

BENARES HOTELS LIMITED

CIN: L55101UP1971PLC003480

Corporate Office: Taj Palace, Sardar Patel Marg, New Delhi - 110021

Phone: 011 6650 3549/3704, 26110202 | Website: www.benareshotelslimited.com

June 4, 2020

BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 509438

Dear Sirs,

Subject: Intimation under Regulation 30 of SEBI LODR, Regulations, 2015

Pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the material impact of the COVID-19 pandemic and the resultant lockdown, on the operations and performance of the Company –

1. Impact of the Covid 19 pandemic on the business

Pursuant to the announcement of complete lockdown by Central and State Government, the hotel units have been shut down on 23rd March 2020.

The Company received sharp cancellations of room and banquet bookings and there is virtually no pick up in the business during the lockdown.

The hotel unit Taj Ganges, Varanasi got operational from 18th May 2020 to serve quarantine guests for 7 -10 days. The permission for Takeaways/Home deliveries are also allowed from 21st May 2020.

Further, the MRP based sale of liquor is allowed at its unit in Gondia, Maharashtra from 19th May 2020 onwards with certain terms and conditions.

2. Ability to maintain operations including units/office spaces functioning and closed down

Since the hotels are not allowed to operate during the lockdown period except for quarantine and medical staff etc., the hotel units at Varanasi and Gondia remains non-operational except for quarantine guest.

3. Schedule, if any, for restarting the operations

The Central Government has allowed operating the hotels from 08th June 2020. In this regards, the company is awaiting the detailed instructions and clarifications from the State Government and will act accordingly.

Further, the State Government has clarified that Banquet facility will operate with maximum of 30 pax and SPA, Gymnasium and swimming pool facility are still not allowed to operate. These directives are valid till 30th June 2020.

Registered Office: Nadesar Palace Compound, Varanasi - 221 002

Tel.: 0542 666 0001

4. **Steps taken to ensure smooth functioning of operations**

The Company is taking utmost care of its associates like sanitization, social distancing, mandatory mask wearing, thermal check at the gate, use of Arogya Setu App and maintaining proper hygiene at work place. The company has allowed for the work from home facility to its associates, have online meeting, and operating with limited work force.

The company is also ensuring compliances of all the guidelines and directives issued by Central and State Government and local authorities from time to time.

5. **Estimation of the future impact of Covid 19 on its operation**

During the lockdown period, the company has earned negligible revenue i.e. only on account of serving of quarantine guest for 7-10 days and from takeaways/home delivery of food.

The revenue and profitability of the company has been adversely affected for the current quarter. With the opening of the domestic market and air travel, we expect business to improve slowly and gradually. Given the uncertainty, the final impact on the Company's operations in future may differ from estimations.

6. **Details of the impact of Covid 19 on the Company**

(a) **Capital & financial resources** - The Company has sufficient working capital to operate. It is quite pertinent that the collections of receivables and payment to vendors will delay due to lockdown.

(b) **Profitability** - The profitability of the company has been adversely affected for the current quarter due to non-operation of hotels on account of lock down. It is expected to gradually improve from next quarter with the opening up of the market and travel.

(c) **Liquidity position** – The Company has sufficient liquidity to operate with and there is no concern on account of the same. We are vigilant on the same and monitoring it continuously. It is also managed through strict control on various overhead and deferral of capital expenditure.

(d) **Ability to service debts and other financial arrangements** – The Company has no long term loan and has only short term borrowings from inter Group Company. The Company is servicing the interest regularly and has not availed any moratorium. The company does not foresee any challenge in fulfilling its financial obligations.

(e) **Assets** – The Company does not see incremental risk in recoverability of assets like inventory, debtors etc. The capex requirements have been deferred.

(f) **Internal Financial Reporting and Control** – Our internal financial reporting and control are fully functional and not impacted due to Covid 19.

(g) **Supply chain** – The Company do not foresee any impact on its supply chain.

(h) **Demand for its products/services** – The overall demand of the hospitality services has been impacted during lockdown. We expect that the demand of our services will improve post lockdown and allowance of domestic and international travels.

7. **Existing contracts/agreements where non fulfillment of the obligations by any party will have significant impact on the Company business**

The Company does not have any such contracts or agreements, where non fulfillment of the obligations, may have significant impact on the Company's business.

8. **Other relevant material updates about the Company's business**

There are no other material updates to report.

The Company is continuously assessing the future impact of Covid 19 on its operation. The Company will furnish updates in case there is any material development or changes happen, to the Stock Exchange.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
for **Benares Hotels Ltd.**


Vanika Mahajan
Company Secretary

