



ROYAL ORCHID HOTELS LTD.,

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HAL Airport Road, Kodihalli, Bangalore - 560 008, India.
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www.royalorchidhotels.com
CIN : L55101KA1986PLC007392
email : investors@royalorchidshotels.com

Date: August 14, 2021

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 Unaudited Standalone & Consolidated Financial Results for Quarter ended 30.06.2021

Pursuant to Para A of Part A of Schedule III, read with, Regulation 30 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 today, i.e. August 14, 2021, approved the Un-audited Financial Results (Standalone & Consolidated) for the First Quarter (Q1) ended on June 30, 2021.

A copy of Un-audited Financial Results (Standalone & Consolidated) for the quarter ended June 30, 2021, as approved by the Board is enclosed for your information and record. Further, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are also enclosing herewith a copy of the 'Limited Review Report' received from Statutory Auditors, on the Standalone & Consolidated Un-audited financial results.

You are requested to take the above on record.

Thanking you,

Yours Sincerely,

For ROYAL ORCHID HOTELS LIMITED

Ranabir Sanyal
Company Secretary & Compliance Officer

Encl: As above

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

5th Floor, No.65/2, Block "A",
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Royal Orchid Hotels Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Royal Orchid Hotels Limited ('the Company') for the quarter ended 30 June 2021 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The 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 Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. 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. A review of interim financial information consists of making inquiries, primarily of persons 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 the Standards on Auditing 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.
4. Based on our review conducted as 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 Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements 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.
5. We draw attention to Note 5 to the accompanying Statement, which describes the effects of uncertainties relating to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the business operations of the Company and accompanying financial results as at reporting date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.

Walker Chandiok & Co LLP

6. The review of standalone unaudited quarterly financial results for the period ended 30 June 2020, included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have expressed an unmodified conclusion vide their review report dated 14 September 2020 whose review report has been furnished to us and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership No. 210122

UDIN: 21210122AAAAEC2460

Bengaluru

14 August 2021

ROYAL ORCHID HOTELS LIMITED

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CIN: L55101KA1986PLC007392

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended			Year ended
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		(Unaudited)	(Audited) (Refer note 3)	(Unaudited)	(Audited)
1	Revenues				
	(a) Income from operations	935.97	1,790.85	268.68	4,782.41
	(b) Other income	172.21	52.33	299.14	557.20
	Total revenue	1,108.18	1,843.18	567.82	5,339.61
2	Expenses				
	(a) Cost of materials consumed	248.72	191.83	43.31	963.40
	(b) Employee benefits expense	262.24	418.71	232.16	1,190.27
	(c) Rent expense	87.20	184.97	84.50	622.22
	(d) Power and fuel expense	155.34	222.74	93.91	655.89
	(e) Other expenses	335.53	592.61	224.52	1,720.16
	Expenses before depreciation and amortisation and finance costs	1,089.03	1,610.86	678.40	5,151.94
3	Earnings/(Loss) before depreciation and amortisation, finance costs and taxes (1-2) (EBITDA)	19.15	232.32	(110.58)	187.67
4	Finance costs	257.85	207.95	219.23	857.22
5	Depreciation and amortisation expense	211.57	211.32	226.12	873.60
6	Total expenses (2+4+5)	1,558.45	2,030.13	1,123.75	6,882.76
7	Loss before exceptional items and tax (1-6)	(450.27)	(186.95)	(555.93)	(1,543.15)
8	Exceptional items (refer note 4)	(331.66)	(2,353.15)	-	(2,353.15)
9	Loss before tax (7+8)	(781.93)	(2,540.10)	(555.93)	(3,896.30)
10	Tax expense/(credit)				
	(a) Current tax	-	-	-	-
	(b) Prior year taxes (credit)	-	(51.42)	-	(51.42)
	(c) Deferred tax (credit)/charge	15.96	22.85	(164.27)	(389.89)
		15.96	(28.57)	(164.27)	(441.31)
11	Net Loss for the period (9-10)	(797.89)	(2,511.53)	(391.66)	(3,454.99)
12	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss	-	(1.75)	-	(1.75)
	Income tax relating to items that will not be reclassified to profit or loss	-	0.49	-	0.49
		-	(1.26)	-	(1.26)
13	Total Comprehensive Loss for the period (11+12)	(797.89)	(2,512.79)	(391.66)	(3,456.25)
14	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52
15	Other equity	-	-	-	16,065.65
16	Loss Per Share of ₹ 10 each: *				
	(a) Basic (₹)	(2.91)	(9.16)	(1.43)	(12.60)
	(b) Diluted (₹)	(2.91)	(9.16)	(1.43)	(12.60)

* not annualised

See accompanying notes to the standalone financial results.

Notes:

- 1 The standalone financial results ("the Statement") for the quarter ended 30 June 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 August 2021.
- 2 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.
- 3 The figures for the quarter ended 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto third quarter of the respective financial years. Also the figures upto the end of the third quarter were only reviewed and not subjected to audit.
- 4 Exceptional items comprise of the following:

(₹ in lakhs)

Particulars	Quarter ended			Year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
Settlement of dispute with a vendor	-	125.00	-	125.00
Provision for impairment of investment in subsidiaries	331.66	2,228.15	-	2,228.15
	331.66	2,353.15	-	2,353.15

During the current quarter, the Company has recorded an additional impairment provision of ₹331.66 lakhs for the investment made in one subsidiary on the basis of a Memorandum of Understanding entered into by the Company to sell the non-current assets by the subsidiary.

- 5 In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As a response, the Government of India had taken measures to contain the outbreak which included travel bans, quarantines and imposing a nation-wide lockdown from 22 March 2020 onwards.

The COVID-19 pandemic has impacted and continues to impact hospitality industry due to lockdown, travel bans, quarantines and other emergency measures resulting in reduction in occupancy of hotels and average realization rate per room. The Company's business has been severely impacted during the year on account of COVID-19. The Company earned lower revenues due to the lockdown imposed during the current quarter which resulted in a net loss before tax and exceptional items of ₹ 450.27 lakhs as the Company's hotels had to be shut down to comply with the government guidelines. With the unlocking of restrictions, the Company's hotel has opened, and business is expected to gradually improve. Whilst there has been a second wave of the COVID-19 pandemic in the last few months where the Company operates, there has also been increased vaccination drive by the Government and the Company continues to closely monitor the situation.

The Company has also assessed the possible impact of COVID-19 in preparation of the standalone financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. 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 rent waivers, negotiating extended credit terms with suppliers and lenders, availing term loan moratorium from banks, 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 management believes that the Company will continue as a going concern.

Management has used internal and external sources of information upto the date of approval of these standalone financial results in determining the recoverability of property, plant and equipment, investments and other financial assets, and trade receivables as at 30 June 2021. 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 results as and when these material changes to economic conditions arise.

- 6 During the previous year ended 31 March 2021, the Company had classified investment made in two subsidiaries amounting to ₹ 3,676.38 lakhs (30 June 2021: ₹ 3,344.72 lakhs) as assets held for sale in accordance with the management's plan to dispose the assets of the subsidiaries.
- 7 During the current quarter, the Company has issued a termination letter in respect of one of its leased hotels and the matter is pending for arbitration. The Company is of the view that it will be able to obtain rent concessions through arbitration and hence no adjustments with respect to lease liabilities and Right-of-use assets have been made as on 30 June 2021.
- 8 Prior period figures have been regrouped/ reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
Date: 14 August 2021

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Royal Orchid Hotels Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Royal Orchid Hotels Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) for the quarter ended 30 June 2021, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. 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. A review of interim financial information consists of making inquiries, primarily of persons 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 the Standards on Auditing 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.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 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 Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements 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.

Walker Chandiok & Co LLP

5. We draw attention to Note 5 to the accompanying Statement, which describes the effects of uncertainties relating to the outbreak of COVID-19 pandemic and management's evaluation of its impact on the business operations of the Group and accompanying financial results as at reporting date, the extent of which is significantly dependent on future developments. Our conclusion is not modified in respect of this matter.
6. We draw attention to Note 6 of the Consolidated Financial Results, which describes that in case of Ksheer Sagar Developers Private Limited ("subsidiary company"), there are events and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary company's ability to continue as a going concern and accordingly, the auditor of such subsidiary company has included an emphasis of matter paragraph indicating material uncertainty relating to going concern, in their review report on the financial results for the quarter ended 30 June 2021. Our conclusion is not modified in respect of this matter.
7. We did not review the interim financial information of 14 subsidiaries included in the Statement whose financial information reflects total revenues of ₹ 463.08 lakhs, total net loss after tax of ₹ 227.74 lakhs, total comprehensive loss of ₹ 227.74 lakhs for the quarter ended on 30 June 2021. These interim financial information have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

8. The review of unaudited consolidated quarterly and year-to-date financial results for the period ended 30 June 2020, included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have expressed unmodified conclusion vide their review report dated 14 September 2020, whose review report has been furnished to us by the management and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership No. 210122

UDIN: 21210122AAAAED9095

Bengaluru

14 August 2021

Walker Chandniok & Co LLP

Annexure 1

List of subsidiaries included in the Statement

Subsidiary Companies:

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

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STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2021

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended		Year ended	
		30 June 2021	31 March 2021	30 June 2020	31 March 2021
		(Unaudited)	(Audited) (Refer note - 3)	(Unaudited)	(Audited)
1	Revenues				
	(a) Income from operations	1,435.97	3,301.40	421.62	8,085.00
	(b) Other income	332.67	240.07	255.90	798.91
	Total Revenue	1,768.64	3,541.47	677.52	8,883.91
2	Expenses				
	(a) Cost of materials consumed	297.27	360.72	59.19	1,313.41
	(b) Employee benefits expense	574.50	903.93	512.51	2,589.58
	(e) Rent expense	54.93	207.88	102.80	701.28
	(f) Power and fuel expense	229.78	350.90	144.58	1,029.30
	(g) Other expenses	783.10	1,187.11	571.88	3,561.45
	Expenses before depreciation and amortisation and finance costs	1,939.58	3,010.54	1,390.96	9,195.02
3	Earnings/(Loss) before depreciation and amortisation, finance costs and taxes (1-2) (EBITDA)	(170.94)	530.93	(713.44)	(311.11)
4	Finance costs	453.90	397.34	407.29	1,633.63
5	Depreciation and amortisation expense	476.40	472.10	489.24	1,928.96
6	Total expenses (2+4+5)	2,869.88	3,879.98	2,287.49	12,757.61
7	Loss before exceptional items and tax (1-6)	(1,101.24)	(338.51)	(1,609.97)	(3,873.70)
8	Exceptional items (refer note 4)	-	(728.05)	-	(728.05)
9	Loss before tax (7+8)	(1,101.24)	(1,066.56)	(1,609.97)	(4,601.75)
10	Tax expense/(credit)				
	(a) Current tax	1.42	5.80	-	5.80
	(b) Prior year taxes (credit)	-	(54.43)	-	(54.43)
	(c) Deferred tax (credit)/charge	14.48	(13.14)	(220.77)	(551.78)
		15.90	(61.77)	(220.77)	(600.41)
11	Net Loss for the period (9-10)	(1,117.14)	(1,004.79)	(1,389.20)	(4,001.34)
12	Other Comprehensive Income (OCI)				
	Items that will not be reclassified to profit or loss	-	3.85	0.75	6.10
	Income tax relating to items that will not be reclassified to profit or loss	-	3.53	-	3.53
		-	7.38	0.75	9.63
13	Total Comprehensive Loss for the period (11+12)	(1,117.14)	(997.41)	(1,388.45)	(3,991.71)
14	Total Net Loss for the period attributable to:				
	Owners of the Company	(852.04)	(937.79)	(1,088.67)	(3,247.55)
	Non-controlling interest	(265.10)	(67.00)	(300.53)	(753.79)
		(1,117.14)	(1,004.79)	(1,389.20)	(4,001.34)
15	Total Comprehensive Loss for the period attributable to:				
	Owners of the Company	(852.04)	(937.84)	(1,088.29)	(3,246.47)
	Non-controlling interest	(265.10)	(59.57)	(300.16)	(745.24)
		(1,117.14)	(997.41)	(1,388.45)	(3,991.71)
16	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52
17	Other equity (including non-controlling interest)				14,558.54
	Loss Per Share of ₹ 10 each: *				
	(a) Basic (₹)	(3.11)	(3.42)	(3.97)	(11.84)
	(b) Diluted (₹)	(3.11)	(3.42)	(3.97)	(11.84)

* not annualised

See accompanying notes to the consolidated financial results

Notes:

- 1 The consolidated financial results ("the Statement") for the quarter ended 30 June 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 August 2021.
- 2 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.
- 3 The figures for the quarter ended 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto third quarter of the respective financial years. Also the figures upto the end of the third quarter were only reviewed and not subjected to audit.
- 4 Exceptional items comprise of the following:

Particulars	(₹ in lakhs)			
	Quarter ended			Year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
Settlement of dispute with a vendor	-	125.00	-	125.00
Provision for impairment of Property, plant and equipment, including CWIP and other non current assets	-	603.05	-	603.05
	-	728.05	-	728.05

- 5 In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. As a response, the Government of India had taken measures to contain the outbreak which included travel bans, quarantines and imposing a nation-wide lockdown from 22 March 2020 onwards.

The COVID-19 pandemic has impacted and continues to impact hospitality industry due to lockdown, travel bans, quarantines and other emergency measures resulting in reduction in occupancy of hotels and average realization rate per room. The Group's business has been severely impacted during the year on account of COVID-19. The Group earned lower revenues due to the lockdown imposed during the current quarter which resulted in a net loss before tax of ₹ 1,101.24 lakhs as the Group's hotels had to be shut down to comply with the government guidelines. With the unlocking of restrictions, the Group's hotel has opened, and business is expected to gradually improve. Whilst there has been a second wave of the COVID-19 pandemic in the last few months where the Group operates, there has also been increased vaccination drive by the Government and the Group continues to closely monitor the situation.

The Group has also assessed the possible impact of COVID-19 in preparation of the consolidated financial results, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenues and costs. 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 rent waivers, negotiating extended credit terms with suppliers and lenders, availing term loan moratorium from banks, 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 management believes that the Group will continue as a going concern.

Management has used internal and external sources of information upto the date of approval of these consolidated financial results in determining the recoverability of property, plant and equipment, investments and other financial assets, and trade receivables as at 30 June 2021. 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 results as and when these material changes to economic conditions arise.

- 6 Ksheer Sagar Developers Private Limited ("subsidiary company") has suffered a loss of ₹ 167.74 lakhs during the quarter and has an accumulated deficit of ₹ 6,221.41 lakhs as at 30 June 2021. The subsidiary company's current liabilities exceed its current assets by ₹3,666.92 lakhs as on 30 June 2021. While these factors would normally indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern, the Company is taking steps towards improving operating cash flows through term loan restructuring plan for improving operating cash flows through cost synergies, exploring avenues of enhancing revenues, operational and financial support from its shareholders. The Company is confident of improving and maintaining sustainable operating cash flows and accordingly the financial results of the subsidiary company is prepared and presented on a going concern basis, which contemplates realization of assets and settlement of liabilities in the normal course of business.
- 7 During the previous year, the Group had classified non-current assets of two subsidiaries amounting to ₹ 6,412.21 lakhs as assets held for sale in accordance with the management's plan to dispose these assets of the subsidiaries.
- 8 During the current quarter, consequential to COVID-19 pandemic, the Group has requested and received rent waiver from certain landlords and accordingly recognized an amount of ₹ 11.25 lakhs for the current quarter in the accompanying Statement as "Other income", by applying practical expedient given in Para 46A and Para 46B of Ind AS 116 (as amended).
- 9 During the current quarter, the Company has issued a termination letter in respect of one of its leased hotels and the matter is pending for arbitration. The Company is of the view that it will be able to obtain rent concessions through arbitration and hence no adjustments with respect to lease liabilities and Right-of-use assets have been made as on 30 June 2021.
- 10 Prior period figures have been regrouped/ reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
Date: 14 August 2021

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844