



**Date: July 27, 2020**

To,  
The Manager,  
Department of Corporate Services,  
**Bombay Stock Exchange Limited**  
Floor 25, P. J. Towers,  
Dalal Street,  
**Mumbai - 400 001**  
**BSE Scrip Code: 532699**

To,  
The Manager,  
Department of Corporate Services,  
**National Stock Exchange of India Limited,**  
Exchange Plaza, Plot no. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
**Mumbai - 400 051**  
**NSE Scrip Symbol: ROHLTD**

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting and Submission of Audited Standalone & Consolidated Financial Results for FY 2019-20**

The Board at its meeting held today, i.e. July 27, 2020 *inter alia*, approved the Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2020.

In this regard, please find enclosed:

- a) Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2020.
- b) Auditor's Report in respect of the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2020.

In terms of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 we hereby declare that the auditors opinion, in respect to the aforesaid financial statement is unmodified.

The aforesaid documents are also being made available on the website of the Company at <http://www.royalorchidhotels.com/investors>.





## ROYAL ORCHID HOTELS LTD.,

Regd. Office :  
1, Golf Avenue, Adjoining KGA Golf Course,  
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CIN : L55101KA1986PLC007392  
email : investors@royalorchidshotels.com

You are requested to take the above on record.

Thanking you,

Yours Sincerely,

**For ROYAL ORCHID HOTELS LIMITED**

*R. Sanyal*

**Ranabir Sanyal  
Company Secretary & Compliance Officer**



**Encl: As above**

## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF ROYAL ORCHID HOTELS LIMITED

#### Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020" ("the Statement") of **ROYAL ORCHID HOTELS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### (a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

#### (b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Regd. Office: Indiabulls Finance Centre, Tower 3, 27<sup>th</sup> - 32<sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.  
(LLP registration No. AAB-8737)



# Deloitte Haskins & Sells LLP

## Emphasis of Matter

We draw attention to note 5 to the financial results, which sets out the Company's assessment of the going concern assumption and the financial impact on account of the COVID-19 pandemic. Based on these assessments, the Management has concluded that the Company will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2020.

Our opinion is not modified in respect of this matter.

## Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related Standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income respectively and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's Responsibilities

### (a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.



# Deloitte Haskins & Sells LLP

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of



# Deloitte Haskins & Sells LLP

the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Other Matters

- As stated in Note 3 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Monisha Parikh**  
Partner  
(Membership No. 47840)  
UDIN: 20047840AAAACK1762

Place:- Bengaluru,  
Date :- July 27, 2020



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### STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Sl. No.	Particulars	Quarter ended			Year ended	
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		(Refer note 3)	(Unaudited)	(Refer note 3)	(Audited)	(Audited)
1	<b>Revenues</b>					
	(a) Income from operations	2,692.58	3,410.94	2,952.59	11,483.91	11,259.60
	(b) Other Income	216.82	91.41	359.67	717.21	744.28
	<b>Total Revenue</b>	<b>2,909.40</b>	<b>3,502.35</b>	<b>3,312.26</b>	<b>12,201.12</b>	<b>12,003.88</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	315.09	453.72	331.73	1,395.09	1,189.22
	(b) Employee benefits expenses	560.29	645.28	623.35	2,529.92	2,280.50
	(c) Finance costs (Refer Note 4)	205.61	193.98	113.88	767.03	451.69
	(d) Depreciation & amortisation expenses (Refer Note 4)	283.86	185.50	86.87	827.75	402.26
	(e) Rent expense (Refer Note 4)	194.91	260.49	347.72	910.91	1,306.43
	(f) Power and fuel expense	257.28	331.37	295.38	1,272.09	1,154.97
	(g) Other expenses	905.23	844.39	1,059.84	3,206.28	3,397.05
	<b>Total Expenses</b>	<b>2,722.27</b>	<b>2,914.73</b>	<b>2,858.77</b>	<b>10,909.07</b>	<b>10,182.12</b>
3	<b>Profit before tax (1-2)</b>	<b>187.13</b>	<b>587.62</b>	<b>453.49</b>	<b>1,292.05</b>	<b>1,821.76</b>
4	<b>Tax Expense</b>					
	(a) Current tax	111.25	213.00	189.00	514.26	549.00
	(b) Deferred tax	(110.36)	57.59	(40.08)	(133.62)	10.71
		<b>0.89</b>	<b>270.59</b>	<b>148.92</b>	<b>380.64</b>	<b>559.71</b>
5	<b>Net Profit for the period (3-4)</b>	<b>186.24</b>	<b>317.03</b>	<b>304.57</b>	<b>911.41</b>	<b>1,262.05</b>
6	<b>Other Comprehensive Income/(Loss)</b>					
	Items that will not be reclassified to profit or loss	39.26	(2.38)	(6.31)	32.12	(6.31)
	Income tax relating to items that will not be reclassified to profit or loss	(10.66)	0.44	1.84	(9.35)	1.84
		<b>28.60</b>	<b>(1.94)</b>	<b>(4.47)</b>	<b>22.77</b>	<b>(4.47)</b>
7	<b>Total Comprehensive Income for the period (5+6)</b>	<b>214.84</b>	<b>315.09</b>	<b>300.10</b>	<b>934.18</b>	<b>1,257.58</b>
8	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,740.67	2,742.52	2,740.67
9	Other Equity				19,520.81	19,596.25
10	<b>Earnings Per Share of ₹ 10 each: *</b>					
	(a) Basic (₹)	0.78	1.15	1.10	3.41	4.59
	(b) Diluted (₹)	0.78	1.14	1.09	3.38	4.56

\* not annualised for the quarters ended.

See accompanying notes to the financial results.



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### STANDALONE BALANCE SHEET AS ON MARCH 31, 2020

(₹ in lakhs)

Particulars	As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
<b>Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	2,944.39	3,277.25
(b) Capital work-in-progress	2.87	-
(c) Right-of-use assets	4,062.19	-
(d) Intangible assets	14.32	-
(e) Financial Assets		
(i) Investments	16,444.74	16,563.86
(ii) Loans	3,026.54	2,538.36
(iii) Other financial assets	2,660.54	2,441.66
(f) Deferred tax assets (net)	384.18	300.91
(g) Other non-current assets	794.87	799.83
	<b>30,334.64</b>	<b>25,921.87</b>
<b>(2) Current assets</b>		
(a) Inventories	129.46	137.87
(b) Financial Assets		
(i) Trade receivables	1,217.69	902.73
(ii) Cash and cash equivalents	738.72	1,853.18
(iii) Bank balances other than (ii) above	1,382.34	322.34
(iv) Other financial assets	225.28	274.73
(c) Other current assets	385.38	496.41
	<b>4,078.87</b>	<b>3,987.26</b>
<b>Total assets</b>	<b>34,413.51</b>	<b>29,909.13</b>
<b>(1) Equity and Liabilities</b>		
<b>Equity</b>		
(a) Equity share capital	2,742.52	2,740.67
(b) Other equity	19,520.81	19,596.25
	<b>22,263.33</b>	<b>22,336.92</b>
<b>Liabilities</b>		
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	4,022.89	3,608.86
(ii) Lease liabilities	3,782.82	-
(iii) Trade Payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	9.68	113.19
(iv) Other non-current financial liabilities	45.95	60.01
(b) Provisions	105.38	165.60
(c) Other non-current liabilities	89.21	129.91
	<b>8,055.93</b>	<b>4,077.57</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Lease liabilities	300.15	-
(ii) Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2,497.41	2,214.97
(iii) Other financial liabilities	696.72	587.71
(b) Other current liabilities	408.58	620.52
(c) Provisions	103.12	64.60
(d) Current tax liabilities, net	88.28	6.84
	<b>4,094.26</b>	<b>3,494.64</b>
<b>Total equity and liabilities</b>	<b>34,413.51</b>	<b>29,909.13</b>







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### STANDALONE CASH FLOWS STATEMENT

Particulars	(₹ in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
	₹	₹
<b>Cash flow from operating activities</b>		
Net Profit before tax	1,292.05	1,821.78
Operating profit before working capital changes	2,390.24	2,160.23
<b>Net cash generated from operating activities (A)</b>	<b>1,261.21</b>	<b>1,991.75</b>
<b>Net cash used in investing activities (B)</b>	<b>(1,223.79)</b>	<b>(766.50)</b>
<b>Net cash used in financing activities (C)</b>	<b>(1,151.88)</b>	<b>(774.39)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,114.46)</b>	<b>450.86</b>
Cash and cash equivalents at the beginning of the year	1,853.18	1,402.32
Cash and cash equivalents at the end of the year	738.72	1,853.18

Note:

The above Standalone Cashflow Statement has been prepared under the 'Indirect' method as set out in Ind AS 7 - Statement of Cashflows.







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**Notes:**

- The standalone financial results ("the Statement") for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 27, 2020.
- The Company has evaluated its Operating segments in accordance with Ind AS 108 and has concluded that it is engaged in a single operating segment viz. hospitality business.
- The financial results for the year ended March 31, 2020 have been audited and for the quarter ended March 31, 2020 have been reviewed by the statutory auditors of the Company. The figures for the current quarter ended March 31, 2020 and the quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2020 and March 31, 2019 and published year to date figures for the nine months ended December 31, 2019 and December 31, 2018 respectively, which were subject to limited review by the statutory auditors.
- Effective April 1, 2019, the Company has applied IND AS 116 "Leases" to all applicable lease contracts existing on April 1, 2019 using the modified retrospective approach. Accordingly, the Company has not restated comparative information, instead, the cumulative impact on adoption of the standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On transition, the adoption of the new standard resulted in recognition of Right-of-Use assets (ROU) ₹ 2,750.79 lakhs (including security deposit of Rs. 398.92 lakhs) and a lease liability of ₹ 2,871.77 lakhs. The cumulative effect of applying the Standard resulted in ₹ 368.51 lakhs being debited to retained earnings (net of taxes ₹ 151.40 lakhs). New lease contracts entered into during the year have been accounted under Ind AS 116, as applicable.

Consequent to the adoption of Ind AS 116, the nature of expenses in respect of operating leases has changed from lease "Rent Expense" in the previous period to "Depreciation and Amortisation expenses" for the "Right of Use assets" and "Finance cost" for interest accrued on Lease Liability in the Statement. As a result the "Rent Expense", "Depreciation and Amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods and the reconciliation of the above effect for the quarter and year ended March 31, 2020 is as under:

Particulars	( ₹ in Lakhs)		
	Year ended March 31, 2020 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Year ended March 31, 2020 as reported
Rent expense	1,467.60	(556.69)	910.91
Depreciation and Amortisation expenses	456.20	371.55	827.75
Finance costs	448.92	318.11	767.03
Profit before tax	1,425.02	(132.97)	1,292.05
Less: Tax expense	419.36	(38.72)	380.64
Net Profit for the year	1,005.66	(94.25)	911.41

Particulars	( ₹ in Lakhs)		
	Quarter ended March 31, 2020 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Quarter ended March 31, 2020 as reported
Rent expense	382.54	(187.63)	194.91
Depreciation and Amortisation expenses	140.76	143.10	283.86
Finance costs	115.74	89.87	205.61
Profit before tax	232.47	(45.34)	187.13
Less: Tax expense	14.09	(13.20)	0.89
Net Profit for the period	218.38	(32.14)	186.24

- In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As a response, the Government of India and various State Governments have taken measures to contain the outbreak which include travel bans, quarantines and imposing lockdowns. 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 some of our hotels pan India. Certain hotels of the Company are a part of Government denominated essential services called Vande Bharat Mission and are operational. The Company is in the process of resuming its operations in a phased manner in line with the directives from the Government. The Company expects the demand for rooms, restaurants, banquet halls and related services to pick up albeit at a slower pace as the lockdown is being lifted in various parts of the country and there is recovery in business, driven by business travel and leisure tourism.

In evaluating the impact of the Covid 19 pandemic on its ability to continue as a going concern and the possible impact on its financial position, management has used the principles of prudence and exercised judgements in estimating occupancy rates and average room rate per hotel while developing cash-flow forecasts. Towards this objective, the management is implementing various initiatives like rationalizing costs, negotiating extended credit terms with suppliers and lenders, evaluating monetising certain assets, building efficiencies in collections and taking various initiatives to improve revenues. The Company believes that with a combination of the above mitigation plans, it would be able to recover its assets and meet all its obligations in the normal course of business. Accordingly, the financial statements have been prepared on going concern basis.

Management has used internal and external sources of information upto the date of approval of these financial results in determining the recoverability of property, plant and equipment, investments and other financial assets, and trade receivables as at the balance sheet date. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic conditions arise.

Place: Bengaluru  
Date: July 27, 2020

For Royal Orchid Hotels Limited

C. K. Baijee  
Managing Director  
DIN: 00081844





## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF ROYAL ORCHID HOTELS LIMITED

#### Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020, and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" ("the Statement") of **ROYAL ORCHID HOTELS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### (a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the following entities

##### Parent Company:

1. Royal Orchid Hotels Limited

##### Subsidiary Companies:

2. Icon Hospitality Private Limited
3. Maruti Comforts & Inn Private Limited
4. AB Holdings Private Limited
5. Cosmos Premises Private Limited
6. Multi Hotels Limited
7. Royal Orchid Maharashtra Private Limited
8. River Shore Developers Private Limited
9. Royal Orchid South Private Limited
10. Royal Orchid Shimla Private Limited
11. Royal Orchid Jaipur Private Limited
12. Royal Orchid Goa Private Limited
13. Royal Orchid Mumbai Private Limited
14. Royal Orchid Hyderabad Private Limited
15. Royal Orchid Associated Hotels Private Limited, subsidiary of AB Holdings Private Limited
16. Ksheer Sagar Developers Private Limited
17. Raj Kamal Buildcon Private Limited
18. J.H. Builders Private Limited
19. Ksheer Sagar Buildcon Private Limited

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

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- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

## **(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

## **Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

## **Emphasis of Matter**

We draw attention to note 6 of the Consolidated financial results, which sets out the Group's assessment of the going concern assumption and the financial impact on account of the COVID-19 pandemic. Based on these assessments, the management of the Parent has concluded that the Group will continue as a going concern and will be able to meet all of its obligations as well as recover the carrying amount of its assets as on March 31, 2020.

Our opinion is not modified in respect of this matter.

## **Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related consolidated financial statements for the year ended March 31, 2020. This responsibility includes the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net loss/profit for the quarter and year ended March 31, 2020 respectively and consolidated other comprehensive loss/income for the quarter and year ended March 31, 2020 respectively and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



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The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities**

### **(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

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Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the annual standalone financial results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





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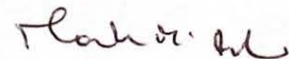
The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

As part of our Annual audit we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

## Other Matters

- As stated in Note 3 to the Statement, the figures for the corresponding quarter ended March 31, 2019, are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of fifteen subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 19,818.29 lakhs as at March 31, 2020 and total revenues of Rs.1,312.24 lakhs and Rs. 4,768.50 lakhs for the quarter and year ended March 31, 2020 respectively, total net loss after tax of Rs.187.16 lakhs and Rs.438.67 lakhs for the quarter and year ended March 31, 2020 respectively and total comprehensive loss of Rs. 170.25 lakhs and Rs. 418.86 lakhs for the quarter and year ended March 31, 2020 respectively and net cash outflows of Rs. 152.95 lakhs for the year ended March 31, 2020, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.  
Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Monisha Parikh**  
Partner  
(Membership No. 47840)  
UDIN: 20047840AAAACJ3512

Place: Bengaluru,  
Date : July 27, 2020



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### STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended			Year ended	
		31 Mar 2020 (refer note - 4)	31 Dec 2019 (Unaudited)	31 Mar 2019 (refer note -3)	31 March 2020 (Audited)	31 March 2019 (Audited)
1	<b>Revenues</b>					
	(a) Income from operations	4,825.29	6,132.98	5,353.08	20,503.28	20,383.28
	(b) Other Income	479.19	275.52	577.95	1,470.53	1,521.56
	<b>Total Revenue</b>	<b>5,304.48</b>	<b>6,408.50</b>	<b>5,931.03</b>	<b>21,973.81</b>	<b>21,904.84</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	577.38	774.37	592.18	2,465.15	2,199.00
	(b) Employee benefits expenses	1,255.05	1,412.97	1,316.26	5,416.37	5,009.16
	(c) Finance costs (refer note 5)	399.06	386.19	329.75	1,563.11	1,321.11
	(d) Depreciation & amortisation expenses (refer note 5)	565.44	455.47	309.48	1,898.73	1,432.19
	(e) Rent expense (refer note 5)	203.40	289.53	395.92	1,003.30	1,494.28
	(f) Power and fuel expense	394.85	493.42	451.49	1,940.75	1,845.89
	(g) Other expenses	1,992.89	1,684.81	1,960.81	6,616.74	6,474.75
	<b>Total Expenses</b>	<b>5,388.07</b>	<b>5,496.76</b>	<b>5,355.89</b>	<b>20,904.14</b>	<b>19,776.38</b>
3	<b>Profit before tax (1-2)</b>	<b>(83.59)</b>	<b>911.74</b>	<b>575.14</b>	<b>1,069.67</b>	<b>2,128.46</b>
4	<b>Tax Expense</b>					
	(a) Current tax	133.30	293.00	283.34	704.54	830.95
	(b) Deferred tax	(123.31)	52.01	(43.39)	(142.63)	(13.54)
		9.99	345.01	239.95	561.91	817.41
5	<b>Net Profit/(Loss) for the period (3-4)</b>	<b>(93.58)</b>	<b>566.73</b>	<b>335.19</b>	<b>507.76</b>	<b>1,311.05</b>
6	<b>Other Comprehensive Income (OCI) (net of tax)</b>					
	Items that will not be reclassified to profit or loss	64.45	0.72	11.07	66.61	11.07
	Income tax relating to items that will not be reclassified to profit or loss	(16.29)	0.06	(1.05)	(16.11)	(1.05)
		48.16	0.78	10.02	50.50	10.02
7	<b>Total Comprehensive Income/(Loss) for the period (5+6)</b>	<b>(45.42)</b>	<b>567.51</b>	<b>345.21</b>	<b>558.26</b>	<b>1,321.07</b>
8	<b>Total Comprehensive Income for the period attributable to:</b>					
	Owners of the Company	(26.57)	433.95	251.81	536.04	1,199.47
	Non-controlling interest	(18.85)	133.56	93.40	22.22	121.60
		<b>(45.42)</b>	<b>567.51</b>	<b>345.21</b>	<b>558.26</b>	<b>1,321.07</b>
9	Paid-up equity share capital (Face Value ₹ 10/- each)	-	-	-	2,742.52	2,740.67
10	<b>Other equity (including Non-controlling interest)</b>	-	-	-	<b>18,622.22</b>	<b>19,424.15</b>
	<b>Earnings Per Share of ₹ 10 each :</b>					
	(a) Basic (₹)	(0.17)	2.07	1.12	2.04	4.83
	(b) Diluted (₹)	(0.16)	2.05	1.11	2.02	4.79

See accompanying notes to the financial results







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### CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ in lakhs)

Particulars		As at 31 March 2020 (Audited)	As at 31 March 2019 (Audited)
<b>Assets</b>			
(1)	<b>Non-current assets</b>		
	(a) Property, Plant and Equipment	23,616.65	24,634.67
	(b) Capital work-in-progress	2,147.11	2,093.08
	(c) Right-of-use assets	5,291.52	-
	(d) Goodwill	1,774.70	1,774.70
	(e) Other intangible assets	25.14	-
	(f) Financial Assets		
	(i) Investments	2.25	2.25
	(ii) Others	2,357.97	2,154.72
	(g) Deferred tax assets (net)	498.14	392.63
	(h) Other non-current assets	1,636.51	2,027.52
		<b>37,349.99</b>	<b>33,079.57</b>
(2)	<b>Current assets</b>		
	(a) Inventories	222.21	237.69
	(b) Financial Assets		
	(i) Trade receivables	2,326.95	1,857.39
	(ii) Cash and cash equivalents	1,965.34	3,452.18
	(iii) Bank balances other than (ii) above	2,038.60	698.99
	(iv) Others	329.29	317.35
	(c) Current tax assets (Net)	5.89	13.23
	(d) Other current assets	653.06	694.81
		<b>7,541.34</b>	<b>7,271.64</b>
	<b>Total assets</b>	<b>44,891.33</b>	<b>40,351.21</b>
<b>(1) Equity and Liabilities</b>			
	<b>Equity</b>		
	(a) Equity share capital	2,742.52	2,740.67
	(b) Other equity	14,408.17	15,007.06
		<b>17,150.69</b>	<b>17,747.73</b>
	Non-controlling interests	4,214.05	4,417.09
		<b>21,364.74</b>	<b>22,164.82</b>
	<b>Liabilities</b>		
(2)	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	8,469.63	8,866.53
	(ii) Lease liabilities	5,088.21	-
	(iii) Trade payables	9.68	113.19
	(iv) Other financial liabilities	45.95	60.01
	(b) Provisions	213.86	340.70
	(c) Deferred tax liabilities (net)	24.01	21.33
	(d) Other non-current liabilities	42.50	46.01
		<b>13,893.84</b>	<b>9,447.77</b>
(3)	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	330.14	267.64
	(ii) Lease liabilities	336.95	-
	(iii) Trade payables		
	(A) total outstanding dues of micro enterprises and small enterprises	-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	3,844.57	3,524.61
	(iv) Other financial liabilities	2,995.59	2,960.66
	(b) Provisions	184.74	109.08
	(c) Current tax liabilities (Net)	111.71	29.93
	(d) Other current liabilities	1,829.05	1,846.70
		<b>9,632.75</b>	<b>8,738.62</b>
	<b>Total equity and liabilities</b>	<b>44,891.33</b>	<b>40,351.21</b>

See accompanying notes to the financial results.







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### CONSOLIDATED CASH FLOWS STATEMENT

(₹ in lakhs )

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Net Profit before tax	1,069.67	2,128.46
Operating profit before working capital changes	4,147.55	4,528.59
<b>Net cash generated from operating activities (A)</b>	<b>2,921.36</b>	<b>4,076.40</b>
<b>Net cash used in investing activities (B)</b>	<b>(1,630.01)</b>	<b>(456.37)</b>
<b>Net cash used in from financing activities (C)</b>	<b>(2,778.19)</b>	<b>(2,276.42)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,486.84)</b>	<b>1,343.61</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,452.18</b>	<b>2,108.57</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,965.34</b>	<b>3,452.18</b>

Note:

The above Standalone Cashflow Statement has been prepared under the 'Indirect' method as set out in Ind AS 7 - Statement of Cashflows.







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### Notes:

- The Consolidated financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on July 27, 2020.
- The Group has evaluated its Operating segments in accordance with Ind AS 108 and has concluded that it is engaged in a single operating segment viz. hospitality business.
- The figures for the corresponding quarter ended March 31, 2019 as reported in the Consolidated financial results have been approved by the Parent's Board of Directors, but have not been subjected to review by the Statutory Auditors.
- The financial results for the year ended March 31, 2020 have been audited and for the quarter ended March 31, 2020 have been reviewed by the Statutory Auditors of the Company. The figures for the current quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the financial year ended March 31, 2020 and published year to date figures for the nine months ended December 31, 2019 which were subject to limited review by the Statutory Auditors.
- Effective April 1, 2019, the Group has applied IND AS 116 "Leases" to all applicable lease contracts existing on April 1, 2019 using the modified retrospective approach. Accordingly, the Group has not restated comparative information, instead, the cumulative impact on adoption of the Standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On transition, the adoption of the new Standard resulted in recognition of Right-of-Use assets (ROU) of ₹ 3,436.17 (including security deposit of Rs. 635.30 lakhs) lakhs and a lease liability of ₹ 3,603.43 lakhs. The cumulative effect of applying the Standard resulted in ₹ 570.26 lakhs being debited to retained earnings (net of taxes ₹ 230.03 lakhs). New lease contracts entered into during the year have been accounted under Ind AS 116, as applicable.

Consequent to the adoption of Ind AS 116, the nature of expenses in respect of operating leases has changed from lease "Rent Expense" in the previous period to "Depreciation and Amortisation expenses" for the "Right of Use assets" and "Finance cost" for interest accrued on Lease Liability in the Statement. As a result the "Rent Expense", "Depreciation and Amortisation expense" and "Finance cost" of the current period is not comparable to the earlier periods and the reconciliation of the above effect for the year and quarter ended March 31, 2020 is as under:

Particulars	(₹ in Lakhs)		
	Year ended March 31, 2020 - comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Year ended March 31, 2020 as reported
Rent expense	1,689.94	(686.64)	1,003.30
Depreciation and Amortisation expenses	1,460.62	438.11	1,898.73
Finance costs	1,134.04	429.07	1,563.11
Profit before tax	1,250.21	(180.54)	1,069.67
Less: Tax expense	613.86	(51.95)	561.91
Net Profit for the year	636.34	(128.58)	507.76

Particulars	(₹ in Lakhs)		
	Quarter ended March 31, 2020 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Quarter ended March 31, 2020 as reported
Rent expense	448.32	(244.92)	203.40
Depreciation and Amortisation expenses	387.04	178.40	565.44
Finance costs	271.05	128.01	399.06
Profit before tax	42.90	(126.49)	(83.59)
Less: Tax expense	40.72	(30.73)	9.99
Net Profit for the period	2.18	(95.76)	(93.58)







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- 6 In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As a response, the Government of India and various State Governments have taken measures to contain the outbreak which include travel bans, quarantines and imposing lockdowns.

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 some of our hotels pan India. Certain hotels of the Group are a part of Government denominated essential services called Vande Bharat Mission and are operational. The Group is in the process of resuming its operations in a phased manner in line with the directives from the Government. The Group expects the demand for rooms, restaurants, banquet halls and related services to pick up albeit at a slower pace as the lockdown is being lifted in various parts of the country and there is recovery in business, driven by business travel and leisure tourism.

The current liabilities of the Group exceed its current assets by ₹ 2,091.38 lakhs as at March 31, 2020. In evaluating the impact of the Covid 19 pandemic on its ability to continue as a going concern and the possible impact on its financial position, the management has used the principles of prudence and exercised judgements in estimating occupancy rates and average room rate per hotel while developing cash-flow forecasts. Towards this objective, the Group is implementing various initiatives like negotiating/negotiated extended credit terms with suppliers and lenders, obtained additional funding in a subsidiary from a financial institution, financial support from promoter partner of a subsidiary, evaluating monetising certain assets, rationalizing costs, building efficiencies in collections and taking various initiatives to improve revenues. The Group believes that with a combination of the above mitigation plans, it would be able to recover its assets and meet all its obligations in the normal course of business. Accordingly, the financial statements have been prepared on going concern basis..

Management has used internal and external sources of information upto the date of approval of these financial results in determining the recoverability of property, plant and equipment and trade receivables as at the balance sheet date. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic conditions arise.

Place: Bengaluru  
Date: 27 July 2020

For Royal Orchid Hotels Limited

  
C K Bajee  
Managing Director  
DIN: 00081844

