



# The Byke Hospitality Limited

CIN No.: L67190MH1990PLC056009

July 19, 2020

## BY E-FILING

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| To,<br>Corporate Services<br>Department,<br><b>National Stock Exchange of<br/>India Limited,</b><br>5 <sup>th</sup> Floor, Exchange Plaza,<br>Plot No. C/1, G Block,<br>Bandra Kurla Complex,<br>Bandra (E), Mumbai-400051.<br><br><b>Scrip Code: BYKE</b> | To,<br>Corporate Service<br>Department,<br><b>The BSE Limited,</b><br>Phiroze Jeejeebhoy Towers,<br>Dalala Street,<br>Mumbai- 400001<br><br><b>Scrip Code: 531373</b> | To,<br>Corporate Service Department,<br><b>Metropolitan Stock Exchange<br/>of India Limited,</b><br>4 <sup>th</sup> Floor, Vibgyor Towers,<br>Bandra Kurla Complex,<br>Bandra (E), Mumbai-400093<br><br><b>Scrip Code: THEBYKE</b> |
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**Sub: Disclosure relating to material impact of CoVID-19 pandemic on Company.**

**Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

Respected Sir/Madam,

In terms of SEBI Circular No. **SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**, read along with Regulation 30 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. We are submitting herewith disclosure of material impact of CoVID-19 pandemic and resultant lockdown on the operations and business of the Company.

We request you to kindly take the above document on your record.

Thanking you,

Yours Faithfully,

**For The Byke Hospitality Limited**

**SD/-**

**(Ankita Sharma)**

**Company Secretary and Compliance Officer**

*\*Note: Due to outbreak of Covid-19 and prevailing conditions in the country, we are working from home and unable to submit signed copy of this document and hence submitting the same under SD/- mode. We request you to accept this communication and take the same on record.*



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## • **Impact of COVID-19:**

The outbreak of coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity. On March 11, 2020, the World Health Organization declared COVID-19 outbreak as a pandemic. Responding to the potentially serious threat that this pandemic has to public health, the Indian Government has taken a series of measures to contain the outbreak, which included imposing multiple 'lock-downs' across the country, from March 22, 2020, and now extended up to July 31, 2020.

Lockdown guidelines issued by Central/State governments mandated closure of hotel operations and cessation of air traffic and other forms of public transport. This has resulted in low occupancies / shutdowns of our hotels at pan India.

The Indian hospitality industry is undoubtedly one of the biggest casualties of the COVID-19 outbreak as demand has declined to an all-time low. The lockdown has had an unfortunate impact on the hospitality sector where the occupancy levels and the ARR (Average Room Rent) have taken a major hit.

## • **Ability to maintain operations including the factories/units/office spaces functioning and closed down:**

As the Company was not part of Government denominated essential services, most of the hotels of the Company were shut down entirely during the lockdown. Within the hotel's portfolio, 3 of our hotels had stay-on guests, and 2 of our hotels had provided rooms for quarantine facility to the Government Authorities under Vande Bharat Mission. Our colleagues at the hotels continue to provide hospitality services to the guests under these trying circumstances.

Corporate and regional sales offices were also shut, but the Company adopted the work from home policy during the entire duration of the lockdown until the pandemic subsides as a precautionary measure. Our HR and IT teams were quick off the block to set up Business Continuity Plans on people and IT front.

The safety of our employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all safety precautions. All employees have been instructed to download the Arogya Setu app launched by the Government of India.

## • **Schedule, if any, for restarting the operations:**

With the lifting of the partial lockdown restrictions, the Company has started re-opening a few hotels in the non-containment zones, after establishing thorough and well-rehearsed safety protocols. The Company expects all the hotels to become operational in a phased manner after the lockdown is lifted and the confidence of traveller's is restored.

With the phased withdrawal of the lockdown, it is expected that the hospitality industry will recover in line with the economy. However, at this stage, the duration for which these restrictions will remain in



place is uncertain and resumption of full-fledged operations will depend upon directives issued by the Central/ State Governments.

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

We believe the only way to survive this crisis is by reducing our fixed operating expenses. Cost efficiencies have always been a key driver for business performance and these practices have held us in good stead during this crisis too and allowed us permissible forms of cost savings. We are working on Business Continuation Plans which attributes to developing and implementing timely payment schedules to avoid any defaults related to the effects of the pandemic.

The Company is continuously assessing the emerging consumer behaviour and demand drivers to suitably realign its business strategies. The management team at the hotel continue to proactively engage with their key stakeholders and guests.

The Company has also been following the guidelines issued from time to time by The Federation of Hotel & Restaurant Associations of India, with respect to the safety protocols, awareness requirements and necessary precautions in the current pandemic situation.

**Launched “Kal Ka Safar”**

*Kal Ka Safar* proposes the hope of pushing through this pandemic and getting back to the normalcy of life through travel. For that very purpose *Kal Ka Safar*, gives a chance to pre-book your stay at any of The Byke Properties. Our guests can pre-book their dates of stay any time before 31/03/2021 and have the freedom to reschedule the dates even 48 hours prior to check-in.

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

**The road to recovery: Making the hotel experience safe.**

With a clear focus on a road map for recovery, the business processes and arrangements are being suitably realigned that includes an increased focus on health and safety of our guests and associates. We strive to constantly improve the safety standards and eliminate any potential hazards that may dwindle our service standards. Our team members have been well trained with regards to the safety equipment and newly reformed precautionary steps.

Below are the Post COVID Strategies adopted by the Company:

- Enhanced safety and hygiene
- Mandatory Safety Protocols
- Complete end to end contactless Check-In/Check-Out
- Contactless ordering of hotel services during hotel stay
- Home Delivery and Takeaways.



## **Details of impact of CoVID-19 on listed entity's:**

**-capital and financial resources:** The Company currently has sufficient financial capital and financial resources to run the business.

**-profitability:** The profitability of the Company has been impacted on account of low occupancy.

**-liquidity position:** There has been an impact on the current cash inflows and outflows to a limited extent. However, the situation may aggravate if the situation prolongs much more.

**-ability to service debt and other financing arrangements:** The Company does not have any significant debt hence there is not any effect on servicing of debt.

**-Assets:** The Company has all necessary assets required to run its business, duly secured. The expansion plans already undertaken may likely to be impacted if the situation continues for too long.

**-internal financial reporting and control:** The Company has adequate financial reporting and control system and no difficulty is envisaged in this area.

**-supply chain:** The Company has been able to manage supply chain adequately.

**-demand for its products/services:** Adverse effect of COVID-19 will surely be reflected in the revenues of the Company for the financial year 2019-20 and 2020-21 due to lower occupancies & limited F & B off take arising out of reduced business and leisure travel, but the level of same cannot be ascertained now. The company is assessing the future impact of COVID-19 pandemic on its operation, profitability, liquidity position and demand for its services etc.

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

The Company is well positioned to fulfil its obligations and existing contracts/arrangements.

## **• Other relevant material updates about the listed entity's business.**

### **The Byke Gives Back**

As an act of community service, we have distributed over 4000 cooked food packets to the needy in Thane and Jaipur. In collaboration with the Lions Club, we have distributed essential grocery items packages to over 1500 underprivileged families in Mumbai and over 900 packets of grains in Matheran. The Byke Hotels & Resorts is also associated with the Feeding India initiative to distribute 200 packets of food every day, in Jaipur. Apart from food, basic essentials like towels and utensils were also distributed among 400 migrated workers in Mumbai.

***Note: The measures being followed for easing of lockdown restrictions vary throughout the Country due to which the situation is evolving in nature and hence the assessments made by the Company are not final and will vary accordingly.***