



Date: June 15, 2020

To,  
General Manager  
Listing Compliance Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001

**Security Id: MADHAVIPL Scrip Code: 539894**

Dear Sir/ Madam,

**Sub: Disclosure of Material Impact of COVID-19 pandemic on the Company**

Pursuant to 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 20<sup>th</sup> May, 2020. This is to inform you and all our Stakeholders that the COVID -19 Pandemic and the consequent lock-down restrictions imposed by the Central and State Governments from time to time have impacted the business in general.

The brief details relating to the material impact of the COVID-19 Pandemic on the operations / business of the Company, as per the SEB Circular No. SEBI/HO/CFD/CMD1/CIR/P /2020/84, is as under:

**Disclosure of material impact of COVID-19 pandemic**

In the month of March for the Financial Year 2019-2020, the COVID-19 pandemic developed rapidly into a global crisis, compelling governments to enforce lock-down of all economic activities. The Company's operations were hence shut down in line with the Government directives with effect from 23<sup>rd</sup> March, 2020.

**1) Impact of the COVID-19 pandemic on the business;**

The Economic lockdown of about 2 months was announced by the government on March 23<sup>rd</sup> that is in the last week of the last financial year. Normally March is a very important month for our business as we do the maximum billing and maximum payments also are released by Government departments in March month of any financial year. In the initial weeks of the lockdown though our sites were ordered to be closed for works but from first week of May the government realising the necessity to keep workers engaged and to restart the economic activities allowed construction works to re-start in Madhya Pradesh and Gujarat. We have been able to restart the various ongoing EPC sites but reaching full capacity of operations may not be possible immediately due to approaching monsoon. As you are aware for any construction company the period of Summer months are the prime months of work. Hence in a very important period of about 3 months (April to June) of the current year our work efficacy would stand drastically reduced.



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

The Company has adhered to all recommended precautions/guidelines in its operations, which includes sanitization and hygiene, providing work from home facility to all employees, maximizing audio & video-conferencing and minimizing contact, closing employee travel and following all government directions on the subject.

**3) Schedule, if any, for restarting the operations;**

We have now started the operations in line with the unlock phase guideline issued by the Central / State Governments.

**4) Steps taken to ensure smooth functioning of operations;**

We have taken all safety protocol related to Covid-19 as advised by the government are being implemented like thermal scanning/ Sanitization/ PPE/ Social distancing at the work place. There is no infection reported related to COVID-19 till date to the employees. We don't foresee the lost time of the current year as having a major adverse impact on our operations for the full year, in terms of implementation values of work planned for this year, as we reasonably certain of making up the lost time in following months. There have been no changes in the controls and processes which are key to the ability to run the Company's operations without disruption.

**5) Estimation of the future impact of COVID-19 on its operations;**

There will be impact on the working capital cycle of our company for the next 12 months which should thereafter get normalised over following period of 1 year. It is likely to face problem of "workers availability" as most of them have moved to their native place, because of which the construction works shall get affected severely. Suppliers may facing the same problem which may impact the supply of raw materials requirement etc.

**6) Details of impact of CoVID-19 on listed entity's;**

Capital and financial resources	As explained above
Profitability	Profitability of company would get affected as company have to bear fixed expenses like salary, wages, rent, insurance, interest expenses of term loan, machinery loan, CC account etc for the period of lockdown without operational cash flows / accruals due to lockdown. Moreover, the operational cash flows are not expected to reach normal levels till September-October 2020 as the present state of affairs stand.
Liquidity Position	We function as a service provider in EPC business where we have a logistic chain of suppliers of raw materials to us whom we manage based on allowed credit period by them and which we have had to honour for payment, on due dates falling in lockdown period , irrespective of lock down or not. As against this our revenue accruals and receipts have been badly affected as because of lock down, the running bills against work done, which are procedurally checked and certified for payment at EPC site(s) by independent engineer appointed by principal could not be done and we could not get contract payments for majority of EPC contracts against work done in last couple of months on



	account of the above factor. Also, all government offices baring essential services of hospitals and ministry offices were closed in the lockdown period. As a result, our entire recovery / cash inflow from Billing was jammed in this period which is only now starting to ease with gradual opening up of government offices and returning of field staff of government principal and independent engineers appointed on site.
Ability to service debt and other financing arrangements	The Company has opted for moratorium provided by Banks and NBFC for total 6 months wherever possible as permitted by Reserve Bank of India.
Assets	There is no adverse impact on the Company's assets due to Covid-19.
Internal financial reporting and control	Since we are the service provider and EPC contractor. The work sites are scattered. 100% digitilisation is not possible. Hence during lock down and also due to limited working under COVID-19 pandemic, Internal financial reporting and control are affected.
Supply chain	Since due to labour shortage, our suppliers and contractors are facing difficulties. The same will be continue and the things will become normal one migrated workers are back.
Demand for its products/services	No effect

**7) Existing contracts/ agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:**

Force majeure clause has been inserted by Government of India vide announcement dated 19/02/2020, hence we don't expect this to have significant impact on the obligations of the company to complete the contracts within scheduled time.

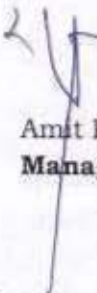

**8) Other relevant material updates about the listed entity's business;**

Apart from above, the Company has no other material updates to disclose.

This is for your information and record.

Thanking you.

For, **Madhav Infra projects Limited**

   
Amit Khurana  
Managing Director