

**ROYAL ORCHID HOTELS LIMITED**  
Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.

**AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2015**

PART I		(₹ In Lakhs)									
Particulars		STANDALONE					CONSOLIDATED				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31 Mar 2015 (Audited)	31 Dec 2014 (Unaudited)	31 Mar 2014 (Audited)	31 Mar 2015 (Audited)	31 Mar 2014 (Audited)	31 March 2015 (Audited)	31 Dec 2014 (Unaudited)	31 March 2014 (Audited)	31 Mar 2015 (Audited)	31 Mar 2014 (Audited)
1	Income from operations	2,282.65	2,236.89	2,290.50	8,462.95	8,364.97	4,075.97	3,992.89	4,014.91	14,775.45	14,204.01
	Total income from operations	2,282.65	2,236.89	2,290.50	8,462.95	8,364.97	4,075.97	3,992.89	4,014.91	14,775.45	14,204.01
2	Expenses										
	(a) Cost of materials consumed	322.75	297.92	291.08	1,152.80	1,073.57	534.74	496.32	486.81	1,909.01	1,777.44
	(b) Employee benefits expense	496.63	471.38	365.48	1,967.12	1,778.30	878.70	868.00	685.68	3,503.39	3,132.70
	(c) Depreciation and amortisation expense	36.27	198.16	89.71	439.63	411.96	207.52	421.31	327.39	1,461.63	1,384.82
	(d) Rent expense	298.08	268.53	224.18	1,001.32	955.41	352.87	385.09	356.65	1,446.89	1,378.55
	(e) Power and fuel expense	256.82	223.11	193.82	921.74	840.72	385.88	363.02	391.42	1,483.81	1,422.21
	(f) Other expenses	553.41	640.82	975.91	2,447.77	2,792.14	1,169.38	1,153.50	1,284.96	4,437.09	4,415.30
	Total expenses	1,923.96	2,899.72	2,160.18	7,930.38	7,852.12	3,549.58	3,677.24	3,522.91	14,241.62	13,511.02
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	358.69	137.17	140.32	532.57	512.85	526.39	315.65	492.00	533.83	692.99
4	Other income	234.60	220.62	344.78	864.66	873.43	256.71	115.28	279.06	524.27	711.50
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	593.29	357.79	485.08	1,397.23	1,386.28	783.10	430.93	771.06	1,058.10	1,404.49
6	Finance costs	164.02	194.73	263.31	699.64	733.93	516.90	469.15	590.59	1,829.68	2,049.48
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	429.27	163.06	221.77	697.59	652.35	266.20	(38.22)	180.47	(771.58)	(644.99)
8	Exceptional items										
	(a) Loss on sale of unit	-	-	-	-	(1,329.40)	-	-	-	-	(1,329.40)
	(b) Termination fee from a management contract	-	-	-	-	200.00	-	-	-	-	200.00
9	Profit / (Loss) from ordinary activities before tax	429.27	163.06	221.77	697.59	(677.05)	266.20	(38.22)	180.47	(571.58)	(1,974.39)
10	Tax expense / (credit) on ordinary activities	-	-	(454.56)	-	(440.80)	59.02	40.68	(447.38)	99.70	(383.86)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	429.27	163.06	676.33	697.59	(236.25)	207.18	(78.90)	627.45	(671.28)	(1,580.51)
12	Loss from discontinuing operations	-	-	-	-	(2,456.62)	-	-	-	-	(2,456.62)
13	Extraordinary items	-	-	-	-	-	-	-	-	-	-
14	Net Profit / (Loss) for the period (11+12+13)	429.27	163.06	676.33	697.59	(2,692.87)	207.18	(78.90)	627.45	(671.28)	(4,047.13)
15	Share of profit / (loss) of associate	-	-	-	-	-	-	-	-	-	-
16	Minority interest	-	-	-	-	-	-	-	-	-	-
17	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associate (14-15-16)	429.27	163.06	676.33	697.59	(2,692.87)	207.18	(78.90)	627.45	(671.28)	(4,047.13)
18	Paid-up equity share capital (Face Value of ₹10 per share)	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
19	Reserve excluding Revaluation Reserves	-	-	-	-	-	-	-	-	-	-
20.i	Earnings per share in ₹ (not annualised):					16,237.79	-	-	-	-	14,418.55
	(a) Basic	1.58	0.60	2.48	3.30	(9.89)	0.90	(0.01)	2.32	(1.41)	(13.77)
	(b) Diluted	1.58	0.60	2.48	3.30	(9.89)	0.90	(0.01)	2.32	(1.41)	(13.77)
20.ii	Earnings per share from discontinuing operations in ₹ (not annualised):										
	(a) Basic	-	-	-	-	(9.02)	-	-	-	-	(9.02)
	(b) Diluted	-	-	-	-	(9.02)	-	-	-	-	(9.02)

See accompanying notes to the financial results.

See accompanying notes to the financial results.

For ROYAL ORCHID HOTELS LIMITED

C K BALJEE  
Managing Director

Information relating to discontinuing operations

Particulars	3 Months ended (31.03.2015)	Preceding 3 months ended (31.12.2014)	Previous year corresponding 3 months ended (31.03.2014)	Year to Date Figures for Current period ended (31.03.2015)	Year to Date Figures for Previous year ended (31.03.2014)
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1 Profit / (Loss) before tax from ordinary activities attributable to discontinuing operations	-	-	-	-	(2,456.62)
2 Gain / (Loss) on disposal of assets / settlement of liabilities attributable to discontinuing operations	-	-	-	-	(1,329.40)
3 Add / (Less): Tax expense of discontinuing operations (a)+(b)	-	-	-	-	-
(a) on ordinary activities attributable to discontinuing operations	-	-	-	-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities attributable to discontinuing operations	-	-	-	-	-
4 Profit / (Loss) from discontinuing operations (1 + 2 + 3)	-	-	-	-	(3,786.02)

PART II

PARTICULARS	STANDALONE				
	3 Months ended (31.03.2015)	Preceding 3 months ended (31.12.2014)	Corresponding 3 months ended (31.03.2014) in the Previous Year	Year to Date Figures for Current period ended (31.03.2015)	Year to Date Figures for Previous year ended ended (31.03.2014)
<b>A PARTICULARS OF SHAREHOLDING</b>					
1 Public shareholding					
Number of shares	7,890,057	7,890,057	7,918,627	7,890,057	7,918,527
Percentage of shareholding	28.97%	28.97%	29.08%	28.97%	29.06%
2 Promoters and promoter group shareholding					
a) Pledged / encumbered					
Number of shares	18,947,202	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%	98.09%	97.95%	98.05%
Percentage of shares (as a % of the total share capital of the Company)	69.57%	69.57%	69.57%	69.57%	69.57%
b) Non - encumbered					
Number of shares	396,706	396,706	368,236	396,706	368,236
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	2.05%	2.05%	1.90%	2.05%	1.90%
Percentage of shares (as a % of the total share capital of the Company)	1.46%	1.46%	1.35%	1.46%	1.35%

Particulars	Three months ended 31 March 2015
<b>B INVESTOR COMPLAINTS</b>	
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

For ROYAL ORCHID HOTELS LIMITED


*C. K. Baljee*

C K BALJEE  
Managing Director

**Notes:**

- 1 The consolidated financial statements include results of all the subsidiaries and joint ventures of Royal Orchid Hotels Limited.
- 2 Disclosure of segment-wise information is not applicable as hospitality is the Company's only business.
- 3 Amounts of the previous periods are re-classified / re-arranged / re-grouped, wherever necessary.
- 4 The above quarterly and annual financial results were reviewed by the audit committee and approved by the Board of Directors on 30 May 2015 and have been audited by the Statutory Auditors. The amounts for the quarter ended 31 March 2015 represents balancing figures between the audited financial statements of the financial year and the published year to date figures upto the third quarter of the current financial year.
- 5 The Company received approval from the Central Government ('the CG') for payment of remuneration amounting ₹ 120.10 lakhs to the Managing Director ('the MD') vide letter dated 31 July 2014, in relation to fiscal 2014, and recognised incremental remuneration amounting ₹ 72.10 lakhs during year ended 31 March 2015. 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 and the same was received in February 2015.
- 6 During the year, Maruti 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.
- 7 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 in accordance with the provisions of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged to opening reserves and surplus is ₹ 170.65 lakhs and ₹ 750.18 lakhs (deferred tax impact thereon is ₹ Nil and ₹ 148.63 lakhs) at stand alone and consolidated financial results, respectively. Had the Company continued with the previously assessed useful lives, charge for depreciation for the year ended 31 March 2015 would have been higher by ₹ 66.29 lakhs and ₹ 236.66 lakhs in the standalone and consolidated financial results, respectively, and the profit/(loss) before tax would have been (lower)/higher by such amounts.
- 8 During fiscal 2014, the Company had sold Hotel Regenta One, Hyderabad ('the unit') to Samhi 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 ₹ 2,456.62 lakhs for year ended 31 March 2014 (up to 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 year ended 31 March 2015, 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.
- 9 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 year ended 31 March 2015, the Company and its promoter group has settled the aforesaid liability with the bank.
- 10 During the year, Tourism Finance Corporation of India Limited ('the TFCIL') sanctioned a long-term loan amounting to ₹ 5,000 lakhs, with a moratorium period of 9 months, to repay the 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 ₹ 3,437.45 lakh and ₹ 399.99 lakh respectively.
- 11 As at 31 March 2015, the net-worth of a joint venture entity is 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. The management performed detailed assessment as required under Accounting Standard (AS) 13, Accounting for Investments, and obtained the valuation report from an external valuation expert. Based on the valuation report (that uses replacement value method) and based on the long-term business strategy and plans, the management believes that there is no diminution in respect of the value of investments in equity instruments, compulsorily convertible debentures (including accrued interests and debenture application money pending allotment) and management fees receivables, carried at a value of ₹ 4778.8 lakhs, ₹ 4034.19 lakhs and ₹ 276.50 lakhs, respectively in the financial results. Accordingly, no provision for diminution is recorded in the financial results.
- 12 During the quarter and year ended 31 March 2015, the Company was issued compulsory convertible debentures (CCDs) by certain subsidiaries and joint venture entities amounting ₹ 3,415.00 lakhs against the unsecured loans (including interest thereon) given to these entities by the Company.
- 13 The management is optimistic of improving the operating cash flows for the Company and certain of its subsidiaries and Joint Venture entities through restructuring of debt, cost synergies, exploring avenues of enhancing revenues, disposing off loss making businesses, equity infusion by joint venture partners/ minority shareholders etc., although the Company's and Group's (including its jointly controlled entities) current liabilities exceeded its current assets by ₹ 1,004.86 lakhs and ₹ 3,745.33 lakhs, respectively and the Company is committed to provide financial and operational support to certain joint venture entities and subsidiaries that incurred cash losses during the year ended 31 March 2015. These measures are expected to result in sustainable cash flows and accordingly the financial statement continue to be presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.

For Royal Orchid Hotels Limited

  
C K Bajjee  
Managing Director

Place: Bengaluru  
Date: 30 May 2015

# ROYAL ORCHID HOTELS LIMITED

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

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2015

(₹ in Lakhs)

Statement of Assets and Liabilities		STANDALONE		CONSOLIDATED	
Particulars		As at	As at	As at	As at
		31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
		(Audited)	(Audited)	(Audited)	(Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders' funds				
	(a) Share capital	2,723.40	2,723.40	2,723.40	2,723.40
	(b) Reserves and surplus	15,964.73	15,237.79	13,547.40	14,418.55
	<b>Sub-Total - Shareholders' funds</b>	<b>18,688.13</b>	<b>17,961.19</b>	<b>16,270.80</b>	<b>17,141.95</b>
2	Share application money pending allotment	-	-	-	-
3	Minority interest	-	-	3,446.53	3,530.54
4	Non-current liabilities				
	(a) Long-term borrowings	3,628.56	3,517.45	6,873.90	7,501.66
	(b) Deferred tax liabilities(net)	-	-	166.52	378.34
	(c) Other long-term liabilities	-	-	176.62	149.92
	(d) Long-term provisions	120.14	171.17	164.01	235.58
	<b>Sub-Total - Non-current liabilities</b>	<b>3,748.70</b>	<b>3,688.62</b>	<b>7,381.05</b>	<b>8,265.50</b>
5	Current liabilities				
	(a) Short-term borrowings	151.66	1,077.03	620.51	2,728.86
	(b) Trade payables	930.86	1,082.54	1,524.02	1,521.84
	(c) Other current liabilities	2,221.01	2,505.84	5,215.75	6,463.74
	(d) Short-term provisions	88.72	28.59	148.37	44.05
	<b>Sub-Total - Current liabilities</b>	<b>3,392.25</b>	<b>4,694.00</b>	<b>7,508.65</b>	<b>10,758.49</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>25,829.08</b>	<b>26,343.81</b>	<b>34,607.03</b>	<b>39,696.48</b>
<b>B</b>	<b>ASSETS</b>				
1	Non-current assets				
	(a) Fixed assets	3,470.78	3,761.09	25,017.72	26,822.16
	(b) Goodwill on consolidation	-	-	1,774.72	1,774.72
	(c) Non-current investments	15,370.08	10,481.37	2.25	2.25
	(d) Long-term loans and advances	4,437.49	7,249.34	3,827.17	4,629.25
	(e) Other non-current assets	163.35	-	221.85	54.53
	<b>Sub-Total - Non-current assets</b>	<b>23,441.70</b>	<b>21,491.80</b>	<b>30,843.71</b>	<b>33,282.91</b>
2	Current assets				
	(a) Inventories	112.33	120.76	204.05	204.23
	(b) Trade receivables	1,171.46	761.61	1,410.60	1,240.23
	(c) Cash and cash equivalents	603.56	3,340.99	1,190.60	3,769.92
	(d) Short-term loans and advances	447.87	562.55	873.26	1,061.81
	(e) Other current assets	52.16	66.10	84.81	137.38
	<b>Sub-Total - Current assets</b>	<b>2,387.38</b>	<b>4,852.01</b>	<b>3,763.32</b>	<b>6,413.57</b>
	<b>TOTAL - ASSETS</b>	<b>25,829.08</b>	<b>26,343.81</b>	<b>34,607.03</b>	<b>39,696.48</b>

For Royal Orchid Hotels Limited

*C. K. Baljee*

C K Baljee  
Managing Director

Place: Bengaluru  
Date: 30 May 2015