

ARIHANT FOUNDATIONS & HOUSING LIMITED
CIN: L70101TN1992PLC022299
REGD OFFICE: NO.3, GANAPATHY COLONY, 3RD STREET, TEYNAMPET, CHENNAI- 600 018
TEL: 044-42244444 FAX: 044-42244440 EMAIL: investors@arihants.co.in
WEB: www.arihantfoundations.com

31/07/2020

Symbol- ARIHANT

National Stock Exchange Limited,
Manager_ Listing 022-26598237

Scrip Code- 531381
Bombay Stock Exchange Limited,
General Manager- DCS 022-22723121

Dear Sir / Madam,

Sub.: Disclosure of material impact of COVID 19 pandemic on the Company's Business and its operations

Ref.: 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

Impact of the COVID 19 pandemic on the business

The spread of novel corona virus disease (COVID 19) has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lockdowns, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. The company on its part took pro-active steps from the second week of April 2020 onwards in creating awareness of maintaining hygiene, cleaner environment, social distancing, etc. and strict adherence to the rules of the government relating to lockdown. The Operations were shutdown / minimized at places as per the Governments Directions / Notifications.

The Operations are resumed in phases from May 2020, by adopting a series of precautionary and safety measures including the compliance of Standard Operating Procedure for Social Distancing and other measures, advised by the Central/State Government(s) and appropriate Authorities, for prevention and containment of the COVID 19 pandemic, from time to time and the Company is committed to the cause of the safety and wellbeing of all the stakeholders and the general public.

Impact of the COVID 19 pandemic on the operations of the Company:

The operations of the company have been stopped from the last week of March 2020 as per government directives and construction started in lower scale after First week of May 2020 after relaxation of the lockdown rules. Further Chennai city was locked down from June 1st onwards. The pandemic situation has affected the normal business operations of the Company and construction, inter alia, have been impacted.

Due to the Curtailed operations , the statutory audit for two Subsidiaries of the company, namely Escapade real Estates Private Limited and Northtown Estates Private Limited and a joint venture of

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the company Arihant Unitech Relaty Projects Ltd were not completed. Thus the figures considered for consolidation are that of unaudited financial statements.

Estimation of the future impact of COVID 19 on its operation

The Company has started operations with partial lifting of the lock down during April 2020. The capacity utilisation of the industry as well as of the Company is still below the normal levels. However, given the current COVID 19 situation and the re-introduction of lockdown in certain parts of Chennai, Tamil Nadu, it is very difficult to predict how the economic growth will be in the immediate two quarters.

Steps taken to ensure smooth functioning of operations:

The work places at sites, Offices have been sanitised to ensure disinfection and Standard Operating Procedure has been in place before resumption of operations.

The Company is providing masks, hand gloves and other safety apparatuses, apart from sanitizers, disinfectants, to employees, at regular intervals

Thermal scanning to the Employees, Social distancing and sanitisation of Hands and wearing masks by all Employees in all the sites and Offices are strictly adhered to.

Awareness Campaigns are conducted on COVID 19 and social distancing in the sites and Offices.

The Company has adopted a 'work from home' policy for the employees traveling via public transport to Corporate Office and ensured smooth transition to new style of functioning, thereby the business operations of the Company continued uninterruptedly.

Project Site and Offices are operating with the permitted minimum level of workers/staff, as stipulated by the Governmental authorities, from time to time.

The Company has given paramount importance to the well-being of all its employees and their family members.

Details of impact of COVID 19 on the Company:

The Company has proactively taken various measures in respect of cost reduction, cost control, reduction of capital expenditure and effective working capital management. The Company ensures that such measures will not have any impact on the overall construction and effective functioning of the sites. The Company is maintaining sufficient stock of raw materials in all its sites at optimum level to meet construction requirements.

Capital and Financial Resources:

The Company, in the normal course of its business, may raise/obtain financial resources/facilities, from time to time, in the form of capital, term loan, debentures, bonds and other

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instruments/facilities for meeting its various business purposes including expansion and working capital and other requirements of the Company

Ability to service debt and other financing arrangements:

The Company has availed the moratorium offered by Reserve Bank of India. The Company's ability to service its debt obligations and meet other financial commitments is adequate. The Company is in the process of conserving its cash resources in the best possible way in order to maintain its liquidity position.

Assets

As per our internal assessment, the Company does not foresee major risk to recoverability of assets such as inventories, investments, receivables etc. though there has been some delay in collection of receivables.

Internal Financial Reporting and Control

The Company evaluated the internal controls including internal controls with reference to financial statements, which have been found to be operating effectively, given that there have been no dilution of such controls due to factors caused by COVID 19 situation.

Demand for its products

The Company is not expecting any major change affecting the demand for its upcoming projects and taking all necessary steps to stabilise its market position and reduce the impact arising on account of COVID 19.

Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business:

The Company is confident of fulfilling its obligations under the various existing contracts/arrangements. The Company does not foresee any major impact on the Company's business due to the non-fulfilment of its contractual obligations by any party on account of COVID 19 pandemic

Thanking You,

For ARIHANT FOUNDATIONS & HOUSING LIMITED,


Company Secretary