



VARCA, GOA

August 18, 2020

BSE Limited
Corporate Compliance Department
Rotunda Building P. J. Towers, Dalal
Street, Fort Mumbai 400001
Scrip Code - 523269

The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Symbol : ADVANIHOTR

Dear Sir/Madam,

Sub: Disclosure of Material impact of COVID-19 Pandemic

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular SEBJ/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 faithfully,

For **ADVANI HOTELS & RESORTS (INDIA) LIMITED**

S/d
Nilesh Jain
Company Secretary

Note: Due to ongoing COVID -19 pandemic outbreak and consequent lockdown, this intimation is being submitted without signature of the authorised person in SD/- mode.

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

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:

Sr. NO	PARTICULARS	DISCLOSURE
1.	Impact of the Covid-19 pandemic on the business	<p>The Company operates a Five Star Deluxe resort under the Brand name of Caravela Beach Resort at Goa.</p> <p>As per the media reports, the first case of Covid-19 was reported on 30th Jan 2020 in India. Then it started spreading to our feeder markets like Mumbai, Delhi, Karnataka at a very fast pace, There were cancellation from these cities and other Countries also due to Visa restrictions and flights cancellations.</p> <p>Until February 29, 2020, the Company had achieved Total Net Revenue of INR 6678 Lakhs, and a Profit Before Tax of INR 1416 Lakhs, as compared to a Total Net Revenue of INR 6391 Lakhs and Profit Before Tax of 1083 Lakhs, during the corresponding 11-month period of the preceding financial year. Thus, the Company was on a growth trajectory until February 29, 2020.</p> <p>During the month of March 2020, the Caravela Beach Resort Goa abruptly received a number of cancellations due to the COVID-19 pandemic. International flights were not allowed to land and this led to cancellations from foreign customers. Subsequently, in order to control the spread of the Coronavirus, a National Lock-Down came into effect and domestic travel also came to a stand-still. Thus, the Total Net Revenue for the month of March 2020 was only INR 437 Lakhs, as against INR 767 Lakhs recorded in March 2019.</p> <p>Due to the above, for the quarter ended March 31, 2020, the Company reported a Total Net Revenue of INR 2070 Lakhs, as compared to a Total Net Revenue of INR 2366 Lakhs, during the corresponding quarter of the preceding financial year.</p> <p>Despite the adverse impact of the COVID-19 pandemic during the month of March 2020, the Company achieved a Total Net Revenue of INR 7116 Lakhs, and a Profit Before Tax of 1405 Lakhs in the financial year 2019 - 2020, as compared to a Total Net Revenue of INR 7173 Lakhs.</p>



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CARAVELA
 BEACH RESORT

VARCA, GOA

The hotel operations came to a complete halt when Nationwide lockdown was declared by the Hon'ble Prime Minister of India w.e.f 24th March 2020 in the interest of the Nation.

We did an average Occupancy of 91.17% in March 2019 with Total Resort Income of Rs. 7.09 crores. Our budget for March 2020 was 91.23% Occupancy and Total Resort Income of Rs. 7.26 crores.

We received 6 group cancellations from the Domestic Market segment in March 2020 as follows:

- a) Yo-Union for 93 room nights.
- b) Ernst & Young for 110 room nights.
- c) Quantum for 54 room nights.
- d) Jyoti Prakash Panada for 40 room nights.
- e) Sonu & Lakhan wedding of 166 room nights in April.
- f) Elsevier for 110 room nights in April.

While the Company had received an advance and a signed legal contract with a promise to pay the balance, all of the above have defaulted in honouring the terms of the contract and refused to pay the balance amounts as per their contract and cancelled their respective events.

Given that the cancellation was so close to the actual date of check-in and given the hype in the media, it was very difficult to fill-up / substitute these lost room nights.

In addition, we received several requests for cancellation from FITs.

Lastly, the pace of picking-up new business drastically slowed down.

The last nail in the coffin was the ban on foreigners entering India by the Government of India (Attachment 1b). While this is a wise move on the part of the Government, it will severely impact our revenues.

This has further increase cancellations, as foreign tourists from Charters and Crew and FIT's who had booked on Booking.com will not be allowed entry into India.

Similarly, the first 15 days of April also have travel restrictions for any foreigners entering India and this impacted our Occupancy and Total Revenue as below:

The TUI Crew which stays with us had withdrawn soon (much earlier than contracted). There was a loss of 231 room nights from this segment for March 2020 and a loss of about 350 rooms nights for April 2020.

Even the future bookings, (which were already confirmed on the books),



		<p>got cancelled. There was the loss of 311 Charter room nights for March 2020 and 176 rooms nights in April 2020, (which were currently shown as confirmed in the system). Hence, a total of 487 confirmed room nights will be lost from the Charter segment.</p> <p>We had confirmed Foreign FIT business of 79 rooms nights for March and 78 rooms nights for April 2020. These also got cancelled due to the restrictions placed by the Government.</p> <p>Hence, from the International Marketing segment, an overall of 621 rooms nights for March and 604 room nights for April will be lost.</p> <p>There is no revenue in the Company in Q1 of the financial year 2020-21. The Company did the revenue of Rs 16.57 Crores in the corresponding quarter of the previous year.</p>
2	Ability to maintain operations including the factories/units/office and spaces functioning and closed down	<p>During the lockdown period, the hotel business came to complete halt. The revenue from Rooms, Events & F&B is Nil after March 22, 2020. The power consumption has reduced substantially only to meet the normal maintenance of the rooms and critical equipment's. The overheads cost have been reduced by 91 % when compared with March 2020. The payroll cost has also come down drastically.</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 wedding having more than 50 pax still continues as on date.</p> <p>The company is planning to restart it operations from October 01, 2020 with 130 rooms and is spending on Capex items to ensure Hygiene and safety for its guests and its employees.</p>
4	Steps taken to ensure smooth functioning of operations	<p>The Company while restarting the operations has focus on the below two parameters:</p> <ol style="list-style-type: none"> 1) Safety of the Guest 2) Safety of the Employees <p>For this, the Company has tied up with M/s Bureau Veritas and M/s Johnson Diversey, who will provide the training to the employees and will provide best in class Sanitizers, Chemicals to sanitize the Hotel.</p> <p>The Company will procure the Capex items also like Electrostatic Spraying Gun and Hi Speed Fever Detection Kiosks Solution.</p>
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 Goa 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</p>

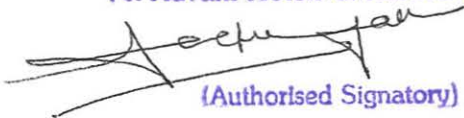


		<p>very limited number of guests in an event.</p> <p>The hotel business estimates minimal group business during the remaining year as various corporates have extended their work from home and social events being cancelled due to panic situation and resumption of flight operations will take some more 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.</p> <p>From the Mid-March, occupancy has gone negligible.</p> <p>The Hotel will start its operation with projected 10% Occupancy in October 2020, 20% Occupancy in November and 30% Occupancy in December 2020 and progressively expected to reach 50% by March 2021, if everything goes as per Industry's estimates.</p> <p>The Govt. has renewed the Excise License to serve liquor but has restricted the serving of Liquor in the Hotel.</p>
6.		Details of impact of CoVID-19 on the Company:
6.1	Capital and financial resources	<p>The Company has been a debt free Company and surplus Cash balance is invested in liquid Fund. As there were hardly any Revenue from the hotel business during the lockdown period from April 2020 to June 2020, the same has impacted the Company's Financial resources which were invested in Liquid Funds.</p> <p>The Company is taking adequate care of its Capital Resources by doing proper repair and maintenance, maintaining the temperature in the rooms to avoid humidity/fungus and proper renewal of its Insurance policies</p> <p>The Company has employed the Skeleton manpower throughout the Q1 like employees in Housekeeping, Horticulture and Security for the Safety and upkeep the assets and in Finance to ensure all the Compliances in terms of audits and filing of taxation returns like GST and VAT.</p> <p>The Company has reduced its Heat, Light and Power Expenses by 45.3 % and Sales and Marketing expenses by 54.7 % when compared with Pre-Covid expenses.</p>
6.2	Profitability	The Company is having gross operating loss in the Q1 of the financial year 2020-2021 for the first time in its history of 30 years.
6.3	Liquidity position	The Company is -debt free Company and have liquid fund investment to take care of its overheads up to October 2020. Though there was no sales during the lockdown period, the hotel was able to make some collection from its debtors during the month of April 2020 to June 2020. There is no bad debt as such in the Q1
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 till June 2020. It may take loan in future depending on financial requirements of the Company.
6.5	Assets	The Company continued to operate its equipments / machineries partially at regular intervals to avoid any malfunctioning / damage due to closure of operations. This will also help Company to restart hotel operations swiftly as soon as hotel operations starts with tourist flow into Goa. During this temporary closure of hotel operations, the Company has carried out certain critical repairs / maintenance to its assets.
6.6	Internal financial reporting and control	Though the business of the Company got impacted due to Covid-19, there was no material impact on internal financial reporting and control. The Internal audit is being carried out by M/s BDO, which is among top 10 audit firms in India
6.7	Supply Chain	Proper communication was made with each and every vendor / service



		provider 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 impacted. Further, the hotel's banquet business was also severally impacted due to various travel and other 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 / Service Providers. 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 / updates about the hotel business, if any, along with the declaration of the financial results for the 1 st quarter ended June 30, 2020.

For Advani Hotels & Resorts (I) Ltd


(Authorised Signatory)

