

Date: 7<sup>th</sup> August 2020

Ref: KNRCL/SD/2020/ 97

To  
National Stock Exchange of India Limited  
"Exchange Plaza",  
Bandra Kurla Complex,  
Bandra (E), MUMBAI – 400051

NSE Code: KNRCON

**Subject: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is further to your email and our intimation and pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020. We would like to submit the following details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

1. **Impact of the COVID-19 pandemic:** As per the Government directives of lockdown from 23<sup>rd</sup> March 2020 to contain the spread of COVID-19, operations of the Company at all EPC and HAM project sites as well as BOT-Toll operations have been temporarily shut-down, consequently impacting revenues and the profitability.

After getting all the required permissions from State as well as Central Government authorities and as per communication received from NHAI with regards to resumption of collection of user fee at all toll plazas on National Highways w.e.f. 20th April 2020, we have re-commenced the operations across our project sites including BOT-Toll operations. However, the construction activity at the EPC and HAM project site are at sub-optimal level due to restriction on manpower and material and the lockdown has also impacted the toll collection in initial days which is now returning to normal levels.

Under the Atmanirbhar Bharat Abhiyan, the Government has announced relief measures like extending the project completion deadline up to 6 months and classifying the lockdown event as Force Majeure for the projects impacted due to lockdown. This will help us complete the projects on time without any penalty for the delay.

2. **Schedule, if any, for restarting the operations:** Please refer paragraph 1 above.
3. **Steps taken to ensure smooth functioning of operations:** The Company has been taking necessary precautionary measures at all its locations like adhering to social distancing norms and have implemented all the safety measures like regular temperature measurement, wearing of masks and other protective gears, regular sanitization of sites etc to guard its employees and general public against the spread of COVID-19 as advised by the Government from time to time. The Company is following all the directives / guidelines issued by various authorities including safe distancing, for safeguarding health of the workforce to contain the spread of COVID-19. The Company has also implemented "Work From Home" policy for its employees wherever possible.
4. **Estimation of the future impact of COVID-19 on its operations:** Though, the work across the projects site has commenced and is currently at sub-optimal level with gradual improvement in availability of manpower and material, the Company is currently not able to gauge with certainty, the future impact of COVID-19 on its operations. The Company will continue to monitor the situation and will update on all material developments.
5. **Details of impact of CoVID-19 on listed entity's –**
  - a) **Capital and financial resources:** The Company has honoured all the financial commitments till now and is currently having a comfortable liquidity position to meet its future financial commitments. We have not opted for the moratorium option and continue to meet all our debt obligations at Group level also; however, we will keep reviewing the situation on a regular basis.
  - b) **Profitability:** Please refer paragraph 1 and 4 above
  - c) **Liquidity position:** The Company has implemented various cost control measures to conserve liquidity in view of the uncertain and evolving situation.
  - d) **Ability to service debt and other financing arrangements:** Please refer paragraph 5 (a) above
  - e) **Assets:** In assessing the recoverability of the receivables, tangible and intangible assets and other financial and non-financial assets, the Company has considered internal and external information including economic forecasts available. The Company has performed sensitivity analysis on the assumptions used and based on such information and assessment, the Company expects to recover the carrying amount of these assets, The Company will continue to closely monitor any material changes to future economic conditions.
  - f) **Internal financial reporting and control:** There was no impact of COVID-19.

- g) **Supply chain:** The supply chain was disrupted during the lockdown period, however with the easing of the lockdown restriction the supply chain has restarted. The Company has faced logistical issues with regards to availability of raw material at its construction sites in the initial days post relaxation of lockdown, which has been improving gradually.
- h) **Demand for its products/services:** The infrastructure sector and specifically the highways construction sector is considered one of the key pillars for the economic growth. The Government has been continuously working to provide imputes to the sector through various initiatives like Bharatmala Pariyojana, National Infrastructure Pipeline etc, there would be substantial requirement of EPC contractor's service like ours. The orderbook of the Company continues to remain strong and the Company has received orders of approximately Rs. 2,300 crores during the period which has further augmented the orderbook.

6. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:** As the COVID-19 pandemic and the subsequent lockdown is classified as Force Majeure event by Government authorities, we do not expect any significant impact on the business due to non-fulfilment of the various obligations as per the existing contracts and concession agreements.

This update is dynamic and may change as the situation changes. The company will provide an update on the situation in case of any major change.

This is for your information and records.

Yours truly,  
for KNR Constructions Limited

*M. Venkata Rao*  
M. V. VENKATA RAO  
Company Secretary

