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# ASIAN HOTELS (WEST) LIMITED

14<sup>th</sup> July, 2020

<b>Manager</b> <b>Listing Department</b> <b>The Bombay Stock Exchange Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Fort</b> <b>Mumbai – 400 001</b> <b><u>Scrip Code: 533221</u></b>	<b>Manager</b> <b>Listing Department</b> <b>The National Stock Exchange of India Limited</b> <b>Exchange Plaza, Bandra Kurla Complex</b> <b>Bandra (East)</b> <b>Mumbai – 400 051</b> <b><u>Scrip Code: AHLWEST</u></b>
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Dear Sir/ Madam,

**Sub: Disclosure on impact of COVID-19 pandemic on the Business.**

Pursuant to SEBI circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020, disclosure of material impact of COVID-19 pandemic in respect of the Company's Hotel Business is as follows:

## **1. IMPACT OF THE COVID-19 SITUATION ON THE BUSINESS**

The COVID-19 pandemic in India is part of the worldwide pandemic of coronavirus disease 2019. The first case of COVID-19 in India, was reported on 30<sup>th</sup> January, 2020.

On 24<sup>th</sup> March, 2020, the Indian Government ordered a nationwide lockdown for 21 days. On 14<sup>th</sup> April, the nationwide lockdown was further extended till 3<sup>rd</sup> May which was followed by extensions till 31<sup>st</sup> May. Beginning 1<sup>st</sup> June, the Government has started un-locking the country (barring containment zones) in phases.

The lockdowns and restrictions imposed on various activities due to COVID - 19 have posed challenges to the business of our Company Asian Hotels (West) Ltd (AHLW). Till last week of February 2020, when the restrictions on international travel were first announced by the Government, our services and business volume were showing a healthy growth. The Company was faced with lot of cancellations of confirmed bookings from the month of February 2020 and thereby impacting the financials of the Company.

The Indian hospitality industry is undoubtedly one of the biggest casualties of the COVID-19 outbreak as demand has declined to an all-time low. Global travel advisories, suspension of Visas, the prohibition against mass gatherings, the ramifications of all these are unprecedented. Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies of the Company's hotel.

## **2. ABILITY TO MAINTAIN OPERATIONS DURING THE PERIOD**

During the lockdown period, the hotel business was operating with minimum operations. There was almost negligible Rooms, F&B, Events and other Operational revenue. Hotel was operating at minimum occupancy.

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However, we have continued to explore different available opportunities like the Company's hotel was given to stranded passengers and repatriated stays under the Vande Bharat program.

The Company adopted the work from home policy for the majority of its staff during the entire duration of the lockdown as a precautionary measure. However, the Hotel is adequately manned for regular maintenance and up keep of its property and assets deployed in its hotel.

### **3. SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS:**

The Government of Maharashtra vide its order dated 6<sup>th</sup> July, 2020 has allowed opening of hotels with effect from 8<sup>th</sup> July, 2020, with restricted entry and social distancing guidelines and the occupancy of our hotel has also picked up to some extent. However, except rooms, room service and Restaurants in the Hotel, other facilities continue to be remain closed. The Company expects the hotel to become fully operational in a phased manner after the restrictions are lifted by the state government.

Based on our assessment of the impact of COVID 19 on the Hospitality sector in India, the Company expects a recovery in business to be driven mainly by domestic tourism, staycations, domestic business travel and a limited international travel during the financial year.

The Company is monitoring the situation closely and will accelerate operations in a phased manner giving utmost consideration to the health and safety of our people and guests, strict adherence of hygiene norms while also taking into account directives from the Government. Further, we are committed to protect the interest of all our stakeholders.

### **4. STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS**

The Company is taking all necessary measures to reduce fixed costs, rationalize resources, taking initiatives to uplift revenue. The Company has put in place a series of steps to optimize cost namely Manpower, Power & Fuel, Corporate Overheads & other costs. Cash Conservation measures have also been initiated such as deferral of Capex & Renovation plans unless absolutely required for upkeep of the Hotel property and its operations.

During these pandemic times, the safety of our employees has been our top-most priority and the Company has taken several measures to ensure their well-being like thermal screening of employees at all entrances, regular sanitization of premises, mandatory wearing of mask and wearing of gloves, recommending use of Arogya Setu App, maintaining social distancing in office and canteen, etc.

To manage operations manpower, the Hotel Business operated with a dedicated team of minimum employees who were accommodated in the hotel itself so that travelling and risk of pandemic COVID 19 could be avoided. Other employees have been working from home in accordance with the guidelines issued by the Central/State/Municipal authorities.

### **5. ESTIMATION OF THE FUTURE IMPACT OF COVID-19 ON ITS OPERATIONS:**

Since the situation is exceptional and is changing dynamically, the Company is not in a position to estimate the future impact on its operations. We believe there will be an impact in sales volumes, revenue, and profitability for first half of FY 2020-2021 since the hotel business is presently operating with minimum operations which will rise up gradually. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfill the needs of its customers.

Considering the faith in the Hyatt Brand, the Company does not foresee any challenge in recapturing its market position, post the revival of the economy. However, revenues are expected to be softer in the initial phase of the unlock down, and for some time after the lifting of the complete restrictions arising out of reduced business and leisure travel.

**6. DETAILS OF IMPACT OF COVID-19 ON LISTED ENTITY'S - CAPITAL AND FINANCIAL RESOURCES; PROFITABILITY; LIQUIDITY POSITION; ABILITY TO SERVICE DEBT AND OTHER FINANCING ARRANGEMENTS; ASSETS; INTERNAL FINANCIAL REPORTING AND CONTROL; SUPPLY CHAIN; DEMAND FOR ITS PRODUCTS/SERVICES;**

The Company has made a detailed assessment of its liquidity position and ability to service debt and believes that it has sufficient financing arrangements to fulfil its working capital requirements in addition to the funds expected to be generated from the operating activities. The Company has also assessed the potential impact of COVID-19 on the carrying value of property, plant & equipment, right of use assets, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company. Based on the current indicators of future economic conditions, the Company expects to recover the carrying value of these assets.

The Company's long term credit facilities of Rs. 2267.08 million are rated by 'India Ratings and Research' with a rating of IND BBB-/RWN and short term working capital limits of Rs.270 million with a rating of IND A3/RWN. The Company believes the existing working capital limits are sufficient to manage the operations.

The Company has availed the COVID – 19 relief package announced by RBI. The Company received the approval from Banks for the 1<sup>st</sup> and 2<sup>nd</sup> moratorium relief i.e. March to August 2020 period.

The Company has also carried out a risk assessment inter-alia to ascertain any potential COVID – 19 related risks. As of now, it does not foresee any disruption in raw material supplies. There is also no impact on internal financial controls due to COVID – 19 situation.

The Company expects the demand for its products/ services to pick up, though at a slower pace once restrictions are lifted.

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

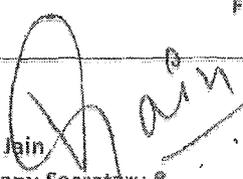
The Company has taken appropriate measures with respect to its existing contracts/arrangements. The Company is hopeful that due to its effective steps, there will not be any significant impact on the Company's business.

**Financial Statements:**

The financial statements submitted by the Company under Regulation 33 of the LODR have also specified the impact of the CoVID-19 pandemic on the Company, to the extent possible.

The above updates are dynamic and will change as the situation changes, which is not in the control of the Company. We will keep our investors and other stakeholders updated with relevant updates from time to time.

Thanking You,

For Asian Hotels (West) Ltd.	
 Vivek Jain Company Secretary & Compliance Officer	
 Rakesh Kumar Aggarwal Chief Financial Officer	