

26<sup>th</sup> June 2020

<b>The National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No..C/1, G Block Bandra Kurla Complex Bandra(E) Mumbai – 400 051.  <b>Code: EIHOTEL</b>	<b>BSE Limited</b> Corporate Relationship Dept. 1 <sup>st</sup> Floor,New Trading Ring Rotunda Building Phiroze Jeejeebhoy Towers Dalal Street,Fort Mumbai-400001  <b>Code:500840</b>	<b>The Calcutta Stock Exchange Limited</b> 7,Lyons Range Kolkata-700001  <b>Code:05</b>
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**Sub: Disclosure of material impact of COVID–19 on the business, performance and financials of the Company**

Dear Sir / Madam,

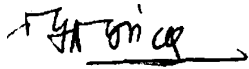
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed the update with regards to the impact of CoVID-19 pandemic on the operations and performance of the Company.

Kindly take the above on record and host on the website.

Thank you,

Yours faithfully

For **ElH Limited**



**S.N. Sridhar**  
Company Secretary

The Management's priority in dealing with the exceptional challenges posed by COVID-19 has been to ensure the safety of its guests and employees, support suppliers, liaise with customers and keep the supply chain operational for essential supplies.

❖ **Impact of the CoVID-19 pandemic on the business;**

The consequences of the COVID-19 outbreak on the Company's business for the financial year ended March 31, 2020 have been limited, as business was impacted only in the latter half of March 2020. In view of the continued impact in Q1/FY20, several cost rationalisation measures have been initiated subsequent to the year end and are being monitored. The Management has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investment property, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company as on 31st March, 2020 and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects to recover the carrying amounts of these assets.

❖ **Ability to maintain operations including the factories/units/office spaces functioning and closed down;**

The Company has maintained its property, plant and equipment including furniture in a manner to ensure its smooth operations while ensuring the health and safety of its guests and employees. Some of the Company's hotels were partially operational during the lockdown abiding by the Government directives to take care of stranded domestic and international guests, accommodating requirements of essential services and continuing to provide accommodation to guests who use the hotel as their permanent residence. During this period, home delivery of meals and take away facilities in hotels were provided as this was allowed under Government regulations. The printing press of the Company received special permission from the Government to operate amidst the lockdown from 1st May, 2020 as it supports essential services like banks, pharmaceuticals and food. In case of flight services business, catering services were provided for repatriation and cargo flights.

❖ **Schedule, if any, for restarting the operations;**

Hotels in most locations have been allowed to resume operations effective 8<sup>th</sup> June, 2020, with the balance expecting to open by 1<sup>st</sup> July 2020.

**❖ Steps taken to ensure smooth functioning of operations;**

The Oberoi Group has always placed the highest emphasis on the safety and wellbeing of guests with exacting standards of cleanliness and hygiene at its hotels and resorts under the “Oberoi” and “Trident” brands. Due to the risks associated with COVID 19, and in keeping with World Health Organization and Ministry of Tourism guidelines, additional measures have been taken to further enhance the standards of hygiene and cleanliness. The Group has partnered with Bureau Veritas, the world leader in testing, for inspection and certification services, to validate and review the safety and hygiene programme at hotels.

Detailed Standard Operating Procedures in accordance with World Health Organization and Ministry of Tourism guidelines have been operationalised in case guests and/ or colleagues who test positive for COVID-19 or display symptoms. Professional agencies and doctors are on standby for sanitisation of all areas and to provide medical help respectively.

**❖ Estimation of the future impact of COVID-19 on its operations;**

In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Management has considered the impact from a prolonged lockdown; travel restrictions continuing in India and in other countries even after lifting of the lockdown; guests postponing their discretionary spending; continued restrictions on the number of domestic and international flights; internal and external information available upto the date of approval of these financial statements including credit reports and economic forecasts. The impact of COVID-19 may be different from that estimated on the date of submission of this disclosure and the Management will continue to closely monitor any future material changes to future economic conditions.

Based on assessments performed and analysis of market trends, management is, however, of the view that travel is likely to gradually resume after the lockdown is lifted, and the revenue projections for the year are in line with industry expectations. Based on enquiries received, assessments performed and analysis of market trends, the Management expects demand to gradually pick for Domestic leisure and business travel, social events within prescribed norms, and limited international travel once international airlines are allowed to commence operations. Domestic airlines have commenced operations from 25th May, 2020 with one-third capacity approved by the Government which is expected to gradually increase over the months going forward, and the timing of commencement of international airlines is yet to be announced by the Government. The Management is confident to limit the adverse impact of COVID-19 on its Financials although a clearer picture shall emerge only in due course.

**❖ Details of impact of CoVID-19 on listed entity’s -****▪ Capital and financial resources;**

The Company has low capital gearing with a debt to equity ratio as on March 31, 2020 at **0.14:1** and hence it carries very low risk on capital management. Our bankers have sanctioned additional unsecured short term limit of Rs. 1,000 million, taking the total short term borrowing facility to Rs. 5,500 Million. Based on the Company’s undrawn borrowing facilities and expected future cash flow, the Company does not foresee any material constraints in its capital and financial resources.

**▪ Profitability;**

During the FY 2019-20, the impact of Covid 19 on Company's profitability has been limited as business was impacted only in the latter half of March 2020. Several cost rationalisation measures have been initiated since March 2020 and are being monitored. The management has taken all steps to limit the impact on the Company's profitability, although a clearer picture will emerge in due course.

▪ **Liquidity position;**

The Company, despite the unpredictable times, is relatively insulated from the risk of a liquidity crisis owing to its healthy financial position.

As at March 31, 2020, the favourable current ratio and quick ratio demonstrates efficient working capital management by the company. The Management does not foresee any stress on liquidity, as it has access to sanctioned borrowing facilities for working capital requirements, worth Rs. 4,500 Million, of which Rs. 2,634.7 Million was unutilized as on 31st March, 2020. The Company's bankers have sanctioned an additional unsecured short term limit of Rs.1,000 million, taking the total short term borrowing facility to Rs. 5,500 Million.

▪ **Ability to service debt and other financing arrangements;**

The consistent financial performance and credit worthiness of the Company is demonstrated as:

- The Company has met the Financial Covenant as on March 2020.
- CARE has reconfirmed an A1+ rating for our Commercial Paper for the third consecutive time.

The Company is confident to service its debt and other financing arrangements in future maintaining a similar track record.

▪ **Assets;**

The Management has also assessed the potential impact of Covid-19 on the carrying value of property, plant & equipment, right of use assets, intangible assets, investment property, investments, trade receivables, inventories, and other current assets appearing in the financial statements of the Company as on 31st March, 2020 and has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, expects to recover the carrying amounts of these assets.

▪ **Internal financial reporting and control;**

The Company has an adequate risk control framework to address the situation arising under the Covid-19 pandemic.

▪ **Supply chain;**

The Company has worked closely with its vendors to ensure minimum disruption in its supply chain.

▪ **Demand for its products/services;**

Based on the Company's consistent ability to maintain exemplary guest service standards and with increased focus on domestic travellers, the Company is confident to restrict the adverse impact on its revenues. The Company has developed new revenue streams in the form of home delivery services and take-away facilities. The Company will also start outdoor catering.

**EIH Limited**

SEBI disclosure requirements on Covid 19

In accordance with notification no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May 2020

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

The impact of non-fulfilment of obligations by a third party is not material and adequate provisions have been made in the Financials of 2019-20, where applicable.