

Date: 25<sup>th</sup> May, 2020

<b>1) The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai-400051</b>	<b>2) The Manager, Listing Department, Corporate Relationship Department, BSE Limited, 1st Floor, New Trading Wing, P. J. Towers, Dalal Street, Fort, Mumbai-400001</b>
<b>Scrip ID- ARCHIES</b>	<b>Scrip Code - 532212</b>

In Ref: SEBI Circular vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

SUB: Submission of Disclosure of Material Impact of CoVID-19 pandemic on Archies Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

As per the SEBI Circular issued vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we hereby submitting the Disclosure of Material Impact of CoVID-19 pandemic on Archies Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as Annexure-1 attached herewith.

Please take the same on records and oblige us.

Thanking You.

Yours sincerely,

For Archies Limited

  
**Dilip Seth**  
Director (Finance) and CFO  
DIN: 06640936

**ARCHIES LIMITED**

C-113, NARAINA INDUSTRIAL AREA, PHASE-1, NEW DELHI - 110028 (INDIA), CIN : L36999HR1990PLC041175  
TEL.: 91-11-41410000, 41412222, Fax : 91-11-41410060, Email : archies@archiesonline.com, Website : www.archiesonline.com  
REGISTERED OFFICE : PLOT NO. 191- F, SECTOR- 4, I.M.T. MANESAR, GURUGRAM - 122050, HARYANA (INDIA)

## Annexure-1

### Disclosure of Material Impact of CoVID-19 pandemic on Archies Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### 1) Impact of the CoVID-19 pandemic on the business

CoVID-19 pandemic has affected almost every business in the world. This has affected the business of our company also. The Government of India has announced the 4 lock-down's from 22<sup>nd</sup> March, 2020 till 31<sup>st</sup> May, 2020. On the basis of situation on 31<sup>st</sup> May this can be extended further.

During the lockdown period as desired by the Authorities, all our offices, premises, stores and branches were closed. No commercial activities happened during this period.

At the end of Lockdown 3.0, we got our offices, premises, branches and few stores opened in the states and cities wherever the Government allowed for opening of these after implementing all the safety measures prescribed under Order issued by Ministry of Home Affairs (MHA).

Inflow of fund in the Company got stuck. There was no revenue during the Lockdown. Few stores have started operations and it will take few months for situation to become normal.

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

In this critical situation of lockdown due to CoVID-19, all the operations were shut down all of a sudden due to Government orders. The demand in the market is very low as there are still restriction on movement of people and opening of business premises. The business will come very low and slow for a few months. We are geared up for opening our operations in accordance with the guidelines issued by the authorities. However we will have to keep a close watch on the customer movement in the markets or areas where our stores are located.

We are still very positive that the business will pick but it will take some time.



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### 3) Schedule, if any, for restarting the operations

We opened our **Naraina Unit** on 08.05.2020 with Accounts, HR, MIS and IT teams with less than 1/3<sup>rd</sup> Strength. First the entire premises was cleaned and sanitized. All necessary arrangements were made so that the staff can work in a safe environment. HR team had to work on employees and workers payment. Finance team has to initiate the finalization of books of accounts.

Similarly after cleaning and sanitization, we opened our **Manesar Unit** on 11.05.2020 with few workers who were able to reach the premises. We have few export orders to be executed so we opened the unit, sanitized entire building, took all precautions and started work with a few workers and employees.

As on date 18 stores have been opened and more stores will follow in the current week.

### 4) Steps taken to ensure smooth functioning of operations

During the lockdown period the management kept all its operations closed. We continuously did online meetings & made plans for starting operations once the lockdown is over. Since we are mainly into retail across India and the same will be operational as per the guidelines issued by the authorities. We are fully geared up to start our operations.

### 5) Estimation of the future impact of CoVID-19 on its operations

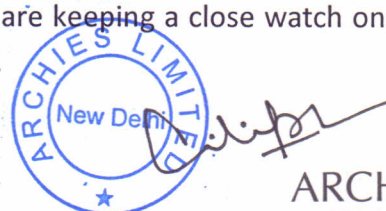
During the current financial year we are expecting the CoVID-19 to impact our business by 40%. There is change in consumer sentiment.

### 6) Details of impact of CoVID-19 on Archies Limited:

Impact depends on the duration of the lockdown as well the consumer sentiments. At this stage we do not know the exact time when this lockdown will be completely over and when all the restriction will be removed. Moreover as the business will be low at majority of the locations we are renegotiating rents with the landlords. This process will also take some time and decide how many stores will continue in future.

#### a) capital and financial resources

As earlier, we are working with Bank Limits. We are keeping a close watch on the situation and will do the needful as the situation demands.



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**b) profitability**

There are so many factors which lead to profitability. There is so much uncertainty about everything at this point of time. Presently as the revenue is almost zero, we are trying to reduce expense and costs. Gradually there will be clarity on business condition. So we will give more clarity on this in due course of time.

**c) liquidity position**

The movement of fund is very low. However, the management is closely monitoring the situation and confident of sailing through this rough patch. We are working under the bank limits only.

**d) ability to service debt and other financing arrangements**

There is no term loan on Archies. We are working under the credit limits and do not see any problem as of now.

**e) assets**

All our Fixed Assets are secured.

**f) internal financial reporting and control**

There is no problem with the Internal Financial Reporting and Control.

**g) supply chain**

We have sufficient stocks to run our stores and business for 6 months approx. We are just waiting for the stores to open and see the consumer reaction and sentiment to plan the rest of the year.

**h) demand for its products/services**

We are not too much into the essential services, however we are in the business of social expression, spreading happiness, greeting each other and celebrations. We are confident that after lockdown, CoVID-19, and dull time people would want to have happiness in their life and come to our stores for the same.



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

This is mainly for lease and rent agreements. We are discussing the situation with all landlords and are hopeful of reaching some amicable solution in majority of cases.

8) Other relevant material updates about Archies Limited's business

We are waiting for the lock down to be over. So that the customers start coming back to the markets, sentiments improve and things become normal. It will take some time but we are ready and confident. We are renegotiating the rentals with landlord. However we expect that we will have to close approx. fifty (50) stores in the coming months due to CoVID-19 impact.

For Archies Limited



**Dilip Seth**

Director (Finance) and CFO

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