

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM 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, 2017 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the 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 issue a report on the Statement based on our review.

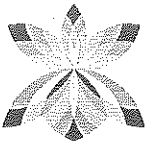
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, 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)

Bangalore, November 02, 2017



ROYAL ORCHID HOTELS LTD.,

Corporate Office :

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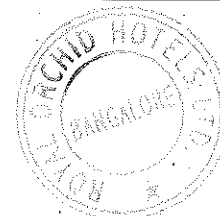
ROYAL ORCHID HOTELS LIMITED

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2017

(₹ in lakhs)

Sl. No.	Particulars	Quarter ended			Six months ended		
		30 Sep 2017 (Unaudited)	30 Jun 2017 (Unaudited)	30 Sep 2016 (Unaudited)	30 Sep 2017 (Unaudited)	30 Sep 2016 (Unaudited)	30 Sep 2016 (Unaudited)
1	Revenues	2,472.38	2,216.99	1,941.35	4,689.37	3,914.23	
	(a) Income from operations	230.69	206.25	282.82	436.94	392.31	
	(b) Other Income	2,703.07	2,423.24	2,224.17	5,126.31	4,306.54	
2	Total Revenue						
	Expenses	250.64	243.65	243.85	494.29	511.16	
	(a) Cost of materials consumed	526.59	512.98	436.94	1,039.57	854.27	
	(b) Employee benefits expenses	134.58	153.52	150.91	288.10	293.02	
	(c) Finance costs	112.80	105.83	106.97	218.63	224.63	
	(d) Depreciation & amortisation expenses	274.57	269.23	228.49	543.80	463.14	
	(e) Rent expense	260.01	288.70	195.17	548.71	418.49	
	(f) Power and fuel expense	753.62	691.41	605.32	1,445.03	1,339.24	
	(g) Other expenses (Refer Note 6)	2,312.81	2,265.32	1,967.65	4,578.13	4,103.95	
	Total Expenses						
3	Profit/(Loss) before exceptional and extraordinary items and tax (1-2)	390.26	157.92	256.52	548.18	202.59	
4	Exceptional and extraordinary items						
5	Profit/(Loss) before tax (3-4)	390.26	157.92	256.52	548.18	202.59	
6	Tax Expense	93.30	48.70	67.69	142.00	67.69	
	(a) Current tax	(18.23)	(5.81)		(24.04)		
	(b) Deferred tax	75.07	42.89	67.69	117.96	67.69	
7	Net Profit/(Loss) for the period (5-6)	315.19	115.03	188.83	430.22	134.90	
8	Other Comprehensive Income/(Loss) (OCI) (net of tax)						
9	Total Comprehensive Income/(Loss) for the period (7+8)	315.19	115.03	188.83	430.22	134.90	
10	Paid-up equity share capital (Face Value ₹ 10/- each)	2,723.40	2,723.40	2,723.40	2,723.40	2,723.40	
	Earnings Per Share of ₹ 10 each :						
	(a) Basic (₹)	1.16	0.42	0.69	1.58	0.50	
	(b) Diluted (₹)	1.15	0.42	0.69	1.57	0.49	





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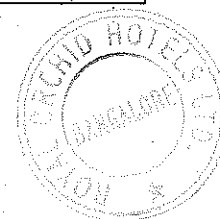
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BALANCE SHEET AS AT SEPTEMBER 30, 2017

(₹ in lakhs)

Particulars		As at 30 Sep 2017 (Unaudited)
Assets		
(1)	Non-current assets	
	(a) Property, Plant and Equipment	3,609.12
	(b) Capital work-in-progress	8.77
	(c) Financial Assets	
	(i) Investments	16,693.65
	(ii) Loans	1,803.17
	(iii) Others	1,403.44
	(d) Deferred tax assets (net)	607.66
	(e) Other non-current assets	1,208.16
		25,333.98
(2)	Current assets	
	(a) Inventories	124.95
	(b) Financial Assets	
	(i) Trade receivables	1,247.70
	(ii) Cash and cash equivalents	763.62
	(iii) Bank balances other than (ii) above	1.49
	(iv) Loans	-
	(v) Others	700.61
	(c) Current tax assets (Net)	-
	(d) Other current assets	271.91
		3,110.28
		28,444.26
Total assets		
Equity and Liabilities		
Equity		
	(a) Equity share capital	2,723.40
	(b) Other equity	17,991.42
		20,714.82
Liabilities		
(1)	Non-current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	3,573.96
	(ii) Trade payables	130.73
	(iii) Other financial liabilities	255.08
	(b) Provisions	143.68
	(c) Other non-current liabilities	234.53
		4,337.98
(2)	Current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	-
	(ii) Trade payables	1,711.77
	(iii) Other financial liabilities	523.31
	(b) Other current liabilities	1,051.29
	(c) Provisions	26.35
	(d) Current tax liabilities (Net)	78.74
		3,391.46
		28,444.26
Total equity and liabilities		
28,444.26		





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- 1 **Notes:**
The above unaudited standalone financial results ("the Statement") for the period ended September 30, 2017 were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 2, 2017. The Statutory Auditors of the Company have carried out a Limited review of the above standalone financial results.
- 2 The Statement has been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder with a transition date of April 01, 2016 and in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India in respect of disclosure requirements of financial results for the previous year ended March 31, 2017 and the balance sheet as on that date. The results for the quarter and six months ended September 30, 2016 have been restated to be Ind AS compliant.
- 3 The reconciliation of net profit for the quarter and six months ended September 30, 2016 reported in accordance with previous GAAP to total comprehensive income in accordance with Ind AS is given below:

Particulars	Quarter ended 30 Sep 2016 ₹ in lakhs	Six months ended 30 Sep 2016 ₹ in lakhs
Profit/ (loss) after tax as reported under previous GAAP	274.31	223.78
Adjustments on account of:		
(i) Measurement of financial assets and liabilities at amortised cost	(3.61)	(8.73)
(ii) Recognition of lease rentals on straight line basis	(6.44)	(12.88)
(iii) Corporate Guarantees extended to group companies	11.34	22.44
(iv) ESOP expense recognised at fair value through profit or loss	(8.70)	(11.64)
(v) Depreciation due to change in the value of fixed assets arising from government grants	(10.38)	(10.38)
(vi) Deferred tax on Ind AS adjustments	(67.69)	(67.69)
Profit after tax as reported under Ind AS	188.83	134.90
Other comprehensive income / (loss), (net of tax)		
Total comprehensive income / (loss) as reported under Ind AS	188.83	134.90

- 4 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.
- 5 The current liabilities of the Company exceed its current assets by ₹ 281 lakhs as at September 30, 2017 and the Company is committed to provide financial and operational support to one of its subsidiaries. In view of its plans for improving operating cash flows through cost synergies, exploring avenues of enhancing revenues, disposing off certain investments etc., the management is confident of further improving and maintaining sustainable operating cash flows and accordingly the financial statements are prepared and presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.
- 6 Other expenses for the six months ended September 30, 2016 includes foreign exchange fluctuation loss (net) amounting to ₹ 114.39 lakhs of loss relating to earlier years.

Place: Bengaluru
Date: 02 November 2017

For Royal Orchid Hotels Limited

C K Bajjee
Managing Director



Ms. Lilian Jessie Paul

Ms. Paul is Managing Director of Paul Writer Strategic Services Private Limited. She is also an independent director on the board of SQS India BFSI Ltd (SQSI: IN) & member of SRC & CSR Committee. Ms. Paul has over two decades of experience as a marketer. She was Global Brand Manager of Infosys, headed marketing for iGATE (now a part of CapGemini) and was Chief Marketing Officer of Wipro Technologies. She commenced her career with Ogilvy & Mather Advertising.

In 2010, Ms. Paul founded Paul Writer (www.paulwriter.com), a marketing advisory firm that works with clients to build profitable conversations amongst customers and prospects. Paul Writer itself is a vibrant community of 30,000 senior executives covering 95% of India's top firms. Clients include Adobe, IBM, LinkedIn, Microsoft, Oracle and Sodexo. Ms. Paul has conducted marketing workshops for firms such as Beroe, Cisco, Microsoft, SAP, Siemens, Tech Mahindra and many more.

She is much in demand as a speaker at business conferences and was a speaker at the India Conference at Harvard in 2016. Ms. Paul is frequently cited as a marketing expert in publications and is the author of No Money Marketing, published by Tata McGraw-Hill.

She holds an MBA from Indian Institute of Management, Calcutta, and a bachelor's degree in computer science and engineering from National Institute of Technology, Trichy. A self-confessed social media junkie she tweets as @jessie_paul