

**APLAB LIMITED**  
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SEC:APL:RKD:102120:20

June 12, 2020

BSE Limited  
Corporate Relationship Department  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001

**Dear Sir**

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

**Sub.: Intimation under Regulation 30 of the SEBI(LODR) Regulations, 2015.**

**Scrip Code: 517096 – APLAB LIMITED**

Pursuant to the Regulation 30 of LODR Regulations read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find attached herewith the disclosure of material impact of COVID-19 pandemic on the operations and performance of the Company.

You are requested to kindly take the above information on your record.

Thanking you,

Yours faithfully,  
For Aplab Limited



Rajesh K. Deherkar  
Company Secretary &  
Finance Controller



Encl.: as above

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## Material impact of COVID-19 pandemic on operations and performance of the Company

The Unlock phase of the lockdown has just begun, and Aplab finds itself in a dynamic environment, that is continuing to evolve. During the lockdowns, various Governmental interventions, both at the state and central level, have imposed economic costs which are being measured. The full assessment of the impact on the businesses will be possible upon complete lifting of restrictions and legal clarity on the various mandates.

Notwithstanding the uncertainty, Aplab is providing a preliminary assessment based on the experience thus far. This communication intends to apprise our investors about the impact of COVID-19 and the steps taken by the Company to mitigate the resultant risks caused by this pandemic. The forward-looking statements contained here, are subject to certain risks and uncertainties, and it reflects Management's current analysis in a highly fluid business environment. Furthermore, the full extent of the impact of the COVID-19 pandemic on APLAB's operational and financial performance remains uncertain and will depend on many factors outside of APLAB's control.

### Impact on the Operations:

The lockdowns and vacation extensions were announced in various countries since February 2020. The Company activated its Business Continuity Plan (BCP) and where remotely possible, is providing service support to its existing customers, though with some disruptions. Our manufacturing units remained closed because of the complete lockdowns. The nature and severity of the business impact is yet to be ascertained. Even after two months of lockdown, there is little clarity on how the economy will respond; how our supply chains will be impacted; and how businesses will respond with respect to new capital investments.

Aplab operations are also likely to be impacted during unlock phases. Increased absenteeism and reduction in manpower is expected, both at Aplab, and at our vendors and suppliers.

Aplab has been able to provide remote support services to customers through the lockdown. The Company's recurring revenue from Annual Maintenance and Support contracts is also expected to remain intact, although realization of revenue may get delayed due to the lockdown. The lockdowns and travel restrictions imposed in various jurisdictions, have impacted our ability to provide onsite services. This may delay milestone signoffs and revenue receipts in some cases. Most of Aplab's customers and clients have delayed product and services procurement decisions during the lockdown. There is no visibility on customer sentiment and appetite for investments in new projects. This will impact revenue prospects through at least H1 of FY 2021. However, Aplab expects Defense spending, which makes up a large portion of our revenues to remain at levels like prior years



## Mitigating and Adaptive Actions

- Aplab is now putting in place plans to move all its IT infrastructure to the Cloud. Cloud infrastructures have shown to be more robust than traditional multi-site fault tolerant systems during the pan-India lockdown.
- Aplab is now putting in place additional IT infrastructure that allows for remote collaboration and interaction. This will allow Aplab to continue customer conversations and project collaborations if similar lockdown scenarios were to recur.
- Aplab is developing new redundant and geographically dispersed supply chains, to the extent possible. This will reduce the impact of geographic-specific containment zones and lockdowns on the Company. Manufacturing lines, to the extent possible, will also be created to leverage these new supply chains.
- Aplab products will be enhanced to offer more comprehensive remote diagnostics, fault monitoring, preventive checks, etc. Product lines will gradually be enhanced to support these remote manageability features.

Aplab is confident that these measures will enable us to maintain and protect our market positions in the future. These steps will also reduce, albeit not eliminate, the impact, of any recurrence of similar market conditions.

