



TILES MARBLE MOSAICO

July 16, 2020

To,

Corporate Service Dept. Bombay Stock Exchange Limited Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 Script code: 532722	The Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Script code: NITCO
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Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

Pursuant to regulation 30 of the Listing Regulations read with SEBI Circular dated No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 and further to our disclosure dated March 27, 2020 on the subject, we enclose herewith the disclosure on the Impact of COVID-19 pandemic and the resultant nationwide lockdown on Nitco Limited as stated in Annexure.

This is for your information and record.

Yours faithfully,
For **NITCO Limited**

Puneet Motwani
Company Secretary & Compliance Officer

ANNEXURE

A. Impact of the CoVID-19 pandemic on the business and schedule, if any, for restarting the operations.

Due to the nationwide lockdown being imposed, the operations of the company were severely affected. Business activities were completely disrupted starting last week of March to entire April. With the easing of lockdown partially during May and June, we have seen revival of operations. The company has been complying with all the guidelines issued by the Central and State governments in terms of the precautions to be taken. At present, the showrooms are operational though not functioning at original levels as the timings for store operations are restricted to odd and even days as per the respective guidelines issued by the state governments.

B. Ability to maintain operations including the factories/units/office spaces functioning and closed down and steps taken to ensure smooth functioning of operations

The company adopted work from home policy during the lockdown period. The company's utmost priority is the health and safety of its employees and stakeholders. The offices and company owned showroom units that have started functioning have implemented safety and hygiene protocols like wearing masks, social distancing norms, workplace sanitation and employee awareness programs.

The company has used the lockdown period to proactively connect with vendors, dealers and various other trade partners. We have interacted with close to 150 dealers across the country enquiring on their general well-being and market updates.

We have also used this opportunity to connect with the architect community that covered our product portfolio, processes, past projects, customer testimonials etc. Our Chairman and Managing Director, Mr. Vivek Talwar, is also host to a new webinar series that was initiated during Covid period with eminent architects and industry players participating in topics relevant to real estate sector. These webinars and other initiatives are having wide reach across the country and we have been receiving many inquiries since then. There were 21 webinars conducted since mid-April having a reach of close to 2 lac from Facebook, Zoom and YouTube. We conducted a webinar with the Nepal Architect community, being the first-ever tile company to do so, that was also covered in National TV in Nepal. All of these initiatives enabled to expand our digital footprint. Our Facebook reach doubled between April-June'20 compared to previous 3 months. Engagements (shares, likes,



TILES MARBLE MOSAICO

comments) tripled during this period. There was 10% new LinkedIn followers during this period and the count stands at about 11,000.

We initiated virtual training for all frontline sales team to drive product knowledge. We developed content and virtual sales pitch for export, key account and business development teams and trained them for conducting virtual engagements with customers.

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

Considering the ongoing nature of the pandemic, the company is not in a position to assess the future impact on its operations. We continue to closely monitor the situation and the resultant restrictions imposed by various authorities and confident about adapting to the changing business environment. We are very hopeful that our conscious efforts and initiatives taken during the lockdown period will substantially benefit us once normalcy is restored across the country.

D. Impact of CoVID-19 on Financial Resources, Profitability and Liquidity Position, financing arrangements, assets, internal financial control, supply chain, demand for products

The company is actively monitoring sales performance and rolled out several measures that will improve financial hygiene in the sales & collection process. Specific focus is being made to improve cash flow by ensuring collections from customers. Schemes in the form of cash discounts have been offered to improve collections. The company has been tapping export markets and in discussions with leading home improvement retail chains in the US for sale of tiles.

Various cost reduction initiatives have been implemented to control costs in an optimum manner. Salaries have been rationalized at different levels, rentals at various offices and showrooms have been renegotiated/ surrendered, travel costs have been reduced to optimum and bare necessity. These measures have helped to conserve the liquidity position to the extent possible.

The revenue and profitability of the first quarter will be impacted due to the pandemic and the lockdown situation. However, the initiatives taken by the company towards cost reductions will mitigate the adverse impact to some extent. There is no impact on internal financial controls due to the Covid-19 situation. As the company procures finished tile products directly from vendors, it has helped to minimize fixed running costs of operations. The supply chain at the vendors end has been impacted due to the pandemic but is resuming gradually.



TILES MARBLE MOSAICO

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

The company is making efforts to monetize its real estate to be able to repay its overdue debts. Businesses across the real estate sector are significantly impacted by the rapid spread of COVID-19. This has delayed the monetization plan of the company.

F. Impact on Financial Statements;

The company has published its results for the quarter and year ended March 31, 2020 on June 26, 2020 and will be holding Annual general meeting through Video conferencing / other audio video means in accordance with the circulars issued by Ministry of Corporate Affairs and SEBI

This is for your information and records.

Yours faithfully,
For **NITCO Limited**

Puneet Motwani
Company Secretary & Compliance Officer