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ASIAN HOTELS (NORTH) LIMITED

AHL/CS/1013/2019
14th June, 2019

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code / Symbol: 233/ASIANHOTNR

Dear Sirs,

Sub: Clarification on credit rating submitted on 5th June, 2019

This has reference to your e-mail dated 13th June, 2019, seeking clarification on Intimation filed by the Company on 5th June, 2019, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding down grading of credit rating. Our point wise reply is as under:

1) Rationale for downward rating given by CRISIL Limited is as under:

CRISIL has downgraded its ratings on the bank loan facilities of Asian Hotels (North) Limited (AHNL) to '**CRISIL B/Stable**' from '**CRISIL BBB-/Stable**'.

The downgrade reflects non-servicing of interest due on April 15, 2019 towards unrated External Commercial Borrowings (ECB) on account of an ongoing dispute with regards to Withholding tax refundable to AHNL by the lender. Although, company had adequate liquidity to service the interest obligations on time, in the form of unutilized bank limits and cash and bank balances, the delay was triggered on account of the tax dispute remaining unresolved as on date. Further, company is meeting its debt obligations on rated facilities in a timely manner. Additionally, the management failed to highlight the delay in the No Default Statement shared with CRISIL for April 2019 and hence misrepresented this fact.

Further, company's financial risk profile weakened in fiscal 2019 due to increase in interest cost, resulting in a weak interest cover and accruals as against CRISIL's previous expectation. CRISIL believes the financial risk profile will remain weak over the medium term.



OWNERS OF:



HYATT
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ASIAN HOTELS (NORTH) LIMITED

The rating reflects a weak capital structure and debt protection metrics, driven by large term debt, high geographic concentration and susceptibility to economic downturns. These rating weaknesses are partially offset by the company's established market position in the hospitality industry, driven by long-standing experience of the promoters, continued association with 'Hyatt' brand. This in turn leads to strong visibility and healthy revenue from Food and Beverage (F&B) segment, supporting the operating margin.

2) Whether promptly notified the Exchange

Letter no. ASIHITE/222819/BLR/061900029 dated 3rd June, 2019, of CRISIL Limited was sent by them through courier which was delivered at the Company's office on 4th June, 2019, and the above intimation was sent to the Stock Exchanges on 5th June, 2019.

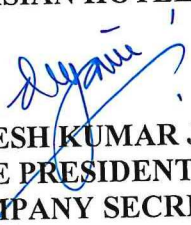
Please take the same on record.

Thanking you,

Yours faithfully,

For **ASIAN HOTELS (NORTH) LIMITED**




DINESH KUMAR JAIN
VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY

Copy to:

Corporate Services Department

BSE Ltd.

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400 001

Scrip Code / Scrip ID: 500023/ASIANHOTNR