

Ref. No.: **NCCL/AFR/Reg 30&33/2020**

Date : **30-05-2020**

The Secretary
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (E)
MUMBAI - 500 051.
Fax No: 022 – 2659 8237 / 38

The Secretary
Bombay Stock Exchange Ltd,
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort
M U M B A I – 400 001.
Fax : 022-22722037/39

Dear Sir(s),

Scrip Code : NSE: NCC & BSE : 500294

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of CoVID–19 pandemic on the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, we are submitting herewith the requisite information in relation to the impact of the COVID-19 pandemic on the Company.

This is for your information and record.

Thanking you,

Yours faithfully
For NCC Limited

30-05-2020
M V Srinivasa Murthy
Company Secretary & EVP(L)

Date: May 30, 2020

Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of CoVID-19 pandemic on the Company

A. Impact on the business

With the announcement of the lockdown which came into force on 24th March, 2020 the operations at majority of our various projects sites were impacted. With the Govt. of India relaxing the lockdown conditions for construction sector on 20 April, 2020, we recommenced the construction activities gradually in all those project sites wherever the employers / clients permitted the resumption of the same. The Company's Order Book which stood around Rs. 25,000 Cores (as on 31st March, 2020) is comfortable and is expected to help the company in carrying on its operations smoothly.

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

Based on the relaxation announced by the Govt. of India on 20th April, 2020, we recommenced the construction activities at all those project sites wherever it was possible/ permissible by adhering to the Standard Operating Procedures (SOPs) issued by the Company and also the rules and regulations framed by the relevant Authorities. To ensure the smooth functioning of the works in our various project sites, we have taken necessary steps to communicate with our employees, stakeholders, customers and vendors about the company's status and updated them on a regular basis. A review mechanism is in place to monitor the execution of the works systematically.

C. Estimation of the future impact of COVID-19 on its operations

It is very early to assess the future impact of COVID-19 on the operations of the Company with reasonable certainty. We continue to bid for and secure new orders and are also carrying out the construction activity in majority of the project sites wherever the work has been permitted to be resumed by the employers.

D. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control

- i. **Profitability** - Consequent to lockdown during the major portion of the first quarter the revenue and the profitability for the first quarter of the FY 2020-21 are likely to be lower. It is difficult at this stage to assess the impact of Covid 19 on the revenue and profitability for the whole of FY 2020-21. Enough caution is applied toward Costs especially Fixed cost so as to bring in Cost Discipline.

- ii. **Liquidity Position** - The Company's liquidity position is adequate to meet the requirements of the operations. Our Consortium Banks have extended COVID loan upto 10% of our fund based Working Capital limits. The Ministry of Finance has also advised the Government Departments to release the Bank Guarantees to the extent of work done.
- iii. **Ability to service debt and other financing arrangements** - We have been paying timely our statutory dues and are able to service debts on time and there is no default of any loan or interest commitments. Barring unforeseen situation we do not foresee difficulties in meeting our loan, interest and other commitments in the F.Y. 2020-21.
- iv. **Internal financial reporting and control-** The Company has adequate internal financial reporting and control system.
- v. **Demand for its products/services** – All most all the projects bid and awarded to the Company are Govt projects. The Company continues to bid for new projects and has been securing new Contracts.

E. Impact of COVID-19 on supply chain

The uneven pace of resumption of activity across regions and sectors resulted in initial challenges in supply chain. The situation is slowly improving. Almost all the inputs required for execution of the Contracts are sourced indigenously.

Further although there has been outward movement of the migrant labour, the situation is likely to gradually improve. Wherever found necessary the company is also sourcing the Labour from nearby areas itself.

F. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

The Company does not foresee any significant impact in respect of its existing contracts and agreements where non-fulfillment of obligations due to the reason of Covid 19 by any party could lead to any material or financial claim

G. Impact of COVID-19 on Key Subsidiaries

The contribution of the Subsidiaries in the Revenue of the Company is not significant. The Company does not foresee any significant impact of COVID 19 on the operations of its major Subsidiaries

For NCC Limited

A A V RANGA RAJU
MANAGING DIRECTOR

