



Neueon Towers Limited

(Formerly known as Sujana Towers Limited)

30.05.2020

To
BSE Limited,(BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
National Stock Exchange of India Limited,(NSE)
5th Floor, Exchange Plaza, Bandra (E),
Mumbai 400 051.

Sirs,

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC ON LISTED ENTITIES UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ('LODR REGULATIONS'/'LODR')

Neueon Towers Limited (NTL), incorporated in April 2006, is a Hyderabad based Company that is into manufacturing of Galvanized Steel Tower parts that are used in the power transmission and telecom towers.

Pre COVID 19 Status:

The performance of the Company was adversely affected by various external factors like unrest in Telangana, continuous interruption in power supply leading to loss of production and slow down in power industry which resulted in delayed collections from customers leading to cash flow mismatch. Company thus was unable to meet its obligations which resulted in LC devolvement. Due factors which were beyond the control of the Company, Company was advised by its lenders for restructuring of its debt. The proposal for restructuring was approved by the CDR in March 2013.

Though the CDR package was approved, there was delay in implementation, the recovery of the Company was taking additional time due to continued slowdown in the industry and burden of interest servicing. This has led to lower capacity utilization and significant built-up of receivables on account of delayed realization from customers, which was triggered by the failure of the Company to complete the orders. Liquidity position of the Company was thus severely affected and hence its inability to meet its debt servicing requirements.

Company expressed its inability to clear the dues to its lenders in December 2015, owing to the depressed business environment. Thereafter, the Company opted for SDR/outside SDR mechanism to bring a change in management of the Company. These efforts of the Company could not be successful because of delay in obtaining the permissions from the banks and consequent policy changes by RBI

Thereafter, the Corporate Insolvency Resolution Process ('CIRP') was initiated against the Company by the Financial Creditor- IDBI Bank Limited, under the provisions of Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') which was admitted by the National Company Law Tribunal vide Order No. CP(IB) No. 679/7/HDB/2018 ('order') with effect from 03.06.2019 (uploaded on website on 08.06.2019). Further, vide the aforesaid NCLT order and pursuant to Section 17 of the IBC, the powers

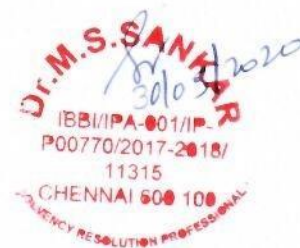
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Regd. Office:

Survey No.321,
Turkala Khanapur(V),
Hatnur (M), Medak Dist. - 502 201.
Telangana, India.
T + 91-08458-288964/965,
www.neueontowers.com

Corp.&Admin. Office:

Plot No.5/A, Vengalrao Nagar,
Hyderabad - 500038,
Telangana, India.
T +91-40-23815530/31/32
F +91-40-23815534.



of the Board of Directors of the Company stood suspended, and such powers are vested with the Interim Resolution Professional, Dr. M S Sankar, - Resolution Professional (IP Registration No. IBBI/IPA-001/ IP-P00770/2017-18/11315. His appointment confirmed by the Committee of Creditors ('COC') as the Resolution Professional (the 'RP'). Accordingly, Dr.M.S.Sankar in his capacity as RP took control and custody of the management and operations of the Company from 03.06.2019.

The Corporate Insolvency Resolution Process (CIRP) is under the process of completion. The Company is expecting a favourable Resolution Plan from the prospective strategic investors and such plan will be put forth before the Committee of Creditors (COC) for their acceptance. If any of such resolution proposals accepted by the Committee of Creditors (COC) and approved by Honourable National Company Law Tribunal (NCLT), the Company is hopeful of reviving its operations.

Impact of Covid 19 on Corporate Insolvency Resolution Process:

Due to the Covid 19 pandemic and various restrictions imposed by the Central Govt and State Government, the process of Corporate Insolvency Resolution is further extended as per Section 40A. Despite such situation, the Resolution Professional made efforts to speed up the resolution process and convened the meetings of Committee of Creditors during the lock down period and the Financial Creditors also cooperated by attending and gave the inputs. Further, the Company also paid the salaries of the employees during the period lockdown period as a moral responsibility and with compassion. The Company and its employees extended their full cooperation during the lock down period and also during the entire process of CIRP.

The Company also complied with all the conditions and restrictions of the Government as a matter of precautionary measure to be free from Corona Virus. The Office premises of the Company was closed during the lockdown period. The entire Office Premises of the Company are sanitized periodically and all the employees and visitors are advised to strictly comply with the health related aspects while entering in and exiting from the Premises. A sign board detailing the procedure for maintaining social distancing, wearing face masks, and sanitizing is displayed.

Since the Company is under CIRP, the aspects of maintenance, restarting and smooth functioning of operations, capital and financial resources, liquidity position, ability to service the debts and financial arrangements, fulfilment or non fulfilment of contractual obligations, depend entirely on the successful completion of CIRP and approval of the Resolution Plan by the Committee of Creditors and the Honourable NCLT under the provisions of IBC, 2016.



M.S. 30/05/2020

For Neueon Towers Limited
RESOLUTION PROFESSIONAL
IBBI/IPA-001/IP-P00770/2017-2018/11315