mandatory guidelines laid by the Statutory Authorities.

All staff attending the Head office/ Branch Office or making field visit, have been strictly advised to maintain social distancing, wear masks and carry sanitizers.

Sanitizers in adequate numbers are available in the Office for usage by the employees and it has strongly recommended to use the same frequently. Moreover, our Offices and Branches are being sanitized adequately to ensure the safety of the employees and all other required extensive arrangements as has been mandated by the Statutory Authority, have also been made at the Head Office / Branch Offices. In furtherance thereto, the Company has laid a Standard Operating Procedure (“SOP”) Guideline for all staffs and they have been instructed to follow the same without exception, as, it is for their safety and well-being. Our Company acknowledges that, Human Capital is one of the most important factors for the success or failure of a Company. It is human capital which acts as a catalyst and driving force to the growth of any organisation. We are therefore concerned for the safety, health and well-being of every single employee.

As and when the lockdown is released gradually by the Statutory Authority(s), the Company shall also accordingly raise the maximum permissible employee attendance at the workplace.

4. Steps taken to ensure smooth functioning of operations:

As explained in detail in point no. 3 above, the Company is following a gradual transition from: “Work-from-Home” to “Work-from-Workplace”, so that, stakeholders are served to the best of the ability of the Company and the same time, the health and safety of the employees is also not compromised with.

The Company has also taken various cost cutting measures to sustain the operations and to optimize the use of its financial resources.

Also, we are providing moratorium support to our customers/borrowers on specific requests raised by them after assessing the merit of their requests and their loan repayment track record and in line with the RBI directives.

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

In the ambit of the prevailing Force Majeure conditions, the impact of the COVID-19 pandemic is presently not completely ascertainable and the same will depend on how quickly, will the Global economy recovers thereto. However, we do expect a decline in our Profit Before Tax (PBT) for the first quarter in comparison to the previous year. Further, while submitting the financial statements for the quarter and year ended 31st March, 2020, under Regulation 33 of the Listing Regulations, we shall disclose the impact of the CoVID-19

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pandemic on our financial statements, to the extent possible – in line with the requirement of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84, dated 20th May, 2020.

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

a. Capital and financial resources.

As per the current assessment, there is no significant impact on the Company's capital and financial resources of the Company.

b. Profitability.

The negative impacts of the COVID-19 pandemic will be reflected in the turnover and profitability of the Company for the financial year 2020-2021 – the level of the same cannot be ascertained at present.

c. Liquidity position.

Our liquidity position has been adversely impacted, as, our Revenue from operations has declined primarily on account of low collections from customers with reference to the Finance Division and also due to significant adverse impact on our money changing division as already explained. We are however hopeful that, this is a temporary phase and that, the Indian Economy will bounce back quickly.

d. Ability to service debt and other financing arrangements.

Inspite of a decline in our liquidity position, our ability to service debts and other financial debt commitment has not been affected as, our financial leveraging is low. Thus, at present, the Company has sufficient liquidity to meet the same.

e. Assets.

We are expecting some rise in the number of Non-Performing Assets (i.e. "NPAs" in the form of rise in number of customers who are unable to pay their debts) in the 1st quarter of 2020-2021 due to financial crunch being witnessed by the global economy. However, the level of the same cannot be ascertained at present and will depend on recovery time taken by the economy to bounce back.

f. Internal financial reporting and control.

Internal financial reporting and control are functional as, checks and controls are being exercised through remote access to systems by working from home during the shutdown period.

g. Supply chain.

Disbursement of loan has been made to such customers who were identified and finalised by the finance division for granting term loan, prior to lockdown. The funds have been/are being transferred to such customers by availing the electronic money transfer facility of the Banks and accordingly, there has been no difficulty in the supply of funds to them.

However, the Company is not being able to identify new customers as, the same requires: (i) to make on-field visits at customers' place; (ii) to collect various documents; and various other measures - in order to establish the creditworthiness and genuinity of the prospective borrower. Hence, the Company has not been able to make new customers for disbursing loan. Accordingly, as and when the lockdown restricting are eased, the Company is hopeful that, the supply chain will improve.

Further, due to lockdown restrictions, our O&M consultants are being able to resolve with delay: the various technical errors/breakdowns occurring in our Wind Turbine Generators in Maharashtra. However, both our Wind Turbine Generators are continuing to be operational.

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h. Demand for its products/services

Though the demand for availing loan products has not declined, yet, considering the present financial crunch in the economy, we are following a cautious approach in fresh financing to new customers, as, the probability of non-repayment of outstanding dues by the customers has risen due to financial crisis being witnessed by many people on account of stagnant business activities across the globe caused by lockdown restriction due to the COVID-19 phenomenon.

The Money Changing business is positively related with the economic well being of the people and travel movements across the globe. In the present scenario, since both the above factors are witnessing a downfall, there has been a significant reduction in the demand for our products with reference to our above division.

As regards the Wind Power division, due to lockdown, the demand for electricity by the Open Access customers has declined as, most corporates are following Work-from-Home approach, as a result of which, the demand for electricity at corporate offices has reduced.

However, we are of the opinion that, the above is a temporary phase and the Indian Economy will bounce back in the coming future.

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 endeavours to perform its duties as agreed to in various executed operational contracts / agreements. There has been no failure in performance by the Company of its obligations envisaged in contract / agreement entered into by it.

Presently, there are no such existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business

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

There are no other relevant material updates at present.

The Company's opinion on various matters as envisaged above, are forward-looking statements which are based on certain assumptions, risks, uncertainties and expectations of future events. The actual results, performance or achievements can thus differ from those projected, depending on various factors over which, the Company does not have any direct control.

This is for your kind information. Kindly acknowledge the receipt.

For NPR Finance Ltd.

SD/-

Rimpa Roy
Company Secretary
Membership No. A27781

Contact No. 8420197629