

NIRLON LIMITED

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CIN: L17120 MH1958PLC011045



August 14, 2020

The Secretary,
BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai- 400 001.

Security Code: 500307

Dear Sir,

Sub: Outcome of the Board meeting held on August 14, 2020: **Phase 5 of NKP**

Ref: Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby inform you that inter alia; the Board of Directors of the Company at their meeting held on August 14, 2020 have taken on record update on development of Phase 5 of Nirlon Knowledge Park (**NKP**) post Covid 19 & consequent implications.

The said information with details will also be made available on the website of the Company "www.nirlonltd.com".

We request you to take the same on record.

Thanking you,

Yours faithfully,
For Nirlon Ltd.,

Jasmin K. Bhavsar

Company Secretary, Vice President (Legal) & Compliance Officer

FCS4178

Encl: a/a.



Nirlon Limited

Development of Phase 5 of Nirlon Knowledge Park (NKP) post Covid 19 & consequent implications

1. CONTEXT :

Phase 5 constructions was suspended on March 21, 2020 in observance of the Government's Lockdown directives, and as a responsible measure to stop the spread of the virus.

At the time of work suspension, there were approx. 875 persons on site representing multiple agencies, i.e. civil, facade, MEP etc. Of these, approx. 173 were residing within the project site, and the balances were housed offsite by the respective contractors.

In April 2020, the Government of Maharashtra (**GOM**) allowed pre monsoon works to begin on the site with in situ labour. Subsequently, the Company applied for the pre monsoon work approval and received this approval on April 30, 2020. Pre monsoon work therefore commenced gradually from May 4, 2020 in NKP Phase 5 in a phased manner, and with the limited number of labour available. Between May and early June, the number of persons residing on site had dropped to approx. 60 persons, as most of the migrant labour force in Mumbai returned to their villages in response to the Pandemic and the closure of work sites in the City. At the time, here were approx. five major pre monsoon activities taking place on the site in NKP Phase 5 with separate contractors.

2. Current Site status & Covid 19 related measures :

Once this initial base work and stringent Covid 19 prevention guidelines on site were established, the Company has been able to increase to the numbers of workmen on site currently to approx. 180-200 people including contractors' staff but excluding NMSPL and Project Management staff.

Gradually, i.e. by July 2020, due to a mix of Covid 19 related precautions, limited availability of labour and the onset of the rains, the majority of the Pre Monsoon work was completed. This Pre

Monsoon work was essential for further progress in the development of Phase 5 to be completed in as safe and expeditious manner as possible. The focus and concentration is now on further progress in Phase 5.

As on date, these approx. 180-200 persons remain housed onsite where they are provided food, bathing and washing facilities, sanitizers, masks and access to medical care. These workmen are from six different contractors, primarily Civil, Façade, Interiors and MEP and are housed separately in Phase 5 in independent colonies so as to minimize contact with each other. The colonies are evenly spread across Phase 5 as best possible, i.e. across the B9, B10 and B11 buildings. There are adequate numbers of staircases of 2 meters width as well to minimize contact between employees of different contractors. These Independent and separate colonies for all the vendors and contractors were/are being fabricated over these past few weeks keeping the current Covid-19 situation in mind. The number of people in each room will also be lower than normal. Independent and separate toilets/washing/bathing areas have been fabricated and earmarked for designated groups of workmen to the best extent possible. Fabrication of all these separation activities has taken/is taking extra some time to complete.

Within these facilities, the Civil Contractor has an independent colony that has a capacity for approx. 200 people on the site. This is very helpful as these people can be independent of all other Contractors and their labour activity to the best extent possible.

The accommodation provided to these approx. 180 -200 persons is reasonably spacious, as these areas were used to accommodate more than 400 persons earlier in the Project.

The Phase 5 site is also visited every alternate day by a doctor and the temperature and other symptoms of the workmen are recorded daily. Up to the present time, no workman has exhibited any symptoms which in the opinion of the visiting doctor required Covid 19 testing.

Additionally, the site is closely monitored for fire safety, and outside visits are strictly regulated, largely for purchase of essentials only. No external person apart from a doctor is allowed into the site.

There is also a protocol for the site encompassing and explaining these measures including responsibilities of contractors/vendors, which is updated periodically. This protocol also includes the process to be followed in case of potential Covid 19 infection/s, for evacuation of the concerned person/s from the site to the required medical facility and contact tracing, quarantine and sanitization measures onsite under these circumstances.

The next step is to increase to approximately 350-380 people staying on the site, and to execute the work towards completion of Phase V with greater speed in the context of the existing Covid 19 precautions and restrictions.

3. Phase 5 Costs:

The Company has ensured payment of bills to its Phase 5 suppliers/contractors. It has also been in touch with them to understand and to jointly discuss their problems with regard to availability of adequate labor, and to get the requisite labour in place, in order to be able to work towards progress in Phase 5. This is critical to retain their support and active co-operation to facilitate construction on the scale required in order to complete Phase 5 and get the O.C. as soon as possible. A majority of R.A. Bills are paid till March 2020, and updated till the work stoppage date. Further Bills are being paid periodically as well. As mentioned in the last Board update on the subject on June 30, 2020, there will be cost increases in Phase 5 because of Covid-19 related delays/precautions and attendant costs. Despite the existing uncertainty, these are presently being assessed and quantified by the Company to the best extent possible.

4. Phase 5 Timelines:

As stated in the earlier note for the Board Meeting of June 30, 2020, the Phase 5 O.C. was scheduled to be received in the Oct.-Dec.

2020 quarter. Continuity of operations due to Covid 19 related delays and the availability of labor, resources etc. over the next few months will have a significant bearing on the potential revised O.C. date. The revised OC date discussed in the last Board Meeting was broadly estimated to be the April – June quarter of the F.Y. 21-22.

This was subject to full mobilization of man power on the site by August 1, 2020 and no interruptions on account of work stoppage for COVID 19 related delays. For the reasons discussed earlier in this note, this full mobilization, has not occurred by August 1, 2020. Consequently, with regard to the current status and progress on the site, there is a possibility of further delays with the O.C. date getting pushed back further.

The present approx. 180-200 labour strength on site from various vendors and contractors will not enable the work to be completed and the O.C. procured in the April to June quarter 2021 as per the current schedule. The target for August and September 2020, despite the usually expected monsoon related delays is therefore to reach approximately 350-380 labour on the site, with a clear focus on making appreciable progress on Facade, MEP and Interior. The majority of the Civil work has already been completed.

5. Conclusion:

The answers to the questions of Cost and Time are especially complex due to the unprecedented, unpredictable and rapidly evolving nature of the crisis even after a period of 4 months. Despite the consistently improving knowledge, understanding and responsiveness to deal with the crisis the Company has gained over these past approximately 4 months, these questions need more information to be answered accurately than is available today. The Company will keep working towards and must find the safest and most cost efficient way to complete this Project in the shortest time frame possible despite the existing difficulties, without assuming there will be a vaccine in the next 6-12 months.