

**WESTLIFE DEVELOPMENT LTD.**

Regd. Off.: 1001, Tower-3 • 10th Floor • Indiabulls Finance Centre •
Senapati Bapat Marg • Elphinstone Road • Mumbai 400 013
Tel : 022-4913 5000 Fax : 022-4913 5001
CIN No. : L65990MH1982PLC028593
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REF : SS:BSE:356

11th June, 2020

**BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001**

Sub : Material Impact on Business of COVID-19 pandemic

Re : Westlife Development Ltd. (the Company) : Scrip Code-505533

Dear Sirs,

In compliance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, please find below updates on material impact of COVID-19 pandemic on the Company's business.

1. Impact of the COVID-19 pandemic on the business:

The COVID-19 pandemic has brought economies, businesses and lives around the world to a standstill, and our country is no exception. The operations of the Company have been impacted by the various COVID-19 pandemic related developments. In particular, the national lockdown from March 23rd, 2020 and its extensions thereafter have impacted activities across the economic ecosystem. The Company has continued to evaluate the impact of the developments.

The Company, through its wholly owned subsidiary, focuses on establishing and operating McDonald's restaurants across west and south India. As per directive issued by relevant authorities, our restaurants were closed for operations (dine in) during the lockdown. However taking the advantage of diversified portfolio and strong external partnerships, the Company has been able to serve customers through McDelivery, maintaining highest standards of health and hygiene and contactless deliveries. Further, as and when restrictions were relaxed as per various state and city directives, the Company could also serve its customers in its drive thru facilities and with its take away facilities.

However as large part of our restaurant business could not be made operational due to lockdown, our revenues have been adversely impacted. Nevertheless, the business has continued to incur committed expenditures especially with respect to our employees and other expenditures not directly linked to revenues – this has significantly impacted profitability during this lockdown period. On the other hand, we have witnessed encouraging customer traction through our food deliveries and convenience channels.

Select teams / end users have been enabled through secured remote access to address critical activities during this period and facilitate Work From Home (WFH) wherever seen feasible. Also, we have emphasized continued robust financial controls even as WFH and related remote working measures have been adopted. Further, active preparation for reopening of all restaurants and other activities of the value chain has been a continuing agenda.



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We have also connected with our various vendor and property partners to evolve a collaborative, fair and yet contractually consistent approach to dealing with the challenges posed by the developments.

Also, as the Company is in the Quick Service Restaurants (QSR) business and is dealing in food inventory which is perishable in nature; the Company had to provide “exceptional item” towards provisions for inventory write offs due to risk of expiry of products because of the lower demand.

2. Schedule, if any, for restarting the operations including the factories/units/office spaces functioning and closed down

Currently 150+ restaurants are operational through different business channels. As normalcy starts beginning June 2nd week pursuant to directions of various states, we are ensuring commercial and supply readiness to open our restaurants ensuring social distancing norms, highest measures on safety, health and hygiene of our staff, customers and vendors not only for in-store but also for deliveries and takeaways.

In the short-term, the Company is estimating lower demands. Though we do hope the business situation will normalize soon, it is too early to assess the future impact of COVID-19 with reasonable certainty. The Company's head office in Mumbai remains shut for reasons of health and safety concerns; however, all head office employees in the support functions supporting the restaurant operations continue to operate in a full-fledged manner by working from home, so office operations are not ultimately affected.

3. Details of impact of COVID-19 on the Company's:

a. **Liquidity position** – the Company has strong cash reserves to the tune of Rs. 156 crore of investment in various liquid mutual funds and other instruments that can be converted to cash at short notice.

Profitability –

a. Prioritizing cash conservation, cost reductions especially with respect to discretionary spends with continued emphasis on maintaining adequate liquidity and minimal borrowings is the focus of the Company. The Company has sufficient cash reserves to service the debt and robust projections of bounce back as normalcy begins that would bring additional cash profits to the Company.

b. **Assets** – On the basis current assessment and estimates, the Company does not see risk of recoverability of its assets.

c. **Internal financial reporting and control** - The management is ensuring an effective internal financial reporting and control measures. Systems have been established to ensure validity of the transactions and safeguarding of assets.

d. **Supply chain** – There is no interruption in supply of any food, packaging or toys. We are working closely with our suppliers to ensure that we have continuous supply of safe and fresh ingredients to ensure business continuity.



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e. **Demand for products/services** – The Company is expecting lower demand of its products and services in the short term. However, as the situation leads to normalcy, the Company is expecting that demand for products and services will restore to normalcy.

4. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the business;

The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations by any party would lead to any material financial claim by or against the Company.

The Company ensures that all its commitments are honoured in agreed and amicable time frame and as per agreed mutual interest of the parties.

5. Other relevant material updates about the business of the Company

The Company shall keep its stakeholders informed as and when any material developments take place having significant impact. As the current environment is very dynamic and resultant situation is evolving, the business operations are highly influenced by the decisions taken by the Government and Regulators, from time to time. Accordingly, any material change in the business operations and its impact will be updated from time to time.

This is for your information and records.

Thanking you,

Yours faithfully,

For Westlife Development Ltd.

Dr. Shatadru Sengupta
Company Secretary