



Ahluwalia Contracts (India) Ltd

Engineering, Designing & Construction

Date: 10.07.2020

The Asst. General Manager (Corporate Services)
BSE Limited.
25th Floor, P.J.Towers
Dalal Street, Mumbai - 400001

The Asst. Vice President - Listing,
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra Kurla Complex ,
Bandra (East) Mumbai- 400051

Sub: **Intimation of Impact of COVID-19 Pandemic on Company**

Pursuant to Regulation 30 of LODR and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/ 2020 / 84 dated 20th May, 2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

1. Impact of the CoVID-19 pandemic on the business;

The COVID-19 outbreak is expected to have an impact on the economies of the affected countries along with the international markets. Countries across the globe resorted to lockdowns, resulting in shutting down the all Building Construction, Manufacturing & Services activities and bringing the global supply-chain to grinding halt. Globally across all industries, companies are working hard to recoup revenue losses, manage costs, keep employees safe and at the same time ensure uninterrupted service to the clients.

This COVID-19 pandemic has surely impacted the Projects / Sites, operations of the Company in many ways. Nationwide lockdown and restricted government guidelines with clear instructions are released for the individual businesses as well as the Companies on what and how should be the changes in their working techniques during the time of this pandemic which has resulted in global crisis.

Further, as the situation in our country is getting worse day by day due to corona virus and it seems like for a few more months this pandemic is not going to leave us completely, it is tough to estimate the exact/overall impact it will have on our Company.

In compliance of the guidelines and directives issued by the Ministry of Home Affairs, Government of India and the State Government Authorities, the Company has resumed its operations with 50% employees and reduction in working hours from 4th May, 2020 and also by adhering to the prescribed safety norms in order to ensure the safety of its employees and all the stakeholders.

There has been negligible impact on the internal financing reporting and controlling due to employees continuing to work from home / Project/ Prestigious Sites .i.e. AIIMS Project and some other Hospital Projects during the shutdown period.

Regd. Office: A-177, Okhla Industrial Area, Phase-I, New Delhi-20

Phone: 011-49410502, 517 & 599 Fax: 011-49410553

CIN: L45101DL1979PLC009654

Website: www.acilnet.com; Email ID: cs.corpoffice@acilnet.com



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2. Ability to maintain operations including the factories/units/office spaces functioning and closed down;

The Company has taken conscious decision through balance uninterrupted operations and ensuring a safe working environment. To ensure this, critical staff have been asked to report to work at Home.

The Company has started construction activities all those wherever it was possible/permissible by adhering to the Standard operating procedures (SOP) issued by the Company and also rules and regulations framed by the relevant authorities. To ensure the smooth functioning of the works in our various projects sites, we have taken necessary steps to communicate with our employers, stakeholders, clients and vendors about the Company's status and updated the same on regular basis. A review mechanism is in place to monitor the execution of the works systematically.

The migration of workmen, has resulted in a drop of 70% in overall workmen strength deployed by the Company directly and under various contractors. Workmen retention is and continues to be a serious industry concern for construction Industry. The Company is taking various steps to restore the adequate workmen strength.

3. Steps taken to ensure smooth functioning of Projects / Sites / HO/ Corporate Office of the Company:

The Company has put in place strict monitoring process for Covid-19 ensuring the following:

- Thermal Screening of all employees and visitors at the office & sites of the Company;
- Sanitizing the premises and vehicles on regular basis at the office & sites of the Company;
- Maintenance of social distancing at all work places at the office & sites of the Company;
- Enforcing wearing of masks and regular cleaning of hands at the office & sites of the Company;
- Getting regular update of the health of all the employees and their families at the office & sites of the Company;
- Asking all employees at the office & sites of the Company to have the Aarogya-Setu App.

4. Estimation of the future impact of COVID-19 on its operations

It is very early to assess the future impact of COVID-19 on the operations of the Company with reasonable certainty. We have continued to bid for and secure new orders. Presently we are also carrying out the construction activities at all projects.

5. Impact of COVID 19 on capital and financial resources

The Company does not plan to raise any capital in the near future. Further the Company is very comfortably leveraged on the debt front and most of Fund Based working capital limits are still unutilized.

6. Impact of COVID 19 on profitably, liquidity position, ability to service debt and assets.

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A. Profitability;

Due to series of lockdown, the project operations (Building Construction) was halted and considering the fixed Cost of the Company which has definitely affected the profitability of the Company. However the management is taking all the necessary steps to cut down the fixed Cost of the Company.

B. Liquidity Position;

The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments. The company has not availed any moratorium facility from the banks and made payment towards financial obligation like L/Cs and interest in time despite the fact that Collections from debtors has impacted marginally during lock-down period.

The ministry of Finance has also advised the Government agencies to release the Bank Guarantees to the extent of work done. The company is pursuing with all Government clients to release proportionate amount of Bank guarantees according to the completion/ execution of work. Few clients have released proportional performance BGs so far.

C. Ability to service debt and other financing arrangements;

The company has serviced interest obligations in time and there is no default of any loan or interest commitments. Barring unforeseen situation we don't foresee any difficulty in meeting out loan, interest and other commitments in near term.

D. Assets;

None of the assets of the Company have been impacted or impaired due to the Covid-19.

7. Internal financial reporting and control;

The Company has own software & accounting system in place in all its locations, which are well networked. Even during the lockdown with a combination of critical staffs working from locations and all others working from home, all reporting systems worked seamlessly without any disruption.

8. Impact on COVID-19 on supply chain

The uneven pace of resumption of activity across regions and sectors resulted in initial challenges in supply chain. The situation is gradually improving. Almost all the inputs required for execution of the Contracts are sourced indigenously.

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Further although migration of labour has created a major challenge in project execution, the situation is likely to improve gradually. Wherever found necessary the company is also sourcing the labour from nearby areas itself.

9. Demand for its products/services

The orders from Government segment are major part of the total order book of the Company. The Company is continuously bidding for new tenders being floated by Government department.

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

The nature of the Company's business is construction of Building (Commercial & Hospital) & Institutional Buildings etc. The government itself has extended project completion with six months for government projects. The Company is in a position to honour all the terms of the agreements with clients.

11. Other relevant material updates about the listed entity's Business. NIL

Kindly take the same on your record and oblige.

Yours faithfully,
For Ahluwalia Contracts (India) Ltd

(Vipin Kumar Tiwari)
GM (Corporate) & Company Secretary

Encl.: as above

Copy To:

The Manager (Listing)
Code : 10011134
Calcutta Stock Exchange Ltd ,
7, Lyons Range,
Kolkata – 700001,
Ph.: 033-22104470-4477
Fax : 033-22102223, 4500, 4468