



ROYAL ORCHID HOTELS LTD.,

Regd. Office :
1, Golf Avenue, Adjoining KGA Golf Course,
HAL, Airport Road, Kodihalli, Bangalore - 560 008, India
T +91 80 41783000, F : +91 80 252 03366
www.royalorchidhotels.com
CIN : L55101KA1986PLC007392
email : investors@royalorchidshotels.com

Date: November 11, 2019

**To,
The Manager,
Listing Compliance,
Department of Corporate Services,
BSE Limited,
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532699**

**To,
The Manager,
Listing Compliance,
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/Ma'am,

Subject: Outcome of Board Meeting and Submission of Unaudited Standalone and Consolidated Financial Results along with Limited Review Report thereon, for the Second Quarter and Half Year ended September 30, 2019.

Pursuant to Para A of Part A of Schedule III, read with, Regulation 30 & 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board, in its Meeting held on November 11, 2019, have approved/noted the items as per Agenda, including the following:

1. The Unaudited Standalone and Consolidated Financial Results along with Limited Review Report thereon, for the Second Quarter and Half Year ended September 30, 2019, duly reviewed and recommended by Audit Committee and approved by the Board of Directors, of the Company, in their respective Meetings held on November 11, 2019 of the Company.
2. Based on the recommendations of Nomination and Remuneration Committee, board approved the re-appointment of Mr. Chander K. Baljee as the Managing Director of the Company for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from April 01, 2020.
3. Mrs. Sunita Baljee has resigned as a Director of the Company w.e.f November 10, 2019.
4. Based on the recommendations of Nomination and Remuneration Committee, board approved the appointment of Mr. Keshav Baljee as an Additional Director of the Company with effect from November 11, 2019 pursuant to the relevant provisions of the Companies Act, 2013.



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5. The brief profile and to be submitted pursuant to SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015 of the aforesaid newly appointed Directors on the Board is enclosed.

The meeting of the Board of Directors commenced at 11.30 a.m. and concluded at 04.00 p.m.

This is for the information of Exchange and Members thereof.

Thanking you

Yours sincerely,

For **ROYAL ORCHID HOTELS LIMITED**

RANABIR SANYAL
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: as above



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Brief Profile of Directors

Mr. Chander K. Baljee:

Professional Review

A veteran with 40+ years of experience in the hospitality industry, Mr. Chander K. Baljee currently serves as the Managing Director at Royal Orchid Hotels Limited, a public company, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

A thought leader in the ever-evolving hospitality space, Mr. Chander K. Baljee has to his credit many achievements, including the rapid setup and expansion of one of India's foremost chain hotel brand, Regenta & Royal Orchid Hotels. The brand today successfully operates over 3600 rooms and several famed restaurants in 50+ hotels across 36 locations in the luxury, upper mid-market and budget hotel category in India. The brand enjoys patronage of more than 2,20,000 loyalty members in India currently.

Mr. Baljee specializes in the setting up and profitable running of hotels and is a 'go-to' expert for owned, leased, managed and franchised hotel models.

Mr. Baljee's success story features in a book titled 'Stay Hungry Stay Foolish' authored by Rashmi Bansal which follows the professional journey of 25 IIM Ahmadabad entrepreneurs.

Industry Affiliations

Mr. Chander K. Baljee has lent his experience to various organizations by serving on the tourism committee, both, at Bangalore Chamber of Commerce & Industry as well as Confederation of Indian Industry (CII).

He was a council member of All India Management Association (AIMA).

Recent Speaking Engagements

- India Hospitality Exhibition (Greater Noida) 2019.
- Hotel Investment Conference South Asia (HISCA) 2019, Mumbai on the subject of Leasing opportunities in Hotels
- 50th FHRAI Annual Convention, Bhubaneswar, 2015
- 11th Hotel Investment Conference South Asia (HICSA) 2015
- Sri Lanka Hospitality Investment Conference August , 2014
- 49th FHRAI Annual Convention, Bangalore, 2014
- 2nd Annual Economy Asia, Singapore, 2014
- 21st Annual Hotel Investment Conference, Hong Kong, 2014



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Education

- Post graduated from Indian Institute of Management, Ahmedabad, 1972
- Graduated from Sri Ram College of Commerce, Delhi, 1970

Notable Awards and Recognition

- 'Lifetime Achievement Award' conferred by International Hospitality Council in Association with IIHM Bangalore, 2019
- The brand Royal Orchid Hotels was recognized as one of the Top 50 Hot Brands by Paul Writer, 2019
- Regenta Place Bangalore (erstwhile Ramada Bangalore) won the award for the 'Best Budget Hotel' at the India Travel Awards, 2017
- Regenta Resort Varca, Goa won the 'Best Debut Beach Resort' at the India Hospitality Awards (West & South), 2016
- Royal Orchid Metropole, Mysore was awarded 'The Best Heritage Hotel' at the Tourism Awards 2016 by the Federation of Karnataka Chambers of Commerce & Industry (FKCCI), Karnataka
- Royal Orchid Beach Resort, Goa was awarded for 'Best 5 Star Fun & Fly Resort' by the Goan Hospitality Award of Excellence, 2016
- Nominee and Finalist for the CNBC Travel 'Business Leader Awards', Asia Pacific in 2015 (the only hotelier from India to be part of the nomination).
- The brand Royal Orchid was recognized as one of the top 50 Hot brands in Bangalore, by Paul Writer, in association with Hindustan Times at the Bangalore Brand Summit, 2014 and 2015

Philanthropy – The Baljee Foundation

- The Baljee foundation was initiated with funding from Mr. Chander K. Baljee and the Baljee Group of Hotels. The foundation Helps children of the employees at Royal Orchid with financial aid so that no child is left without basic education.
- Makes monthly contributions to Cancer Care Society, Shimla and Women Council for Shimla, for providing tailoring classes and sewing machines upon course completion.
- Is associated with contributions to Nightingales Centre regularly towards the care of Dementia patients.
- The foundation contributes towards work done in empowering mentally challenged children with IT skills at the Amba-CIIE. The foundation is planning to set up a center at Shimla.
- Contributes for better healthcare of Senior Citizens at old age homes and orphanages.
- Launched the first Skill Centre in the city of Shimla, Himachal Pradesh where students are tutored through video conferencing by faculties of Presidency College of Hotel Management, Bangalore. The Skill Centre aims at imparting skill training in the domain of hospitality – front office, food & beverage service and housekeeping to the youth of Shimla.



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Contribution to Education – Presidency College of Hotel Management

- Mr. Chander K. Baljee established the Presidency College of Hotel Management in 1994, having identified and understood the increasing need for trained and skilled labour in the hospitality sector. The institute provides certification programs in the fields of front office management, f&b service and housekeeping.
- The course content comes from the American Hotel and Lodging Educational Institute (AHLEI), USA which awards certificates which are globally accepted as a mark of high level of professional achievement.
- With support from the Baljee Foundation, the institution continues working towards educating students at the bottom of the pyramid, free of cost. A new learning facility recently opened in Shimla, Himachal Pradesh and 6 new centers are being launched in Bangalore, Hampi, Jaipur, Mysore and Goa, with more cities to follow.
- In 2018, the college has enrolled 1500 students for skill development. Mr. Baljee's vision for the college is to enroll 5,000 students every year.



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Mr. Keshav Baljee:

Professional Review

Director, Spree Hotels, (2011 - Present)

CEO, Smaaash Entertainment (November 2016 – July 2017)

Non-Executive Director, Ivy Aspire Consulting (2009 - Present)

President (Earlier, Vice President Corporate Affairs) Royal Orchid Hotel, 2007 – 2011.

Education

Indian School of Business (ISB, Hyderabad)

- MBA, Finance. Class of 2007

University of Pennsylvania, USA. Jerome Fisher Program in Management and Technology

- Class of 2005
- Wharton School, B.S. Econ
- Joseph Wharton Scholar
- School of Engineering and Applied Science, B.A.S. Computer Science

The Doon School, Dehra Dun

- Class of 2001

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF ROYAL ORCHID HOTELS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ROYAL ORCHID HOTELS LIMITED** ("the Company"), for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.

Attention is drawn to Note 4 of the Statement which states that the Standalone Cash Flows statement for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement has been approved by the Company's Board of Directors, but has not been subjected to review.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Monisha Parikh
Partner
(Membership No. 47840)
UDIN: 19047840AAAACX5321

Bengaluru, November 11, 2019
MP/SS/SKM



ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.

BALANCE SHEET AS AT SEPTEMBER 30, 2019

(₹ in lakhs)

Particulars	As at 30 Sep 2019 (Unaudited)	As at 31 Mar 2019 (Audited)
Assets		
(1) Non-current assets		
(a) Property, Plant and Equipment	5,330.24	3,277.25
(b) Capital work-in-progress	7.83	-
(c) Financial Assets		
(i) Investments	16,443.24	16,563.86
(ii) Loans	2,680.16	2,538.36
(iii) Other financial assets	2,467.45	2,441.66
(d) Deferred tax assets (net)	441.42	300.91
(e) Other non-current assets	814.31	799.83
	28,184.65	25,921.87
(2) Current assets		
(a) Inventories	135.39	137.87
(b) Financial Assets		
(i) Trade receivables	1,683.92	902.73
(ii) Cash and cash equivalents	2,056.18	1,853.18
(iii) Bank balances other than (ii) above	3.33	322.34
(iv) Other financial assets	352.22	274.74
(c) Other current assets	388.40	496.41
	4,619.44	3,987.27
Total assets	32,804.09	29,909.14
Equity and Liabilities		
Equity		
(a) Equity share capital	2,742.52	2,740.67
(b) Other equity	18,988.47	19,596.25
	21,730.99	22,336.92
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	3,481.80	3,608.86
(ii) Trade Payables	52.28	113.19
(iii) Other non-current financial liabilities	2,436.16	60.01
(b) Provisions	193.93	165.60
(c) Other non-current liabilities	108.93	129.91
	6,273.10	4,077.57
(2) Current liabilities		
(a) Financial liabilities		
(i) 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	2,778.38	2,214.97
(ii) Other financial liabilities	1,168.13	587.71
(b) Other current liabilities	788.88	620.52
(c) Provisions	64.61	64.61
(d) Current tax liabilities, net	-	6.84
	4,800.00	3,494.65
Total equity and liabilities	32,804.09	29,909.14





ROYAL ORCHID HOTELS LIMITED

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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		30 Sep 2019	30 Jun 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018	31 Mar 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
		(₹ in lakhs)					
1	Revenues						
	(a) Income from operations	2,636.61	2,743.78	2,696.17	5,380.39	5,246.60	11,259.59
	(b) Other Income	193.81	215.17	182.83	408.98	309.07	744.29
	Total Revenue	2,830.42	2,958.95	2,879.00	5,789.37	5,555.67	12,003.88
2	Expenses						
	(a) Cost of materials consumed	294.80	331.47	266.90	626.27	517.78	1,189.22
	(b) Employee benefits expenses	657.36	667.00	554.44	1,324.36	1,087.28	2,280.49
	(c) Finance costs (Refer Note 3)	173.01	194.42	114.56	367.43	227.32	451.69
	(d) Depreciation & amortisation expenses (Refer Note 3)	180.24	178.16	103.53	358.40	208.34	402.26
	(e) Rent expense (Refer Note 3)	220.32	235.19	310.72	455.51	611.79	1,306.43
	(f) Power and fuel expense	299.43	384.02	294.60	683.45	570.48	1,154.97
	(g) Other expenses	722.93	733.71	780.26	1,456.64	1,544.38	3,397.04
	Total Expenses	2,548.09	2,723.97	2,425.01	5,272.06	4,767.37	10,182.10
3	Profit before exceptional items and tax (1-2)	282.33	234.98	453.99	517.31	788.30	1,821.78
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	282.33	234.98	453.99	517.31	788.30	1,821.78
6	Tax Expense						
	(a) Current tax	106.00	84.01	147.00	190.01	237.34	549.00
	(b) Deferred tax	(44.86)	(35.99)	3.86	(80.85)	42.14	10.71
		61.14	48.02	150.86	109.16	279.48	559.71
7	Net Profit for the period (5-6)	221.19	186.96	303.13	408.15	508.82	1,262.07
8	Other Comprehensive Income/(Loss) (OCI) (net of tax)						
	Items that will not be reclassified to profit or loss	(2.38)	(2.38)	-	(4.76)	-	(6.31)
	Income tax relating to items that will not be reclassified to profit or loss	0.44	0.44	-	0.88	-	1.84
		(1.94)	(1.94)	-	(3.88)	-	(4.47)
9	Total Comprehensive Income for the period (7+8)	219.25	185.02	303.13	404.27	508.82	1,257.60
10	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,739.02	2,742.52	2,739.02	2,740.67
11	Other Equity						19,596.25
12	Earnings Per Share of ₹ 10 each: *						
	(a) Basic (₹)	0.80	0.68	1.11	1.47	1.86	4.59
	(b) Diluted (₹)	0.79	0.67	1.10	1.46	1.84	4.56

* not annualised for the quarters ended.

See accompanying notes to the financial results.





ROYAL ORCHID HOTELS LIMITED

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STANDALONE CASH FLOWS STATEMENT

Particulars	(₹ in lakhs)	
	Six months ended 30 Sep 2019 ₹	Six months ended 30 Sep 2018 ₹
Cash flows from operating activities		
Net profit after tax	408.15	508.82
Operating profit before working capital changes	883.61	1,008.84
Net cash generated from operating activities (A)	648.82	929.23
Net cash (used in)/generated from investing activities (B)	416.73	(488.75)
Net cash (used in) from financing activities (C)	(862.55)	16.36
Net (decrease)/increase in cash and cash equivalents (A+B+C)	203.00	456.84
Cash and cash equivalents at the beginning of the period	1,853.18	1,402.32
Cash and cash equivalents at the end of the period	2,056.18	1,859.16

Note:

The above Standalone Cashflow Statement has been prepared under the 'Indirect' method as set out in Ind AS 7 - Statement of Cashflows and presented in accordance with Ind AS 34 - Interim Financial Reporting.





Notes:

- The standalone unaudited financial results ("the Statement") for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 11, 2019.
- 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.
- 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) ₹ 2,351.87 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).

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 six months and quarter ended September 30, 2019 is as under:

Particulars	(₹ in Lakhs)		
	Six months ended September 30, 2019 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Six months ended September 30, 2019 as reported
Rent expense	694.00	(238.49)	455.51
Depreciation and Amortisation expenses	212.09	146.31	358.40
Finance costs	221.19	146.24	367.43
Profit before tax	571.37	(54.06)	517.31
Less: Tax expense	120.87	(11.71)	109.16
Net Profit for the Period	450.50	(42.35)	408.15

Particulars	(₹ in Lakhs)		
	Quarter ended September 30, 2019 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Quarter ended September 30, 2019 as reported
Rent expense	340.53	(120.21)	220.32
Depreciation and Amortisation expenses	117.93	62.31	180.24
Finance costs	110.68	62.33	173.01
Profit before tax	286.76	(4.43)	282.33
Less: Tax expense	62.10	(0.96)	61.14
Net Profit for the Period	224.66	(3.47)	221.19

- The cash flows statement for the corresponding six months ended September 30, 2018 has been approved by the Company's Board of Directors, but has not been subjected to review by the auditors.
- During the quarter, the Company has paid final dividend of ₹ 2/- per equity share to all eligible shareholders as recommended by the Board of Directors at its meeting held on May 28, 2019 and May 29, 2019 and approved by the shareholders at Annual General Meeting held on September 23, 2019.

Place: Bengaluru
Date: November 11, 2019



For Royal Orchid Hotels Limited

C K Baljee
C K Baljee
Managing Director
DIN: 00081844



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF
ROYAL ORCHID HOTELS LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ROYAL ORCHID HOETLS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended September 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

Attention is drawn to Note 2 to the Statement which states that the consolidated figures for the corresponding quarter and six months ended September 30, 2018 and the statement of consolidated cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

4. The Statement 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
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.
6. We did not review the financial information of 15 subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total assets of Rs. 19,399.19 lakhs as at September 30, 2019 and, total revenues of Rs. 1,042.49 lakhs and Rs. 2,147.73 lakhs for the quarter and six months ended September 30, 2019 respectively, total net loss after tax of Rs. (260.51) lakhs and Rs. (337.89) lakhs for the quarter and six months ended September 30, 2019 respectively and total comprehensive loss of Rs. (258.57) lakhs and Rs. (335.95) lakhs for the quarter and six months ended September 30, 2019 respectively and net cash outflows of Rs. (118.01) lakhs for the six months ended September 30, 2019, as considered in the Statement. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our 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 in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Monisha Parikh
Partner
(Membership No. 47840)
UDIN: 19047840AAAACY6464



Bengaluru, November 11, 2019
MP/SS/SKM



ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2019

(₹ in lakhs)

Particulars		As at 30 Sep 2019 (Unaudited)	As at 31 March 2019 (Audited)
Assets			
(1)	Non-current assets		
	(a) Property, Plant and Equipment	26,783.07	24,634.67
	(b) Capital work-in-progress	2,113.05	2,093.08
	(c) Goodwill	1,774.70	1,774.70
	(d) Financial Assets		
	(i) Investments	2.25	2.25
	(ii) Other non-current financial assets	1,856.55	2,154.72
	(e) Deferred tax assets (net)	566.27	350.96
	(f) Other non-current assets	2,373.76	2,069.19
		35,469.65	33,079.57
(2)	Current assets		
	(a) Inventories	225.92	237.69
	(b) Financial Assets		
	(i) Trade receivables	2,966.79	1,857.39
	(ii) Cash and cash equivalents	2,782.71	3,452.18
	(iii) Bank balances other than (ii) above	825.35	698.99
	(iv) Others	580.13	317.35
	(c) Current tax assets (Net)	13.23	13.23
	(d) Other current assets	636.16	694.81
		8,030.29	7,271.64
	Total assets	43,499.94	40,351.21
Equity and Liabilities			
Equity			
	(a) Equity share capital	2,742.52	2,740.67
	(c) Other equity	13,864.46	15,007.06
		16,606.98	17,747.73
	Non-controlling interests	4,086.97	4,417.09
		20,693.95	22,164.82
Liabilities			
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	8,709.83	8,866.53
	(ii) Trade payables	52.28	113.19
	(iii) Other non-current financial liabilities	3,102.80	60.01
	(b) Provisions	379.63	340.70
	(c) Deferred tax liabilities (net)	23.89	21.33
	(d) Other non-current liabilities	43.21	46.01
		12,311.64	9,447.77
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	106.16	267.64
	(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	4,017.57	3,524.61
	(iii) Other financial liabilities	3,530.70	2,960.66
	(b) Other current liabilities	2,739.22	1,846.70
	(c) Provisions	98.93	109.08
	(d) Current Tax Liabilities, Net	1.77	29.93
		10,494.35	8,738.62
	Total equity and liabilities	43,499.94	40,351.21

See accompanying notes to the financial results.





ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Sl. No.	Particulars	Quarter ended			Six Months Ended		Year ended
		30 Sep 2019	30 Jun 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018	31 March 2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenues						
	(a) Income from operations	4,693.19	4,851.82	4,716.71	9,545.01	9,385.85	20,383.28
	(b) Other Income	371.64	403.52	338.90	775.16	645.67	1,521.56
	Total Revenue	5,064.83	5,255.34	5,055.61	10,320.17	10,031.52	21,904.84
2	Expenses						
	(a) Cost of materials consumed	557.34	556.06	512.31	1,113.40	988.25	2,199.00
	(b) Employee benefits expenses	1,382.11	1,366.24	1,213.36	2,748.35	2,410.36	5,009.16
	(c) Finance costs	379.74	398.12	333.14	777.86	661.37	1,321.11
	(d) Depreciation & amortisation expenses	446.60	431.22	380.68	877.82	745.67	1,432.19
	(e) Rent expense	245.88	264.49	357.15	510.37	704.36	1,494.28
	(f) Power and fuel expense	478.93	573.55	474.02	1,052.48	929.94	1,845.89
	(g) Other expenses	1,567.30	1,431.08	1,475.88	2,998.38	2,907.75	6,474.75
	Total Expenses	5,057.90	5,020.76	4,746.54	10,078.66	9,347.70	19,776.38
3	Profit before exceptional items and tax (1-2)	6.93	234.58	309.07	241.51	683.82	2,128.46
4	Exceptional items (Refer Note 4)	-	-	-	-	-	-
5	Profit before tax (3-4)	6.93	234.58	309.07	241.51	683.82	2,128.46
6	Tax Expense						
	(a) Current tax	119.23	159.01	203.96	278.24	342.84	830.95
	(b) Deferred tax	(68.59)	(2.74)	1.57	(71.33)	49.53	(13.54)
	Total	50.64	156.27	205.53	206.91	392.37	817.41
7	Net Profit/(Loss) for the period (5-6)	(43.71)	78.31	103.54	34.60	291.45	1,311.05
8	Other Comprehensive Income (OCI) (net of tax)						
	Items that will not be reclassified to profit or loss	1.69	(0.25)	-	1.44	-	11.07
	Income tax relating to items that will not be reclassified to profit or loss	0.06	0.06	-	0.12	-	(1.05)
		1.75	(0.19)	-	1.56	-	10.02
9	Total Comprehensive Income/(Loss) for the period (7+8)	(41.96)	78.12	103.54	36.16	291.45	1,321.07
10	Total Comprehensive Income for the period attributable to:						
	Owners of the Company	13.56	115.09	171.17	128.65	395.58	1,199.47
	Non-controlling interest	(55.52)	(36.97)	(67.63)	(92.49)	(104.13)	121.60
		(41.96)	78.12	103.54	36.16	291.45	1,321.07
11	Paid-up equity share capital (Face Value ₹ 10/- each)	-	-	-	-	-	2,740.67
12	Other equity (including Non-controlling interest)	-	-	-	-	-	19,424.14
	Earnings Per Share of ₹ 10 each :						
	(a) Basic (₹)	(0.16)	0.29	0.38	0.13	1.07	4.83
	(b) Diluted (₹)	(0.16)	0.28	0.37	0.13	1.06	4.79

See accompanying notes to the financial results





Royal Orchid Hotels Limited

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.

CONSOLIDATED CASH FLOWS STATEMENT

(₹ in Lakhs)

Particulars	Six month ended 30 Sep 2019	Six month ended 30 Sep 2018
Cash flows from operating activities		
Net profit After tax	34.60	291.45
Operating profit before working capital changes	1,643.22	1,938.27
Net cash generated from operating activities (A)	1,676.00	2,054.56
Net cash (used in)/generated from investing activities (B)	(257.58)	(578.61)
Net cash (used in) from financing activities (C)	(2,087.89)	(673.52)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(669.47)	802.43
Cash and cash equivalents at the beginning of the Period	3,452.18	2,108.57
Cash and cash equivalents at the end of the Period	2,782.71	2,911.00

Note:

The above Consolidated Cashflows Statement has been prepared under the 'Indirect' method as set out in Ind AS 7 - Statement of Cashflows and presented in accordance with Ind AS 34 - Interim Financial Reporting.





Notes

- The Consolidated unaudited financial results ("the Statement") for the quarter ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 11, 2019.
- The figures for the corresponding quarter and six months ended September 30, 2018 and the statement of Consolidated Cash flows for the corresponding six months ended September 30, 2018, as reported in the Statement, have been approved by the Parent's Board of Directors, but have not been subjected to review.
- 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 ₹ 2,800.87 lakhs and a lease liability of ₹ 3603.43 lakhs. The cumulative effect of applying the Standard resulted in ₹ 572.53 lakhs being debited to retained earnings (net of taxes ₹ 230.03 lakhs).

Consequent to the adoption of Ind AS 116, the nature of expenses in respect of operating leases has changed from lease "Rent Expenses" 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 six months and quarter ended September 30, 2019 is as under:

(₹ in Lakhs)			
Particulars	Six months ended September 30, 2019 - comparable basis	Changes due to Ind AS 116 increase/ (decrease)	Six months ended September 30, 2019 as reported
Rent expense	814.28	(303.91)	510.37
Depreciation and Amortisation expenses	710.67	167.15	877.82
Finance costs	554.52	223.34	777.86
Profit before tax	295.57	(54.06)	241.51
Less: Tax expense	219.40	(12.49)	206.91
Net Profit for the Period	69.20	(34.60)	34.60

(₹ in Lakhs)			
Particulars	Quarter ended September 30, 2019 comparable basis	Changes due to Ind As 116 increase/ (decrease)	Quarter ended September 30, 2019 as reported
Rent expense	382.44	(136.56)	245.88
Depreciation and Amortisation expenses	379.05	67.55	446.60
Finance costs	297.99	81.75	379.74
Profit before tax	19.67	(12.74)	6.93
Less: Tax expense	54.31	(3.67)	50.64
Net Profit for the Period	(34.64)	(9.07)	(43.71)

- During the quarter, the Parent has paid final dividend of ₹ 2/- per equity share to all eligible shareholders as recommended by the Board of Directors at its meeting held on May 28, 2019 and May 29, 2019 and approved by its shareholders at Annual General Meeting held on September 23, 2019.
- 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

Place: Bengaluru
Date: 11 November 2019



For Royal Orchid Hotels Limited


C K Baljee
Managing Director
DIN: 00081844