

# ASIAN HOTELS (EAST) LIMITED

Registered Office : Hyatt Regency Kolkata, JA-1, Sector III, Salt Lake City, Kolkata - 700 098, W.B., India

Phone : 033 2335 1234/2517 1012 Fax : 033 2335 8246/2335 1235 [www.ahleast.com](http://www.ahleast.com)

CIN: L15122WB2007PLC162762

10<sup>th</sup> June, 2020

<p><b>The Manager</b> <b>Listing Department</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai- 400001</b> <b>Tel: (022-2272 8013)</b> <b>Fax: (022-2272 3121)</b></p> <p><b>Type of Security: Equity shares</b> <b>Scrip Code : 533227</b></p>	<p><b>The Manager</b> <b>Listing Department</b> <b>National Stock Exchange of India Ltd.</b> <b>Exchange Plaza</b> <b>Plot No. C/1, G Block,</b> <b>Bandra – Kurla Complex</b> <b>Bandra (E), Mumbai – 400 051</b> <b>Tel: (022) 2659 8235</b> <b>Fax: (022) 2659 8237</b></p> <p><b>Type of Security: Equity shares</b> <b>NSE Symbol : <u>AHLEAST</u></b></p>
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Madam/Sir,

- Sub: i) Disclosure of Material impact of COVID-19 Pandemic**  
**ii) Information under Regulation 30 of Listing Regulation, 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 May 20, 2020 please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

This is for your information and ready reference.

Please acknowledge the receipt and take the above on record.

Thanking you.

Yours truly,

For Asian Hotels (East) Limited

  
**Saumen Chatterjee**  
**Chief Legal Officer &**  
**Company Secretary**



Encl.: as above

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## DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

The Company is engaged in two lines of business through separate divisions namely:

i) Hotel Division

Hotel Division of the Company is engaged in operation and management of Hyatt Regency Kolkata. Robust Hotels Private Limited, the wholly owned subsidiary of the Company, operates and manages Hyatt Regency Chennai (**the Hotel Business**) and

ii) Investment Division

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 read with SEBI circular SEBJ/HO/CFD/CMD1/CIR/P /2020/84 dated May 20, 2020, disclosure of material impact of COVID-19 Pandemic in respect of the Hotel Business is as follows:

SL. No.	Particulars	Disclosure
1.	Impact of the Covid-19 pandemic on the business	<p>The first case of Covid-19 was reported on 30th Jan 2020 in India. It started affecting our hotel business from the month of February 2020 when the hotels started receiving requests for cancellation of bookings.</p> <p>The hotel business came to a complete halt when nationwide lockdown was declared by the Prime Minister of India w.e.f 22<sup>nd</sup> March 2020. The Actual revenue against the budgeted revenue of Hyatt Regency Kolkata (Kolkata Hotel) was decreased by Rs. 19.64 crores during the lockdown period from March 2020 to May 2020 and that of Hyatt Regency Chennai (Chennai Hotel) the same was decreased by Rs 19.27 crores.</p>
2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down	<p>During the lockdown period, the hotel business was operating with minimum operations. There was almost negligible Rooms and Events revenue. The Hotel Business did a little Food and beverage business by making home deliveries. The utility cost constitutes to 10 to 12% of revenue. The consumption of air-conditioning / power has been reduced to less than one third of normal consumption to meet the minimum level at which hotels are operated.</p>
3.	Schedule, if any, for restarting the operations	<p>Hospitality industry being the most hit industry due to Covid-19, the recovery expected to be slow since the restrictions on gathering continue for more months and the resumption of flight operations will take some more time.</p> <p>With the lifting of the lockdown restrictions with respect to hotels and restaurants, the Company re-opened its Hotel Business of Kolkata from 8<sup>th</sup> June, 2020 The hotel prepared a proper schedule</p>

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		<p>for restarting its operations as per guidelines laid down by the government:</p> <ul style="list-style-type: none"><li>i) The hotel prepared its duty roaster in a manner that not more than 50% workforce would be working at a time.</li><li>ii) The hotel made proper arrangement for maintaining Social distancing norms amongst employees as well as guests coming to the hotel.</li><li>iii) The hotel has made a schedule for opening its operations in a phased manner. All the services are scheduled to be opened in phased manner, whether it is opening of Salons or Gym services. The same is gradually being scaled up after adhering to the guidelines being issued by the Central &amp; State Governments.</li></ul> <p>The Chennai Hotel will start its operation with 20% volume in September and progressively expected to reach 50% by March 2021.</p>
4.	Steps taken to ensure smooth functioning of operations	<p>After declaration of lockdown, there were restrictions on movement of people and material in the country. To manage manpower, the Hotel Business operated with a dedicated team of 60 employees who were accommodated in the hotel itself so that travelling could be avoided. Sufficient working capital has been kept to resume operation smoothly</p> <p>All overheads in nature of administrative and selling have been curtailed only to the bare minimum required for current level of operation. Strict instructions have been given to control these type of overheads.</p> <p>The Company has taken utmost care of its staffs and workforce by taking measures 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, issuing Guideline for employees etc. Additionally, proper equipment and sanitization material has been provided at all locations. Equipments are maintained and capacity utilization can be enhanced based on requirement in future months.</p>



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5.	Estimation of the future impact of CoVID-19 on its operations	<p>COVID-19 has had a material adverse impact on the Indian hospitality industry. The hospitality industry faces a period of continuing disruption and hardship with tough domestic and international economic conditions compounded by travel and other restrictions.</p> <p>The hotel business estimates a deep downfall in its revenue and profitability. Although the lockdown in respect of hotels in Kolkata has been removed w.e.f 8th June 2020 with several restrictions and guidelines issued by the State Governments, like limiting gathering of 50 peoples at a time in any event. This will impact the hotel business as there will be very limited number of guests in a event.</p> <p>The hotel business estimates minimal group business during the remaining year as various corporates have extended their work from home and social events being cancelled due to panic situation and resumption of flight operations will take some more time.</p> <p>The revenue and profitability of the Company will be severely affected in 1st and 2nd quarter of the current financial year. As the business situation is unforeseen, the company is closely monitoring it to take appropriate steps. Earlier our hotel business was on average witnessing 65%-70% occupancy till mid February. From the end of February occupancy has gone negligible.</p> <p>The estimated expected revenue against the budgeted revenue for the hotel business has come down by 50%.</p> <p>The Chennai Hotel will start its operation with 20% volume in September and progressively expected to reach 50% by March 2021.</p>
6.	<b>Details of impact of CoVID-19 on the Company:</b>	
6.1	Capital and financial resources	<p>As there were hardly any sales from the hotel business during the lockdown period from March 2020 to May 2020, the Company and its wholly owned subsidiary were compelled to frame a revised salary structure for the employees of the hotels considering their requirement and necessity. Salary as per revised pay structures was paid to the employees with the help of financial assistance from the promoters of the Company</p> <p>The Hotel Business normally spends 15% to 17% of its revenue towards manpower cost. So, it was vital for the management to step-in and reduce the same during this period through following</p>



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		measures;  a) No further recruitment of staff b) Reduce contractual and outsourced manpower strength only to the minimum required level c) Requesting staff to avail their leave balances for their safety and also to reduce the company's financial liability.
6.2	Profitability	The profitability of the hotel business has taken a deep dive. The budgeted profit of Kolkata hotel and Chennai Hotel decreased by Rs. 9.54 Crores and 8.43 crores respectively during the lockdown period from March 2020 to May 2020.
6.3	Liquidity position	Though there were negligible sales during the lockdown period, both the hotels were able to make some collection from its debtors during the month of April 2020 to May 2020.
6.4	Ability to service debt and other financing arrangements	The Company is a debt free company and has not taken any loan/ financial assistance and/or entered into any financial arrangements with any financial institutions/Banks.  However, Robust Hotels Private Limited, wholly owned Subsidiary of the Company has honoured its debt service obligations in a timely manner and would continue to do so in the days to come.
6.5	Assets	There were many assets which were made shut due to closure of operations. The restarting of these machineries involves heavy cost and breakage.
6.6	Internal financial reporting and control;	The internal financial reporting had also an impact. The bare minimum could be met due to non-availability of proper manpower and resources.
6.7	Supply Chain	Proper communication was made with each and every vendor for supply of goods or services which were required v/s not required during the lockdown. The support of vendors effected supply of qualitative goods and services at revised prices.
6.8	Demand for its products/services;	Services of the hotel industry did not come under the list of essential services declared by the government during the lockdown. Hence, the demand of its services was severely fallen. Hence, the demand of its services was severally fallen.  Further, the hotel's banquet business was severally impacted due

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		to various restrictions with respect to gatherings etc., imposed by the government.
7	Existing contracts/agreements where non-fulfillment 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 with the vendors. The Company is hopeful that due to its effective steps, there will not be any significant impact on the Company's hotel business.
8.	Other relevant material updates	The Company is assessing the situation and shall update on other relevant material information about the hotel business, if any, along with the declaration of the financial results for the year ended March 31, 2020.



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