



NICCO PARKS & RESORTS LIMITED

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Date: August 29, 2020

SECY/P-1A-NPRL ST.EX./20-21

The Manager

Department of Listing Compliance

Bombay Stock Exchange Ltd

1st Floor, New Trading Ring

Rotunda Bldg, P J Towers

Dalal Street, Mumbai- 400 001

[Fax Nos. 022-2272 3121/2037/2041/2061]

(Scrip/Company Code: 526721/Niccopar)

Dear Sir,

Sub: Disclosure of material impact of CoVID-19 pandemic on listed entities pursuant to Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref:- SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Pursuant to the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with **SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**, every Listed Company must disclose the material impact of CoVID-19 pandemic with respect to the under mentioned parameters to the stock exchanges accordingly.

In view of the above please find enclosed herewith the disclosure provided by Nicco Parks & Resorts Limited pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84**.

This is for your information and records, please.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For **NICCO PARKS & RESORTS LIMITED**

Rahul Mitra

Rahul Mitra

President & Company Secretary

A 20714

Encl: As above

cc: 1. **The Manager**
Listing Department
The Calcutta Stock Exchange Limited
7, Lyons Range
Kolkata 700 001
[Fax Nos. (033) 2210 4500 / 4492]
(Company Code: 10024071)

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

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

Impact of the COVID-19 pandemic on the general business & industry:-

Global economic growth is projected to contract sharply in the Financial Year 2020-2021, much worse than during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets especially in Hospitality, Tourism & Amusement park sector leading to a severe demand & supply asymmetry. Job loss is the most severe & immediate impact of COVID-19 crisis while lower economic growth and rise in inequality would be the probable long-term effects. In the immediate aftermath, organizations are expected to downscale various expansion projects, defer planned initiatives, cut costs and conserve cash. Companies will be more inclined to invest more towards building operational resilience, intelligent automation, hygiene & cleanliness and cyber security.

- a. **Park operations & visitor footfalls:** - As a result of outbreak of COVID-19 and consequent to both Central & State Government directives the park shut all its operations w.e.f 22.03.2020. The park continues to remain shut for its visitors as on the date of this report. The outbreak of COVID-19 was reported during mid-February, 2020. Adverse reports in media and the subsequent health scare drastically impacted footfalls of the park. The World Health Organization declared COVID-19 as a pandemic on March 11, 2020 consequent to which the Government took proactive steps to arrest the spread of the virus by declaring lockdown. It has now been over four months that we have not been able to open our gates for our visitors and we have already lost the summer months, our biggest peak season and our losses are mounting with each passing day. Furthermore, the Government has not advised us when we will be allowed to resume operations and be permitted to open our park.
- b. **Rides & facilities:** Consequent to relaxation of the lockdown, the in-house engineering team was mobilized to periodically visit the park and carry out preventive maintenance and safety checks on our rides and facilities. The housekeeping department was also activated to carry out periodic cleaning and maintenance of the park and its facilities.

One of the temporary halls at the extreme corner of the park premises was also requisitioned by the local administrative authority to be converted into a quarantine facility to provide relief to the COVID affected.

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- c. **Operations & Profitability:-** Due to complete closure of the park operations the company has irretrievably lost the footfalls and the entire first quarter of financial year 2020-2021. The Turnover & Profit for the first quarter of financial year 2019-2020 was **Rs. 1873 lakhs & Rs. 672 lakhs** (before taxes) respectively, in comparison to **Rs.156 lakhs & a net loss of Rs.(383 lakhs)** (before deferred taxes) respectively, for the first quarter of 2020-2021. We have already lost our biggest peak season which is followed by a long off-season. Our losses continue to mount with each passing day as we approach closure of the second quarter of the financial year 2020-2021.

A summary of the financials of the quarter ended June 30, 2020 vis-à-vis same quarter previous year is represented below:-

Particulars	Turnover (Rs. in Lakhs)	Profit/Loss Before Tax (in Lakhs)	Footfall (in lacs)
Q1 2020-2021	156.50	(382.33)	Nil
Q1 2019-2020	1873.19	672.10	3.50

The company is also witnessing overwhelming requests for cancellation of event bookings in addition to requests for waiver of fees from business associates and companies' co-branding/sponsoring rides & facilities within the park.

Today it is the 'survival of the fittest' and for our business to continue, it is imperative that we focus more on our sustainability and responding to the challenges posed by the pandemic. On July 3, 2020 the company opened a 'Drive-in-Restaurant' at the food court in the park. The restaurant abides to all the SOP's of the restaurant industry in addition to all social distancing norms, offering delicious food items. The visitors will have access only to the food court premises as the amusement park and its rides continue to be off limits.

The company is trying to promote the 'Drive-in-Restaurant'; through online promotions.

- d. **Human Resources:** Several initiatives were rolled out to engage officers and managers during the lockdown. Training programs specifically related to our industry were effectively conducted during the lockdown period. Continuous communication on the latest updates played a key role in enabling our employees to stay on top of the evolving situation. The management hold high regard of the personal sacrifices made by employees at all levels accepting temporary reduction in remuneration during these unprecedented times.
- e. **Heath & Hygiene:** We are keenly observing recommendations and guidelines on 'health & hygiene' and are also continuously brainstorming amongst our employees with regard to adopting best practices in respect of health and safety of our visitors.

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The Standard Operating Procedures are being updated in sync with the guidelines of World Health Organization (WHO), International Association of Amusement Parks & Attractions (IAAPA), Indian Association of Amusement Parks & Industries (IAAPI) & Health Department of the State Government, so that we are ready to kick-start our rides & facilities, whenever we are allowed to commence commercial operations.

- f. **Rationalization of Costs:** The company has taken measures for rationalization and reduction of fixed and variable cost and is also maintaining the Park and related facilities for resumption of business activities at a short notice after the lifting of restrictions. The Company as a precautionary measure in order to combat with the ill effects of COVID-19 pandemic has taken immediate steps to control cash flows during the year and maintain liquidity during the period. These include deferral of capital expenditure and renovations, unless absolutely required and reduction in corporate overheads accordingly. However, any expense required to be incurred for safety of park and its rides has been made available. The Company had adopted these measures in order to remain sustainable in the long-run.
- g. **Outlook:** The company expects that the demand for its services to pick up at a slow pace once lockdown is lifted and recovery in business to be driven by removal of restricted movements / travel of the children, youth and family in large number to crowded places. There is a looming uncertainty as to how long, whether one year or more, before normalcy will be restored.

The management envisages that, in this 'NEW NORMAL' scenario amusement parks will adopt new measures to facilitate social distancing and avoiding dense crowds. Initially, parks will have to operate at reduced capacity (25-40%) with an increased focus on health, safety and sanitation. Amusement park business being driven by footfalls, the management anticipates substantial losses in the immediate & near future.

- h. **Details of impact of COVID-19 on:-**
- i. **Capital and financial resources:-** The Company's capital and Banking facilities remain intact. In the backdrop of closure of amusement park operations, liquidity remains a concern since the reserves are getting fast depleted. Further, the company is witnessing steady delay in receivable collection from its vendors/buyers as they are extending payment terms.
- j. **Profitability:-** In view of the closure of amusement park operations the first quarter has yielded loss of Rs.(382.33) lacs which will largely affect the profitability of the

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Company during the financial year 2020-2021. The Company's operating cash flow has also been hit badly which will ultimately adversely affect the profitability of the company largely. As we approach the closure of the second quarter of 2020-2021, there are no indications as to when the company can resume its amusement park operations.

- k. **Liquidity position:** - As explained above, liquidity remains a concern since the Reserves & Surplus are fast depleting in the absence of revenues from park operations. However, due to our receivables getting delayed, the cash position will be under stress.
- l. **Ability to service debt and other financing arrangements:-** The Company is presently not in default in meeting its financial obligations to banks & financial institutions and continues to service its debt on time.
- m. **Internal financial reporting and control:-** The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review the account receivables and measures taken to control the capital expenditure.
- n. **Demand for products/services:-** There is nil visitor footfall due to the closure of park operations and consequently no sale of food and beverages. Nil booking of events due to social distancing norms and restrictions imposed by the government. The company is promoting its 'drive-in restaurant', however, the same has not met expectations as on the date of this report.

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Robul Hussain