

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

CIN: L15122WB2007PLC162762

7th August, 2020

<p>The Manager Listing Department National Stock Exchange of India Ltd. Exchange Plaza Plot No. C/1, G Block, Bandra – Kurla Complex Bandra (E), Mumbai – 400 051 Tel: (022) 2659 8235/36 Fax: (022) 2659 8237/38</p> <p>Type of Security: Equity shares NSE Symbol : AHLEAST</p>	<p>The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Tel: (022 2272 8013) Fax: (022 2272 3121)</p> <p>Type of Security: Equity shares Scrip Cod : 533227</p>
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Dear Sir,

Sub: Re- submission of Statement on Impact of Audit Qualifications (for audit report with modified opinion)

This is to inform you that we had inadvertently missed to attach the Statement on Impact of Audit Qualification (for audit report with modified opinion) in the format as prescribed by SEBI vide circular no.CIR/CFD/CMD/56/2016 dated May 27, 2016.

However, we had submitted the Statement on Impact of Audit qualification on both Standalone and Consolidated Financial statements along with respective Audit Report filed on 31st July, 2020 for the financial year ended 31st March, 2020.

We are hereby enclosing the Statement on Impact of Audit Qualifications for Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March, 2020 in the format as prescribed by SEBI vide circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Please acknowledge the receipt of the above and take the same on record.

Thanking you.

Yours truly,

For Asian Hotels (East) Limited

SAUMEN Digitally signed by
SAUMEN CHATTERJEE
CHATTERJEE Date: 2020.08.07
13:29:58 +05'30'

Saumen Chatterjee
Chief Legal Officer &
Company Secretary

OWNER OF



HYATT
REGENCY™
KOLKATA

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs in Lacs	Adjusted Figures (audited figures after adjusting for qualifications) Rs in Lacs
	1.	Turnover / Total income	10,107.91	10,107.91
	2.	Total Expenditure	7,893.87	7,893.87
	3.	Net Profit/(Loss) before tax	2,214.04	2,214.04
	4.	Earnings Per Share	12.03	12.03
	5.	Total Assets	91,491.35	91,491.35
	6.	Total Liabilities	6,019.16	6,019.16
	7.	Net Worth	85,472.19	85,472.19
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification:

The Company has investment in Robust Hotels Private Limited (subsidiary) amounting Rs 56,736.17 lacs and loan receivable of Rs 3,715 lacs as on March 31, 2020. The financial performance of the subsidiary company and adverse impact of the pandemic Covid-19 on the operation of the subsidiary indicate a need for impairment testing of investment and loan receivable in the subsidiary. However, management has not carried out any impairment testing as required under IND AS 36 (Impairment of Assets) of the above investment and loans. The management is confident that the recoverable amount of the investment and loan receivable in RHPL will not be less than the amount at which they have been stated in the Balance Sheet. Impact of the above matter on the financial statement is not ascertainable and as such cannot be commented upon.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

c. Frequency of qualification: Whether appeared first time/repetitive/since how long/continuing: First Time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
Not Applicable

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) **Management's estimation on the impact of audit qualification:** Estimation not ascertainable as explained in Point (ii) below.

(ii) **If management is unable to estimate the impact, reasons for the same:**

The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the investment and loans given by the Company to its wholly owned subsidiary Robust Hotels Pvt. Ltd., Chennai (RHPL). Sometimes back RHPL had undertaken valuation of its assets which exceeded the Company's investments in and loans to it. During last 5 years, RHPL has improved its performance and also generated cash profits and as a result RHPL was able to fulfill its financial obligations to banks/financial institutions and accordingly the loan outstanding has come down from Rs.150 Cr. to Rs.114 Cr. as on 31st March 2020.

(ii) If management is unable to estimate the impact, reasons for the same:



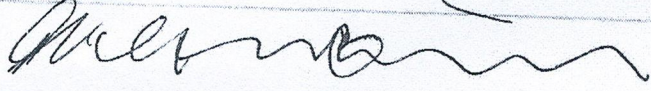
The Auditors have commented on the need for and necessity of carrying out an evaluation of impairment of the goodwill on consolidation.

The management is confident that the realizable value of the goodwill on consolidation will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the subsidiaries has been satisfactory. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of the subsidiaries is good and it expects quick recovery in the performance after business conditions are restored to its prior position.

Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government. These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances, it is difficult to carry out the impairment test.

(iii) Auditors' Comments on (i) or (ii) above:

Same as mentioned in Point II (a) above.

III.	<u>Signatories:</u>	
	Umesh Saraf Joint Managing Director	
	Bimal Kr. Jhunjhunwala CFO & Vice-President- Corporate Finance	
	A.C. Chakrabortti Audit Committee Chairman	
	Rajiv Singhi Partner Singhi & Co. Chartered Accountants Statutory Auditor	Rajiv Singhi

Place: Kolkata
Date: 31.07.2020

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Audited Financial Results – (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
	Particulars	Audited Figures	Adjusted Figures
		(as reported before adjusting for qualifications) Rs in Lacs	(audited figures after adjusting for qualifications) Rs in lacs
	Turnover / Total income	19,533.24	19,533.23
	Total Expenditure	19,457.07	19,457.06
	Net Profit (Loss) before tax	76.17	76.17
	Earnings Per Share	(6.51)	(6.51)
	Total Assets	96,834.85	96,834.85
	Total Liabilities	20,889.39	20,889.39
	Net Worth	75,945.46	75,945.46
	Any other financial item(s) (as felt appropriate by the management)		
ii.	<u>Audit Qualification (each audit qualification separately):</u>		
	a. Details of Audit Qualification:		
	<p>The Company is carrying goodwill on consolidation amounting to Rs. 9,991.03 lacs for the investment in subsidiaries of the company as on March 31, 2020. The financial performance of the subsidiaries and adverse impact of the pandemic Covid-19 on the operation of the subsidiaries indicate a need for impairment testing of the goodwill. However, management has not carried out any impairment testing of goodwill along with carrying value of net assets of subsidiary company to assess if there is any impairment charge to be recognized on goodwill. The management is confident that the recoverable amount of the goodwill on consolidation will not be less than the amount at which they have been stated in the Balance Sheet. The impact of the above matter on the consolidated financial statements of the Company is not ascertainable and as such cannot be commented upon.</p>		
	b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion		
	c. Frequency of qualification: Whether appeared first time/repetitive/since how long/continuing: First Time		
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable		
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:		
	(i) Management's estimation on the impact of audit qualification: Estimation not ascertainable as explained in Point (ii) below.		


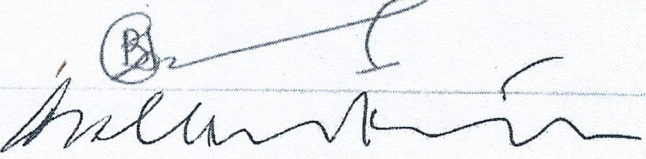
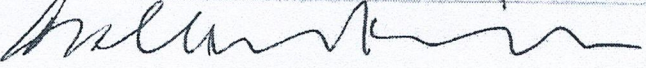
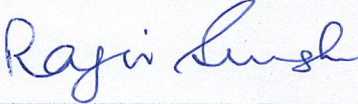
Unfortunately, the entire Hotel industry is now devastated on account of Covid-19 pandemic and also long lockdown declared by the Government

These events have created uncertainty and unpredictability in the future of the Hotel industry across the country. The entire Hotel industry is grappling with the situation and therefore in the present adverse circumstances it is difficult to carry out the impairment test

However, the management is confident that the recoverable value of the investment and loans given to RHPL will not be less than the amount at which they have been stated in the balance sheet. The operating performance of the RHPL has been satisfactory and the management of the subsidiary has taken reasonable steps in reducing the overheads especially the manpower cost and utility cost to safeguard itself from huge operating losses on account of Covid-19. The present adverse business conditions due to outbreak of Covid pandemic is temporary and it has become difficult to have the future projections of revenue/cash flows from the business for the purpose of Impairment as this industry has been affected badly. The management is optimistic that the long term prospects/fundamentals of RHPL is good and it expects quick recovery in the performance after business conditions are restored to its prior position. Hence, the management does not anticipate any impairment to the carrying amount of the asset.

(iii) **Auditors' Comments on (i) or (ii) above:**

Same as mentioned in Point II (a) above.

III.	<u>Signatories:</u>	
	Umesh Saraf Joint Managing Director	
	Bimal Kr. Jhunjhunwala CFO & Vice-President- Corporate Finance	
	A.C. Chakrabortti Audit Committee Chairman	
	Rajiv Singh Partner Singhi & Co. Chartered Accountants Statutory Auditor	

Place: Kolkata
Date: 31.07.2020