tara chand
logistic solutions ltd
——Think New. Act Now——

Pan No. AAECT1408Q
TAN No.PTLT12766F
GSTIN. 04AAECT1408Q1Z8
CIN No. L63090CH2012PLC033556

Registered Office : 342, Industrial Area, Phase-1, Chandigarh -160 002
Ph. : 0172- 2650380, 2654928 I E : info.chd@tarachandindia.in I www.tarachandindia.in

Date:13th July,2020

To,
The Secretary,
National Stock Exchange of India Limited
Add: Exchange Plaza, 5thFloor Plot No- 'C' Block,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

Sub: **Disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020 on material impact of COVID-19 pandemic under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation")**

We are herewith enclosing disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20thMay 2020 on material impact of COVID-19 pandemic under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulation").

This is for your Information and Records.

Thanking you,

Yours truly,

For Tarachand Logistic Solutions Limited

TARACHAND LOGISTIC SOLUTIONS LTD.

Nishu

Nishu Kansal

Company Secretary & Compliance Officer

Encl: As above

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Tara Chand Logistic Solutions Ltd is engaged in three key verticals: Warehousing & Transportation (primarily of steel products); Equipment Rentals & Infrastructure Development; and Distribution & Processing of Steel Products.

Impact of Covid-19 Pandemic:

The company's business vertical of Warehousing & Transportation, primarily engaged in the steel sector, continued operations even during the first lockdown as these activities were covered under 'Essential Services' by the Government. This vertical accounts for about 40% of the company's overall turnover. The company has been able to maintain 60% operations since the lockdown was first imposed.

The other key vertical of the company is Construction Equipment Rental and Turnkey Infrastructure Projects, which constitutes about 50% of the company's operations. Our company's services are primarily engaged in construction of bridges and mostly urban metro rail networks. Apart from this, the company is actively working with its infrastructure development clients in development of the irrigation infrastructure of our country. Post the partial opening up of the lockdown from 20th April 2020, our teams are various client construction sites have started operations while ensuring necessary safety precautions in wake of the Covid 19 pandemic. Our operations in the cities of Mumbai and Pune have been badly hit where we are very actively engaged in development of the Mumbai Metro Lines 4 and 5 and the Pune Underground Metro. In Mumbai, our clients have faced a huge exodus of migrant workers from the construction sites and thus supporting site labour has been missing for continued work front for operation of our deployment equipment. At Pune, our metro site is under the containment zone and hence work at site is at a total stand still. However, the operations at our other metro sites are in full swing as also the operations at our other major sites in Karnataka, Bihar, Uttar Pradesh, Gujarat, Andhra Pradesh, Punjab. Despite the challenges, our teams efforts have led to operational output of about 65% in the month of May.

We envisage the work to resume at some of our non-operational sites by end of July. The operations are expected to reach the pre-Covid levels towards the start of the third quarter of this financial year. However, the current situation is very uncertain and further progress shall be updated as and when the situation so demands.

Steps Taken

Since the Covid 19 situation is highly fluid and uncertain, we have taken certain steps during the various stages of Lockdown 1.0 to 4.0 and Unlock 1.0 to try to ease out the challenges presented by the changing situation:

1. The core team of the company comprising the Managing Director, Executive Directors and Branch Heads have been interacting on every alternate day by way of telephonic/video conference calls to stay updated with the changing situation.
2. The branch heads and the Senior Management have interacted with frontline team members via video conferencing to understand their challenges and help them wherever required. It has been understood from the feedback received post such interactions that the team members are motivated with the direct involvement of the senior management.

TARA CHAND LOGISTIC SOLUTIONS LTD.

3. Prolonged idle condition of machines can lead to malfunctioning of certain components of the machines. Hence, the maintenance team of the company along with branch heads have taken the lead to educate and guide the operating crew at sites to ensure necessary precautions at site. The operating crew regularly visited site to run check-ups on the machines, which ensured smooth re-start at sites where work began during Lockdown 2.0 with stipulated precautions.
4. The Senior Management has further taken the initiative to formulate certain Good Practices that with the objective of motivating the entire workforce of the company. Under these practices, the company has introduced a new award namely 'Shree Vishwakarma Award' to honour the Top 5 Frontline team members from across all branches on a yearly basis. The criteria and procedure have been circulated to all branches for implementation from FY 2019-20 itself. Another Good Practice namely 'Anmol Ratna Award' that was initiated by the company three years ago has been revived and has been put into a formal structure. The Management believes that such unique initiatives will be key in taking forward the company during the post Covid19 'new normal' era.
5. Our Head Office at Chandigarh and branch offices at Navi Mumbai, Bengaluru and Vishakhapatnam resumed operations in a phased manner during Lockdown 4.0 and Unlock 1.0 while ensuring compliance to the directives of State and Central Government directives with necessary precautions/safety measures.
6. Our Company adopted the motto, 'Our Motto Safety in Toto' almost 15 years ago wherein it has been our endevaour at all levels to ensure safety of men and machinery at all times. Our commitment to this motto has won us many accolades from our esteemed clients over the years. This culture has held us in good stead as our team has been able to naturally adopt the additional safety guidelines brought about by Covid 19 pandemic. In addition, our company purchased 3-ply masks in bulk from approved sources and distributed to our crew at sites and members at offices.
7. Even before the advent of Covid 19 pandemic, our company had initiated the appropriate use of technology to collate information from all its operating sites and branches to ensure timely collection of operational information leading us to successfully declare our audited financial results for the FY 2019-20 on April 30th, 2020. We were the first SME company to declare the audited financial results for FY2019-20.

Details of Impact of Covid-19:

Capital and Financial Resources

The Company's capital and banking facilities remain intact. The Company is witnessing delay in receivables due to delay in processing of invoices by the client in absence of workforce at sites/offices during the lockdown periods.

Profitability

As stated above, the company declared its results for the FY 2019-20 on 30th April 2020 and the profitability of the company had significantly risen on a Year-on-Year basis.

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The profitability of the first quarter of the first financial year is anticipated to be impacted, but the extent of the same shall be known only post collation of relevant data for the said period. The company anticipates that with most of the lockdown provisions being lifted during July 2020, site operations are expected to restore to pre-Covid levels. The company is closely monitoring the very dynamic situation to keep a track of the profitability.

Liquidity Position

The Company has availed moratorium on outstanding loans as per the provisions made available by Reserve Bank of India announced on 27th March 2020. The moratorium has been availed for some of the construction equipment loans where the company deemed fit. Meanwhile, the company has been aggressively pushing for ensuring collection of outstanding dues from its clients to maintain appropriate liquidity levels. However, we are facing delays in receivables due to delay in invoice processing at client's sites and offices.

Ability to service debt and other financing arrangements

As stated above, the company opted for the three month moratorium as announced by the RBI on 27th March 2020. Since, our repayments for the month of March were already effected by the time of announcement, the company availed the moratorium on the construction equipment loans only for April and May.Subsequently, the RBI announced provision for moratorium of another three months for June, July and August. However, the Company reviewed the liquidity position for the next three months and opted for moratorium only on a selected number of outstanding loans during this period.

Assets

The company's assets, which are primarily commercial vehicles and construction equipment, were all parked in a safe manner at the onset of the lockdown on 23rd March 2020. Also, the operating crew of these equipment regularly visited the equipment with necessary permissions to keep a check on the safety and working condition of the machines. This has ensured that there has been no impact on assets of the company.

Internal Financial Reporting and Control

The Company ensured that its pre-Covid era practices of financial reporting and cost controls were kept intact even after the onset of first lockdown and the period thereafter. To further enhance the control measures, review of the cash flow by the Managing Director with the CFO and all Branch Heads is conducted every three days. Stringent measures have been put in place to keep capital expenditure in check while bringing in control measures for overheads.

Demand for its products/services

There was a temporary idling of machines at construction sites due to lockdown, discussions are underway with the clients for suitable compensation of the equipment rental for this period. There has not been a material impact on the demand for the company's services.

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

The Company does not foresee any material impact on its business and is well-positioned and sufficiently prepared to fulfil its obligations in existing contracts/agreements.

You may please take the above information on record and acknowledge the receipt.

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