



NLC INDIA LIMITED

(Navratna - A Government of India Enterprise)

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Lr.No.Secy/ LODR/2020

Dt.25.08.2020

To The National Stock Exchange of India Ltd. Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai-400 051. Scrip Code : NLCINDIA Security name: NLC29, NLC30 & NLC25	To The BSE Ltd. Phiroze JeeJeebhoy Towers Dalal Street Mumbai-400 001. Scrip Code : 513683 , 958806 & 959237, 959834
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Dear Sirs,

Sub: Impact of COVID 19 on NLC India Ltd pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and with reference to the above circular, we wish to inform you that due to the outbreak of COVID 19 in India and globally, NLCIL is continuously monitoring the impact of the same in business operations and financials. An initial assessment was made and are as follows

- The Company is engaged in the Business of Mining and Power Generation which are classified as an essential service. The Company has ensured the availability of its Thermal and Solar power plants including its subsidiary plant to generate power and has continued to supply power during the period of lockdown.
- Due to the low demand of power during the period, there was huge power surrender and the Company have to operate its power plants with lower load factor, the same expected to be lower for some more period. However, as per the regulatory framework of business this would not have a significant impact on profitability
- In Neyveli, Tamil Nadu, open cast mining activity was stopped in all the three lignite mines from 25.03.2020 to 07.04.2020 and the pit head thermal stations requirements were met from the lignite stocks available. The mining activity was restored in all the three Mines

with reduced workforce after ensuring social distancing, safety and health of the workforce.

- d) The majority of the workforce engaged for mining was hailing from nearby villages. Many such villages were declared containment zones and hence the labour force from those villages was not engaged during such period
- e) As per the directions of Govt of India, the wages of contract workmen were paid during their absence for a short period.
- f) Regular mining activity was going on in Barsingsar mine in Rajasthan, which is fully outsourced and there was no disruptions and the productivity was ensured.
- g) Talabira II & III OCP, Odisha has commenced its production during the difficult times of COVID on 26th April 2020. The mining activity in the initial days was slowed down to address social distancing and to equip with necessary safety measures and the same was resumed. The construction of railway line work related to first mile connectivity could not be progressed during the COVID-19 period.
- h) Ministry of Power (MoP) directed CERC to reduce the rate of late payment surcharge (LPSC) for the payments which become delayed beyond a period of 45 days (from the date of presentation of the bill) during the period from 24 March 2020 to 30 June 2020, to contain the impact of COVID-19. On these directions CERC has issued order whereby it has been directed that LPSC shall apply at a reduced rate of 12% instead of normal rate of 18% on payments becoming overdue during the said period.
- i) Ministry of Power also issued guidelines on 15th May'2020 for CPSE's for consideration of the followings :-
 - i. Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.
 - ii. Rebate of about 20-25% on power supply billed (fixed cost) to DISCOMs
- j) The impact on account of the lower rate of surcharge (Rs.12.03 Crore) as per the directives of CERC, deferment of capacity charges (Rs.0.86 Crore) for the power not scheduled and rebate @20% on power supply billed (fixed cost) (Rs.42.09 Crore) as per the guideline issued by MoP for the 40 days COVID period. The benefit as per MoP guidelines will be considered for pass on after detailed deliberation with the beneficiaries in this regard.
- k) The construction and commissioning of Unit 2 (500MW) of New Neyveli Thermal Power Station/Project (NNTPP) in Neyveli, TN is getting delayed and as the majority Inter State Migrant (ISM) workers had left the construction site to their native states. This is the major



impact of Covid-19 lockdown and still NLCIL could not commit on the commissioning schedule of Unit-2. The impact towards additional IDC and IEDC during the period till 30th June is about Rs.65 Crore apart from loss of revenue due to delayed commissioning.

- l) As the delay is on mainly account of the force majeure condition, NLCIL will request the same with CERC for fixing the Tariff for the Plant after considering the delay as force majeure with consequential impact on Project Cost.
- m) There is a little impact of Covid-19, as all the solar plants are being operated in Solar Developer and Operator (SDO) model. The running plants have suffered due to disturbances in availability of critical spares because of the broken supply chain due to Covid-19. There are some disruptions in O&M plants for achieving full generations.
- n) NLCIL, could commission the remaining 17.5 MW out of the total 20 MW in Andaman Islands along with 8 MWhr battery systems on 30th June 2020. The commissioning got delayed by 3 and half months because of Covid-19 impact. This project is covered under MNRE CFA scheme with a validity period till 31st March 2020. MNRE has issued office memorandum dated 17 April 2020 stating the time extension in scheduled commissioning date of Renewable Energy projects considering disruption due to lockdown time and additional thirty days for normalisation after end of such lockdown.
- o) The impact on IDC and IEDC (about Rs.1.85 Crore) due to the above delay is expected to be suitably addressed by CERC while determining the tariff of the project and CFA scheme is expected to be extended for the said delayed period.
- p) NLCIL has started power trading in the Real Time Market (RTM) from 1st June 2020 onwards, which reduces the power surrender by trading the excess power that could be partially generated. NLCIL share in IEX is 21.24 % by volume
- q) The Internal Control over Financial Reporting has not been affected despite the country level lockdown since the company has been using SAP ERP platform. The HR department and Township Administration and NLCIL's General Hospital are working in full swing with task forces to combat Covid-19.
- r) Moreover, the company has also implemented 'Work From Home' (WFH) policy and guidelines. The company has initiated remote working model through VPN access which is working well. Video conferencing mode of communication is being used across for conducting various meetings, reviews and other activities.
- s) Neyveli Uttar Pradesh Power Ltd., a subsidiary of NLCIL
 - i. Ghatampur Thermal Power Project, UP is under construction of 3 units of 660 MW. The three units are scheduled to be commissioned by November 2020, May 2021



and November 2021. But owing to the lockdown, all the inter-state migrant (ISM) workers have left the construction site. The construction activities got hampered and hence the commissioning of the units is also going to get delayed further. All out efforts are being made to bring back the remaining ISM workers.

- ii. The impact towards additional IDC and IEDC, transmission charges etc during the period till 30th June is about Rs.146 Crore apart from loss of revenue due to delay in commissioning of the project. There is also likely impact beyond 30th June'2020 as mentioned above due to slow down of project activities in absence of requisite work force at site which will be evaluated suitably after normalisation of project activities.

- t) NLC Tamilnadu Power Ltd., a subsidiary of NLCIL with 2 x 500 MW coal based Thermal Power Plant, Tuticorin, TN

The impact on account of the lower rate of surcharge (Rs.4.43 Crore) as per the directives of CERC, and deferment of capacity charges for the power not scheduled (Rs.1.07 Crore) and rebate @20% on power supply billed (fixed cost) (Rs.18.51 Crore), as per MoP guidelines for the 40 day's period on the financials of the company. The benefit as per MoP guidelines will be considered for pass on after detailed deliberation with the beneficiaries in this regard.

The management does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

This is for your information and record.

Thanking you,

Yours faithfully,
for NLC India Limited



Company Secretary