



इरकॉन इंटरनेशनल लिमिटेड

(भारत सरकार का उपक्रम)

IRCON INTERNATIONAL LIMITED

(A Govt. of India Undertaking)

An integrated Engineering and Construction Company



IRCON/SECY/STEX/124

13th July, 2020

BSE Limited Listing Dept./ Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip code / ID: 541956 / IRCON	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/I, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400 051 Scrip Code: IRCON
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Sub: Disclosure of impact of Covid-19 Pandemic (Revised)

Ref.: IRCON's letter IRCON/SECY/STEX/124 dated 10th July, 2020

Dear Sir/Madam,

Further to our letter referred above, in pursuance of the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, the copy of revised disclosure of material impact of Covid-19 pandemic on business of the Company enclosed herewith for your information and record.

Please take note of above information on record.

Thanking you,

Yours faithfully,

For Ircon International Limited

(Ritu Arora)

Company Secretary & Compliance Officer

Membership No.: FCS 5270



IRCON INTERNATIONAL LIMITED
MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of Material impact of Covid-19 pandemic are as follows: -

S.N.	Particulars	Disclosures
1	Impact of the Covid-19 pandemic on the Business	<p>The COVID-19 pandemic and consequent nationwide lockdown announced by the Government of India since March 24, 2020 has had a significant adverse impact on the overall Indian Economy and on the operations of the Company.</p> <p>As the nature of business performed by the Company falls under the non-essential category, the Company temporarily suspended the operations in all ongoing projects in compliance with the lockdown instructions issued by the Central and State Governments. These nationwide lockdown restrictions had impacted the normal operations of the Company by way of interruption of project execution, supply chain disruptions and unavailability of personnel during the lockdown period since 24th March, 2020.</p>
2	Ability to maintain operations including the factories/ units/ Office spaces functioning and closed down.	Since the gradual easing of the lockdown w.e.f. April 20, 2020 and in line with the various directives of the Government, works at some of the project sites, where the labour and other resources are available at the site, have been started after obtaining necessary approvals.
3	Schedule, if any, for restarting the operations	<p>Construction activities have not yet started at full pace. However, it is expected to improve the situation in coming days. Corporate and All the Offices of the Company have started functioning since 21st April, 2020 with limited manpower and other employees working from home. The</p>

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		<p>Company expects construction activities to reach optimum levels once situation normalises post lifting of lockdown as migrant labourers return to join work gradually. Meanwhile, the company is exploring increased use of technology to speed up the pace of construction going forward.</p>
4	Steps taken to ensure smooth functioning of operations	<p>The Company has taken various steps to ensure safety at work place and smooth functioning of operations. The working of the company has been streamlined with work from home norms and roaster for the employees as per the guidelines issued by the government authorities. Further, e-office is being encouraged among the officers for faster working, meetings through video conferencing (VC) are being conducted to maintain social distancing.</p> <p>In addition, the Company has put in place Standard Operating Procedures (SOPs) in line with Government guidelines for ensuring safety at workplace.</p> <p>The Company is taking utmost care of its staff and work force like Thermal Screening of all employees and visitors, sanitization, maintenance of social distancing, enforcing wearing of masks and regular cleaning of hands, regular health updates of all the employees and their families, conducting awareness programs regularly for all its employees etc.</p>
5	Estimation of the future impact of COVID -19 on its operations and Profitability	<p>There is no significant impact of COVID-19 pandemic on the financial performance of the Company in FY 2019-20, in terms of revenue and profitability as the Company has achieved its targeted revenue.</p>

S.N.	Particulars	Disclosures
		<p>With the commencement of works at project, the Company is constantly reviewing its operation and is making every possible effort to make up for the lost time due to the pandemic. Though the management expects to have reduction in Revenue and Profitability in the FY 2020-21, the impact of the lockdown disruption will have to be assessed from time to time as we progress during the financial year 2020-21. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities. It is therefore premature to forecast the future impact with certainty at this stage.</p>
6	Details of impact of COVID-19 on listed entity's: -	
a.	Capital and financial resources	The Company has access to sufficient liquidity for its operation. The short-term investments of the Company are in such instruments which can be encashed on need basis. Further, the Company has strong order book of over INR 30,700 Crore which provides sufficient cash flow visibility.
b.	Liquidity Position and Ability to service debt and other financing arrangements	<p>The company has long term loan from IRFC, which has back to back arrangement with Ministry of Railways. Therefore, liquidity is not an issue for servicing its debt.</p>
c.	Assets	The Company expects to recover the carrying amount of its assets comprising property, plant and equipment, investment properties, intangible assets, right of use assets, inventory, advances, trade receivables, deferred taxes, other financial and non-financial assets etc. in the ordinary course of business based on

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		information available on current economic conditions.
d.	Internal Financial reporting and control	<p>The Company has SAP (FI) and digital capabilities in place and all its locations are well networked. The Company has a strong Internal Audit framework in place to ensure operational efficiency, risk management, accuracy and completeness of the accounting records.</p> <p>There has been negligible impact on the internal financing reporting and controlling due to employees continuing to work from home during the shutdown period.</p>
e.	Supply Chain	Due to nationwide lockdown, supply of materials, availability of labour etc. got impacted. However, supply chain has started improving with ease in lockdown.
f.	Demand for its products/Services	IRCON is a construction company and is already having order value exceeding Rs.30,700 Cr. as on 31.03.2020. As such the Company presently does not foresee any demand issues.
7.	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	There are no existing major contracts or agreements where there will be any material & fundamental impact on the company due to non-fulfilment of obligations.
8.	Other relevant material updates about the listed entity's business.	The situation remains fluid, and as the duration and impact of COVID-19 continues to evolve, it is not possible to estimate the full extent of its impact on our business at this time. The Company will continue to monitor all material changes as the situation evolves.