

14th July, 2020

To
BSE Limited
Listing Dept./ Dept. of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai - 400001

Security Code : 539301
Security ID : ARVSMART

To
National Stock Exchange of India Limited
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051

Symbol : ARVSMART

Dear Sirs,

Sub.: Disclosure of Material Impact of COVID - 19 pandemic under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.


Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, please find enclosed herewith relevant disclosure for your information.

Kindly take the above on record.

Thanking you,

Yours faithfully,

For Arvind SmartSpaces Limited


Prakash Makwana
Company Secretary



DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

A. Impact of the CoVID-19 pandemic on the business:

The unprecedented COVID-19 pandemic followed by the nation-wide lockdown announced by the Government has impacted both the Company and its consumers. The last week of March'20 to mid-May 2020 witnessed significant disruptions in the business and operations of the Company. The Company resumed operations and started opening partially upon lifting of strict lockdown orders. Due to closure across the country for more than 2 months, the demand has suffered significantly during that period. The liquidity was impacted with delayed collections from both homebuyers as well as mortgage lenders. However, positive signs are visible from June' 20 onwards. The Company has done a soft launch for two new Projects, one in Bangalore and another in Ahmedabad. Looking at the current COVID-19 situation and based on the assessment that the crisis should end in next few weeks, the Company do not see a long term structural impact on the business. The Company continues to evaluate the impact of the pandemic as the situation evolves.

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

The Company has restarted operations in all the offices and most of the construction sites adhering to the safety norms prescribed by Government of India. During complete lockdown period, offices and construction sites were shut down since they were not part of Government denominated essential services. At this point of time, all our Construction sites already have some level of activity depending upon the stage of project and labour availability. However, labour availability is still fluctuating at various locations due to evolving COVID-19 situations specific to different areas. We expect that labour availability should come near to normal in few months. All our offices are working and have been split to different locations to avoid concentration of workforce at one location.

C. Schedule, if any, for restarting the operations:

The Company has already started resumption of partial operations and has put in place the mandatory protocols and SOPs for all our employees as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India.

D. Steps taken to ensure smooth functioning of operations:

The Company is committed to the well-being, health and safety of its employees and support staff. It continues to take all the necessary measures to contain the COVID-19 pandemic and abide by the directions and advisories issued by the Government. All offices were shut down on the announcement of a lockdown by the Government and Work from Home policy was enforced by the Company. As we resumed partial operations, the Company has been training people on the job for practicing mandatory SOPs, mandatory safety check and training of personnel on Physical distancing, health & hygiene. The Company has implemented weekly roaster at its offices, divided the office staff to two locations and continues to encourage Work from Home wherever possible.



E. Estimation of the future impact of CoVID-19 on its operations:

Due to complete lockdown for almost two months and partial lockdown currently, the revenues and profitability of the Company are likely to be impacted. The Company is watchful about the future as it unfolds as it depends on the extent of the spread of COVID-19 in India. These are early days and the Company is not in a position to gauge with certainty the future impact on operations. However, the Company expects to witness changes in the business environment but at the same time it believes that fundamentals are strong enough to come out of this crisis on the back of focused approach, execution excellence and prudent cost management.

F. Details of impact of CoVID-19 on listed entity's –

- i. capital and financial resources:
- ii. profitability
- iii. liquidity position
- iv. ability to service debt and other financing arrangements
- v. assets
- vi. internal financial reporting and control
- vii. supply chain
- viii. demand for its products/services

During lockdown period the fresh sales and collections had gone down and now it has started picking up back from June. The profitability in the immediate short term is likely to get impacted. The Company's capital and Banking facilities remain intact. The Company expects to meet its commitments and cash flow requirements even though there has been some impact on liquidity. The Company should be able to meet financial requirements. While there are repayments scheduled in short term, the Company should be able to serve its debt and other financing arrangement by converting some of the short term loan to long term. The Company has also availed moratorium on some of the loans as per RBI guidelines. The Company is implementing cost control measures as a part of cash conservation strategy. The Company has very small base of fixed assets and the biggest assets is inventory. The Company do not foresee any risk of recoverability of its current assets. The Company has robust internal financial process and controls and there is no impact on the same.

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

The Company is well positioned to fulfil its obligations with respect to all the existing contracts and agreements. However, the Company is keeping a close eye on ramping up of labour from the existing contractors in some of the projects which are still going through a period of repeat lockdowns and where the new COVID-19 cases are yet to peak. The Company at present do not foresee any major risk of non-fulfillment of obligations by any party which could have a significant impact on it.

H. Other relevant material updates about the listed entity's business:

None

