

ROYAL ORCHID HOTELS LIMITED
 Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2014

(₹ in Lakhs)

PART I Particulars	STANDALONE											
	Quarter ended			Nine Months Ended			Year ended			CONSOLIDATED		
	31 Dec 2014 (Unaudited)	30 Sep 2014 (Unaudited)	31 Dec 2013 (Unaudited)	31 Dec 2014 (Unaudited)	31 Dec 2013 (Unaudited)	31 Dec 2012 (Audited)	31 Dec 2014 (Unaudited)	31 Dec 2013 (Unaudited)	31 Dec 2012 (Unaudited)	31 Dec 2014 (Unaudited)	31 Dec 2013 (Unaudited)	31 Dec 2012 (Unaudited)
1	2,236.89	1,903.19	2,174.24	6,074.47	8,364.97	3,992.89	3,265.92	3,863.87	10,699.48	10,189.10	14,204.01	14,204.01
	2,236.89	1,903.19	2,174.24	6,074.47	8,364.97	3,992.89	3,265.92	3,863.87	10,699.48	10,189.10	14,204.01	14,204.01
2												
Expenses												
(a) Cost of materials consumed	297.92	255.07	282.71	782.49	1,073.57	486.32	429.36	483.46	1,374.27	1,290.63	1,777.44	1,777.44
(b) Employee benefits expense	471.38	470.94	480.25	1,412.82	1,778.30	848.00	848.98	821.38	2,624.69	2,447.02	3,132.70	3,132.70
(c) Depreciation and amortisation expense	268.53	237.78	259.96	731.23	955.41	385.09	347.71	364.10	1,083.82	1,071.90	1,378.55	1,378.55
(d) Rent expense	223.11	223.40	232.44	664.92	840.72	353.02	365.71	384.79	1,087.83	1,040.79	1,422.21	1,422.21
(e) Power and fuel expense	640.62	655.85	629.21	1,894.36	2,792.14	1,153.90	1,090.93	1,195.89	3,267.71	3,130.34	4,415.30	4,415.30
(f) Other expenses												
Total expenses	2,099.72	1,929.48	1,985.57	5,701.94	7,852.12	3,677.24	3,500.58	3,572.92	10,692.03	9,988.11	13,511.02	13,511.02
3	137.17	(26.29)	188.67	372.53	512.85	315.65	(234.66)	290.95	7.45	200.99	692.99	692.99
Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)												
4	220.62	222.38	214.24	526.67	873.43	115.28	78.31	172.38	267.56	432.44	711.50	711.50
Other income												
5	357.79	196.09	402.91	901.20	1,386.28	430.93	(156.35)	463.33	275.01	633.43	1,404.49	1,404.49
Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)												
6	184.73	163.94	177.37	470.62	733.93	459.15	416.84	433.89	1,312.78	1,458.09	2,049.28	2,049.28
Finance costs												
7	163.06	32.15	225.54	430.58	652.35	(38.22)	(573.19)	(30.56)	(1,037.77)	(825.06)	(644.99)	(644.99)
Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)												
8												
(a) Loss on sale of unit												
(b) Termination fee from a management contract												
9	163.06	200.00	(1,329.40)	(1,329.40)	(1,329.40)	-	-	(1,329.40)	-	(1,329.40)	(1,329.40)	(1,329.40)
Profit / (Loss) from ordinary activities before tax												
10	163.06	232.15	(1,103.86)	(894.82)	(677.05)	(38.22)	(373.19)	(1,359.96)	(837.77)	(2,154.46)	(1,974.39)	(1,974.39)
Tax expense / (credit) on ordinary activities												
11	163.06	232.15	(1,103.86)	(894.82)	(677.05)	(38.22)	(373.19)	(1,359.96)	(837.77)	(2,154.46)	(1,974.39)	(1,974.39)
Net Profit / (Loss) from ordinary activities after tax (9-10)												
12	163.06	232.15	(1,103.86)	(894.82)	(677.05)	(38.22)	(373.19)	(1,359.96)	(837.77)	(2,154.46)	(1,974.39)	(1,974.39)
Loss from discontinuing operations												
13												
Extraordinary items												
14	163.06	232.15	(1,103.86)	(894.82)	(677.05)	(38.22)	(373.19)	(1,359.96)	(837.77)	(2,154.46)	(1,974.39)	(1,974.39)
Net Profit / (Loss) for the period (11+12+13)												
15												
Share of profit / (loss) of associate												
16												
Minority interest												
17	163.06	232.15	(1,103.86)	(894.82)	(677.05)	(38.22)	(373.19)	(1,359.96)	(837.77)	(2,154.46)	(1,974.39)	(1,974.39)
Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associate (14-15-16)												
18	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39	2,723.39
Paid-up equity share capital (Face Value of ₹10 per share)												
19												
Reserve excluding Revaluation Reserves												
20.i	0.60	0.85	(6.25)	(12.37)	(9.89)	(0.01)	(1.07)	(7.04)	(2.31)	(16.09)	(13.77)	(13.77)
Earnings per share in ₹ (not annualised):												
(a) Basic	0.50	0.85	(6.25)	(12.37)	(9.89)	(0.01)	(1.07)	(7.04)	(2.31)	(16.09)	(13.77)	(13.77)
(b) Diluted												
20.ii												
Earnings per share from discontinuing operations in ₹ (not annualised):												
(a) Basic												
(b) Diluted												

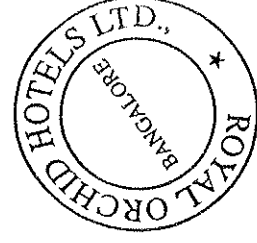
See accompanying notes to the financial results.



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For ROYAL ORCHID HOTELS LTD.

Royal Sharma
 COMPANY SECRETARY



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PART II PARTICULARS	STANDALONE			Year ended 31 Mar 2014 (Audited)
	31 Dec 2014 (Unaudited)	30 Sep 2014 (Unaudited)	31 Dec 2013 (Unaudited)	
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding				
Number of shares	7,890,057	7,890,057	6,122,158	7,918,527
Percentage of shareholding	28.97%	28.97%	29.82%	29.08%
2 Promoters and promoter group shareholding				
a) Pledged / encumbered				
Number of shares	18,947,202	18,947,202	18,947,202	18,947,202
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	97.95%	97.95%	99.14%	98.09%
Percentage of shares (as a % of the total share capital of the Company)	69.57%	69.57%	69.57%	69.57%
b) Non - encumbered				
Number of shares	396,706	396,706	164,605	388,236
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	2.05%	2.05%	0.86%	1.91%
Percentage of shares (as a % of the total share capital of the Company)	1.46%	1.46%	0.61%	1.35%

Particulars	Three months ended 31 December 2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	NIL
Received during the quarter	NIL
Disposed of during the quarter	NIL
Remaining unresolved at the end of the quarter	NIL

Notes:

- The consolidated financial statements include results of all the subsidiaries and joint ventures of Royal Orchid Hotels Limited.
- Disclosure of segment-wise information is not applicable as hospitality is the Company's only business.
- Amounts of the previous periods are re-classified / re-arranged / re-grouped, wherever necessary.
- The above unaudited financial results were reviewed by the audit committee and approved by the Board of Directors on 29 January 2015.
- The Company received approval from the Central Government (the CG) for payment of remuneration amounting ₹ 120.10 lakhs to the Managing Director (the MD) in relation to fiscal 2014, and recognised incremental remuneration amounting ₹ 72.10 lakhs during nine months ended 31 December 2014. The Company has obtained approval of members in the form of special resolution to re-approve the payment of remuneration of the Managing Director of the Company for the fiscal 2015 in the Annual General Meeting of the Company held on 29 September 2014. Further, the Company has applied to the Central Government (CG) vide application dated 10 October 2014 to obtain necessary approvals for payment of remuneration.
- During nine months ended 31 December 2014, Manuti Comforts & Inn Private Limited, a subsidiary company, paid remuneration to the whole time director, in excess of limits prescribed under the provisions of section 197, read along with Schedule V, of the Companies Act, 2013 (the Act). The subsidiary company received an approval from the CG on 19 January 2015, against an application made with the CG on 10 August 2014 seeking approval for payment of remuneration. The management is in the process of making an application to condone the payment of remuneration in excess of prescribed limits and is confident that aforesaid non-compliance will be condoned by the CG.
- Pursuant to the enactment of the Companies Act, 2013 (the Act), the Company has, effective 01 April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II to the Act, except in the case of certain class of assets which are depreciated based on the useful lives estimated by the Management. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged to opening reserves and surplus is ₹ 177.16 lakhs and ₹ 784.72 lakhs at stand alone and consolidated financial results, respectively. Had the Company continued with the previously assessed useful lives, charge for depreciation for the nine months ended 31 December 2014 would have been lower by ₹ 83.39 lakhs and ₹ 18.95 lakhs in the stand alone and consolidated financial results, respectively, and the profit/(loss) before tax would have been higher (lower) by such amounts.
- During fiscal 2014, the Company had sold Hotel Regenta One, Hyderabad (the unit) to Samit Hotels Private Limited on 29 November 2013, resulting in a loss on sale of the unit amounting to ₹ 1,329.40 lakhs. Further, the losses incurred from operations amounting to ₹ 599.26 for quarter ended 31 December 2013 and ₹ 2,456.62 lakhs for nine months ended 31 December 2013 (upto the date of sale) has been disclosed as 'loss from discontinuing operations'. In addition, the Company executed 'Hotel Operations Agreement' for managing the unit effective 01 October 2013. During the nine months ended 31 December 2014, the Company has terminated the 'Hotel Operations Agreement' in lieu of termination fee of ₹ 200 lakhs and the same has been disclosed separately as exceptional item.
- The Company and its subsidiary has received demand notice vide letters dated 05 February 2014, 26 August 2014 and 14 October 2014 from Axis Bank Limited (the bank) in connection with repayment of the term loan facility availed by the subsidiary company amounting to ₹ 634.09 lakhs along with interests and penalty, if any, till the date of repayment, wherein the Company and Joint Venture partners are co-guarantors. During the quarter and nine months ended 31 December 2014, the Company and its promoter group has settled the aforesaid liability with the bank.
- As at 31 December 2014, the network of certain joint venture entities is completely eroded and the construction project of a subsidiary company has been kept in abeyance with significant delays. The aforesaid factors indicate existence of a potential impairment of Company's investment in certain joint venture entities and a subsidiary. Management is in the process of making a detailed assessment of recoverable amount of investments in equity instruments, unsecured loans (including assessed interests) and other receivables amounting to ₹ 4,778.80 lakhs, ₹ 3,818.57 lakhs and ₹ 208.14 lakhs, respectively, in those entities as required under Accounting Standards applicable to the Company. However, based on the long-term business prospects, the management believes that there is no 'other than temporary' diminution in the carrying value of the aforesaid assets. Accordingly, no provision for diminution has been recorded in the books as at 31 December 2014.
- During the quarter ended 31 December 2014, Tourans Finance Corporation of India (the TFICIL) sanctioned a long-term loan amounting to ₹ 5,000 lakhs, with a moratorium period of 9 months, to repay existing term loans availed from banks and financial institution under CDR scheme and to assist capital expenditure for renovation of a hotel property. Out of the said term loan, the Company repaid the existing term loans and bank overdraft amounting to ₹ 3,497 lakhs and ₹ 399.99 lakhs, respectively.

For Royal Orchid Hotels Limited

C K Ballic
Chairman and Managing Director

For Royal Orchid Hotels Ltd.
Payal Shaema

COMPANY SECRETARY

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Place: Bengaluru
Date: 29 January 2015

