



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@royalorchidshoteis.com

Date: June 17, 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 Audited Standalone & Consolidated Financial Results for FY 2020-21

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 at its meeting held today, i.e. June 17, 2021 *inter alia*, approved the Audited Financial Results (Standalone and Consolidated) for the year ended March 31, 2021.

In this regard, please find enclosed:

- a) Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2021.
- b) Auditor's Report in respect of the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2021.

In terms of Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 we hereby declare that the auditors opinion, in respect to the aforesaid financial statement is unmodified.



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The aforesaid documents are also being made available on the website of the Company at <http://www.royalorchidhotels.com/investors>.

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
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Independent Auditor's Report on Standalone Annual 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

Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Royal Orchid Hotels Limited ('the Company') for the year ended 31 March 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net loss after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Impact of COVID-19 on operations of the Company

4. 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 standalone financial results as at reporting date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

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Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit or loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under Section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

13. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2020 included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have expressed an unmodified opinion vide their audit report dated 27 July 2020, whose report has been furnished to us, and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No. 210122
UDIN: 21210122AAAACU3041

Bengaluru
17 June 2021

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2021

(₹ in lakhs except per share data)

SI. No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		(Audited) (Refer note 3)	(Unaudited)	(Audited) (Refer note 3)	(Audited)	(Audited)
1	Revenues					
	(a) Income from operations	1,790.85	1,799.61	2,692.58	4,782.41	11,483.91
	(b) Other income	52.33	101.24	216.82	557.20	717.21
	Total revenue	1,843.18	1,900.85	2,909.40	5,339.61	12,201.12
2	Expenses					
	(a) Cost of materials consumed	191.83	366.49	315.09	963.40	1,395.09
	(b) Employee benefits expense	418.71	324.55	560.29	1,190.27	2,529.92
	(c) Rent expense	184.97	190.07	194.91	622.22	910.91
	(d) Power and fuel expense	222.74	201.93	257.28	655.89	1,272.09
	(e) Other expenses	592.61	449.20	905.23	1,720.16	3,206.28
	Expenses before depreciation and amortisation and finance costs	1,610.86	1,532.24	2,232.80	5,151.94	9,314.29
3	Earnings/ (Loss) before depreciation and amortisation, finance costs and taxes (1-2) (EBITDA)	232.32	368.61	676.60	187.67	2,886.83
4	Finance costs	207.95	222.93	205.61	857.22	767.03
5	Depreciation and amortisation expense	211.32	215.92	283.86	873.60	827.75
6	Total expenses (2+4+5)	2,030.13	1,971.09	2,722.27	6,882.76	10,909.07
7	Profit/ (Loss) before exceptional items and tax (1-6)	(186.95)	(70.24)	187.13	(1,543.15)	1,292.05
8	Exceptional item (refer note 4)	(2,353.15)	-	-	(2,353.15)	-
9	Profit/ (Loss) before tax (7-8)	(2,540.10)	(70.24)	187.13	(3,896.30)	1,292.05
10	Tax Expense/(Credit)					
	(a) Current tax	(51.42)	-	111.25	(51.42)	514.26
	(b) Deferred tax	22.85	(44.09)	(110.36)	(389.89)	(133.62)
		(28.57)	(44.09)	0.89	(441.31)	380.64
11	Net Profit/ (Loss) for the period (9-10)	(2,511.53)	(26.15)	186.24	(3,454.99)	911.41
12	Other Comprehensive Income/(Loss)					
	Items that will not be reclassified to profit or loss	(1.75)	-	39.26	(1.75)	32.12
	Income tax relating to items that will not be reclassified to profit or loss	0.49	-	(10.66)	0.49	(9.35)
		(1.26)	-	28.60	(1.26)	22.77
13	Total Comprehensive Income/(Loss) for the period (11+12)	(2,512.79)	(26.15)	214.84	(3,456.25)	934.18
14	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52
15	Other equity	-	-	-	16,065.65	19,520.81
16	Earnings/(Loss) Per Share of ₹ 10 each: *					
	(a) Basic (₹)	(9.16)	(0.10)	0.68	(12.60)	3.32
	(b) Diluted (₹)	(9.16)	(0.10)	0.67	(12.60)	3.30

* not annualised for the period ended.

See accompanying notes to the financial results.

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STANDALONE BALANCE SHEET AS ON 31 MARCH 2021

(₹ in lakhs)

	Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited)
	Assets		
(1)	Non-current assets		
	(a) Property, plant and equipment	2,586.83	2,944.39
	(b) Capital work-in-progress	64.17	2.87
	(c) Right-of-use assets	3,582.37	4,062.19
	(d) Intangible assets	9.55	14.32
	(e) Financial assets		
	(i) Investments	10,483.82	16,444.74
	(ii) Loans	1,501.72	3,026.54
	(iii) Other financial assets	2,113.16	2,660.54
	(f) Deferred tax assets (net)	774.56	384.18
	(g) Other non-current assets	993.37	794.87
		22,109.55	30,334.64
(2)	Current assets		
	(a) Inventories	114.59	129.46
	(b) Financial assets		
	(i) Loans	1,550.58	-
	(ii) Trade receivables	688.88	1,217.69
	(iii) Cash and cash equivalents	428.86	738.72
	(iv) Bank balances other than (ii) above	2,322.62	1,382.34
	(v) Other financial assets	942.99	225.28
	(c) Other current assets	137.86	385.38
		6,186.38	4,078.87
	Assets classified as held for sale	3,676.38	-
		9,862.76	4,078.87
		31,972.31	34,413.51
	Total assets		
(1)	Equity and Liabilities		
	Equity		
	(a) Equity share capital	2,742.52	2,742.52
	(b) Other equity	16,065.65	19,520.81
		18,808.17	22,263.33
	Liabilities		
(2)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,585.65	4,022.89
	(ii) Lease liabilities	3,383.07	3,782.82
	(iii) 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	9.68	9.68
	(iv) Other non-current financial liabilities	111.78	45.95
	(b) Provisions	117.61	105.38
	(c) Other non-current liabilities	34.70	89.21
		8,242.49	8,055.93
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Lease liabilities	668.78	300.15
	(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	2,881.64	2,257.31
	(iii) Other financial liabilities	975.97	936.82
	(b) Other current liabilities	288.84	408.58
	(c) Provisions	106.42	103.11
	(d) Current tax liabilities, net	-	88.28
		4,921.65	4,094.25
	Total equity and liabilities	31,972.31	34,413.51

See accompanying notes to the financial results.

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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

Particulars	Year ended	
	31 March 2021	31 March 2020
	(Audited)	(Audited)
Net profit/(loss) before tax	(3,896.30)	1,292.05
Adjustments for:		
Depreciation and amortisation	873.60	827.75
Loss on fixed assets sold /written off	1.42	0.67
Interest expense, net	460.84	423.58
Interest expense on Lease Liability	396.38	318.11
Ind AS adjustment on account of present value	-	(0.97)
Provision for doubtful trade receivables, advances and security deposits	20.95	107.08
Unrealised exchange (gain)	27.08	(84.81)
Share based payments to employees	0.12	0.98
Interest income	(320.30)	(199.08)
Dividend income	(200.60)	-
Provisions/ Liabilities no longer required, written back	(7.33)	(174.23)
Guarantee commission	(12.76)	(45.79)
Profit on buy back of shares	-	(75.10)
Impairment allowance	2,228.15	
Operating profit/(loss) before working capital changes	(428.75)	2,390.24
Changes in working capital:		
Increase in inventories	14.88	8.40
(Increase)/Decrease in trade receivables and unbilled revenue	474.55	(302.74)
(Increase)/Decrease in other current and non-current assets	124.19	(351.14)
Increase in provisions	13.79	10.41
Increase in trade payables	257.09	298.42
Increase/(Decrease) in other current and non-current liabilities	(230.98)	(373.21)
Cash generated from operations	224.77	1,680.38
Direct taxes paid (net)	(128.43)	(419.17)
Net cash generated from operating activities (A)	96.34	1,261.21
B. Cash flows from investing activities		
Purchase of Property, plant and equipment (including changes in capital work-in-progress, net of project creditors and retention money payable)	(94.15)	(93.19)
Proceeds from sale of fixed assets	-	-
Interest received	188.39	132.49
Amount received towards shares bought back by a subsidiary	-	200.27
Dividend income	200.60	-
Loans given to subsidiaries	(52.84)	(403.36)
Change in other bank balances	(940.28)	(1,060.00)
Net cash (used in)/generated from investing activities (B)	(698.28)	(1,223.79)

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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

(₹ in lakhs)

Particulars	Year ended	
	'31 March 2021	31 March 2020
	(Audited)	(Audited)
C. Cash flows from financing activities		
Interest paid	(216.78)	(433.64)
Proceeds from borrowings from related parties (net)	-	500.00
Proceeds from borrowings from banks and financial institutions	712.00	-
Repayment of borrowings to banks and financial institutions	(150.18)	(192.90)
Change in unclaimed dividend account	(0.03)	1.40
Proceeds from allotment of shares	-	14.65
Dividend paid	-	(548.50)
Dividend distribution tax paid	-	(112.75)
Payment of lease liabilities (principal)	(34.48)	(145.61)
Payment of lease liabilities (interest)	(18.45)	(234.53)
Net cash (used in)/generated from financing activities (C)	292.08	(1,151.88)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(309.86)	(1,114.46)
Cash and cash equivalents at the beginning of the year	738.72	1,853.18
Cash and cash equivalents at the end of the year	428.86	738.72
Cash and cash equivalents as per Standalone Balance Sheet	428.86	738.72

Notes:

- The standalone financial results ("the Statement") for the quarter and year ended 31 March 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 17 June 2021.
- 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.
- The figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of the full financial years 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.
- Exceptional items comprise of the following:

Particulars	(₹ in lakhs)				
	Quarter ended			Year ended	
	31 Mar 2021	31 Dec 2020	31 Mar 2020	31 March 2021	31 March 2020
Settlement of dispute with a vendor	125.00	-	-	125.00	-
Provision for impairment of investment in subsidiaries	2,228.15	-	-	2,228.15	-
	2,353.15	-	-	2,353.15	-

- 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 March 22, 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 first six months of the year which resulted in a net loss of INR 3,454.99 lakhs as the Company's hotels had to be shut down to comply with the government guidelines. Certain hotels of the Company were a part of Government denominated essential services called the Vande Bharat Mission and were operational. With the unlocking of restrictions, the Company's hotel has opened, and business is expected to gradually improve. During the second half of the year, the Company witnessed some signs of recovery of demand. 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 March 31, 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 statements as and when these material changes to economic conditions arise.

- During the current year, the Company has classified investment made in two subsidiaries as assets held for sale in accordance with the management's plan to dispose the assets of the subsidiaries.
- Prior period figures have been regrouped/ reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
Date: 17 June 2021

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844

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Independent Auditor's Report on Consolidated Annual 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

Opinion

1. We have audited the accompanying consolidated annual 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') for the year ended 31 March 2021, attached herewith, 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) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 14 below, the Statement:
 - (i) includes the annual financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net loss after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement section of our report*. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion

Emphasis of Matters

Impact of COVID-19 on operations of the Group

4. We draw attention to Note 6 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 opinion is not modified in respect of this matter.

Walker Chandniok & Co LLP

Material uncertainty on subsidiary's ability to continue as a going concern

5. We draw attention to Note 5 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 reported a section on Material Uncertainty relating to Going Concern, in their auditor's report on the financial statements for the year ended 31 March 2021. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

6. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors/ management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
7. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors/ management of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

9. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under Section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
10. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

14. We did not audit the annual financial statements of sixteen subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 19,274.28 lakhs as at 31 March 2021, total revenues of ₹ 2,200.39 lakhs, total net loss after tax of ₹ 898.86 lakhs, total comprehensive loss of ₹ 905.02 lakhs and cash flows (net) of ₹ 456.77 lakhs for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 13 above.

Further, of these subsidiaries, one subsidiary is located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their country, and which have been audited by other auditor under generally accepted auditing standards applicable in their country. The Holding Company's management has converted the financial statements from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based on the audit report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion 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.

15. The Statement includes the consolidated financial results for the quarter ended 31 March 2021, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
16. The audit of consolidated financial results for the corresponding quarter and year ended 31 March 2020 included in the Statement was carried out and reported by Deloitte Haskins & Sells LLP who have an expressed unmodified opinion vide their audit report dated 27 July 2020, whose report has been furnished to us and which has been relied upon by us for the purpose of our audit of the Statement. Our opinion 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: 21210122AAAACV3841

Bengaluru
17 June 2021

Walker Chandiook & Co LLP

Annexure 1

List of entities included in the Statement

Holding Company:

- 1) Royal Orchid Hotels Limited

Subsidiary Companies:

- 2) Icon Hospitality Private Limited
- 3) Maruti Comforts & Inn Private Limited
- 4) Cosmos Premises Private Limited
- 5) Multi Hotels Limited
- 6) AB Holdings Private Limited
- 7) Royal Orchid Maharashtra Private Limited
- 8) Royal 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

ROYAL ORCHID HOTELS LIMITED

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CIN: L55101KA1986PLC007392

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended			Year ended	
		31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
		(Audited) (Refer note 3)	(Unaudited)	(Audited) (Refer note 3)	(Audited)	(Audited)
1	Revenues					
	(a) Income from operations	3,301.40	2,992.32	4,825.29	8,085.00	20,503.28
	(b) Other Income	240.07	147.46	479.19	798.91	1,470.53
	Total Revenue	3,541.47	3,139.78	5,304.48	8,883.91	21,973.81
2	Expenses					
	(a) Cost of materials consumed	360.72	489.75	577.38	1,313.41	2,465.15
	(b) Employee benefits expenses	903.93	699.73	1,255.05	2,589.58	5,416.37
	(e) Rent expense	207.88	209.11	203.40	701.28	1,003.30
	(f) Power and fuel expense	350.90	311.02	394.85	1,029.30	1,940.75
	(g) Other expenses	1,187.11	1,031.63	1,992.89	3,561.45	6,615.76
	Expenses before depreciation and amortisation and finance costs	3,010.54	2,741.24	4,423.57	9,195.02	17,441.33
3	Earnings / (Loss) before depreciation and amortisation, finance costs and taxes (1-2) (EBITDA)	530.93	398.54	880.91	(311.11)	4,532.48
4	Finance costs	397.34	428.23	399.06	1,633.63	1,564.08
5	Depreciation and amortisation expense	472.10	481.70	565.44	1,928.96	1,898.73
6	Total expenses (2+4+5)	3,879.98	3,651.17	5,388.07	12,757.61	20,904.14
7	Profit/ (Loss) before exceptional items and tax (1-6)	(338.51)	(511.39)	(83.59)	(3,873.70)	1,069.67
8	Exceptional item (refer note 4)	(728.05)	-	-	(728.05)	-
9	Profit before tax (7-8)	(1,066.56)	(511.39)	(83.59)	(4,601.75)	1,069.67
10	Tax Expense					
	(a) Current tax	5.80	-	133.30	5.80	698.65
	(b) Prior year taxes (credit)/charge	(54.43)	-	-	(54.43)	5.89
	(c) Deferred tax	(13.14)	(63.38)	(123.31)	(551.78)	(142.63)
		(61.77)	(63.38)	9.99	(600.41)	561.91
11	Net Profit/(Loss) for the period (9-10)	(1,004.79)	(448.01)	(93.58)	(4,001.34)	507.76
12	Other Comprehensive Income (OCI) (net of tax)					
	Items that will not be reclassified to profit or loss	3.85	0.75	64.45	6.10	66.61
	Income tax relating to items that will not be reclassified to profit or loss	3.53	-	(16.29)	3.53	(16.11)
		7.38	0.75	48.16	9.63	50.50
13	Total Comprehensive Income/(Loss) for the period (11+12)	(997.41)	(447.26)	(45.42)	(3,991.71)	558.26
14	Total Net Profit/(Loss) for the period attributable to:					
	Owners of the Company	(937.79)	(282.40)	(275.75)	(3,247.55)	491.21
	Non-controlling interest	(67.00)	(165.61)	182.17	(753.79)	16.55
		(1,004.79)	(448.01)	(93.58)	(4,001.34)	507.76
15	Total Comprehensive Income for the period attributable to:					
	Owners of the Company	(937.84)	(282.02)	(26.57)	(3,246.47)	536.24
	Non-controlling interest	(59.57)	(165.24)	(18.85)	(745.24)	22.02
		(997.41)	(447.26)	(45.42)	(3,991.71)	558.26
16	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52
17	Other equity (including Non-controlling interest)	-	-	-	14,558.54	18,802.90
	Earnings Per Share of ₹ 10 each :					
	(a) Basic (₹)	(3.42)	(1.03)	(1.01)	(11.84)	1.79
	(b) Diluted (₹)	(3.42)	(1.03)	(1.01)	(11.84)	1.78

See accompanying notes to the financial results

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CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(₹ in lakhs)

	Particulars	As at 31 March 2021 (Audited)	As at 31 March 2020 (Audited) (Refer note 7)
	Assets		
(1)	Non-current assets		
	(a) Property, Plant and Equipment	17,746.76	23,616.65
	(b) Capital work-in-progress	93.58	2,147.11
	(c) Right-of-use assets	4,713.22	5,291.52
	(d) Goodwill	1,774.70	1,774.70
	(e) Other intangible assets	16.73	25.14
	(f) Financial Assets		
	(i) Investments	2.25	2.25
	(ii) Others	2,309.73	2,357.97
	(g) Deferred tax assets (net)	1,052.65	498.14
	(h) Other non-current assets	1,222.78	1,629.97
		28,932.40	37,343.45
(2)	Current assets		
	(a) Inventories	188.48	222.21
	(b) Financial Assets		
	(i) Trade receivables	1,111.59	2,326.95
	(ii) Cash and cash equivalents	1,657.82	1,965.34
	(iii) Bank balances other than (ii) above	2,838.64	2,038.60
	(iv) Others	357.63	328.68
	(c) Current tax assets (Net)	5.64	5.89
	(d) Other current assets	388.12	652.56
		6,547.92	7,540.23
	Assets classified as held for sale	6,412.21	-
		12,960.13	7,540.23
	Total assets	41,892.53	44,883.68
(1)	Equity and Liabilities		
	Equity		
	(a) Equity share capital	2,742.52	2,742.52
	(b) Other equity	11,297.20	14,588.85
		14,039.72	17,331.37
	Non-controlling interests	3,261.34	4,214.05
		17,301.06	21,545.42
(2)	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	9,425.44	8,463.11
	(ii) Lease liabilities	4,664.50	5,088.21
	(iii) Trade payables	9.68	9.68
	(iv) Other financial liabilities	111.78	45.95
	(b) Provisions	245.69	213.86
	(c) Deferred tax liabilities (net)	24.27	24.01
	(d) Other non-current liabilities	42.50	42.50
		14,523.86	13,887.32
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	330.14	330.14
	(ii) Lease liabilities	708.99	336.95
	(iii) 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	3,836.11	3,318.85
	(iv) Other financial liabilities	3,630.80	3,376.64
	(b) Provisions	181.97	184.74
	(c) Current tax liabilities (Net)	0.72	111.71
	(d) Other current liabilities	1,378.88	1,791.91
		10,067.61	9,450.94
	Total equity and liabilities	41,892.53	44,883.68

See accompanying notes to the financial results.

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Year ended 31 March 2021 ₹ in lakhs	Year ended 31 March 2020 ₹ in lakhs
A. Cash flow from operating activities		
Profit After tax	(4,601.75)	1,069.67
Adjustments for:		
Depreciation and amortisation	1,928.96	1,898.73
Loss on sale/write off of assets	1.42	12.12
Bad receivables/advances written off	55.95	28.36
Allowance for doubtful receivables (expected credit loss allowance)	114.80	159.56
Interest expense, net	1,088.38	1,082.29
Interest expense on lease liability of ROU assets	542.82	429.07
Interest adjustment on account of present value	-	25.34
Interest on delayed payment of taxes	2.43	3.98
Share based payments to employees	2.00	8.39
Revenue arising from Government grant related to assets	-	(3.51)
Interest income	(194.65)	(213.52)
Liability no longer required, written back	(34.83)	(241.81)
Interest income on present value accounting of security deposits	(28.86)	(26.31)
(Gain)/loss from foreign currency transactions and translations, net	30.04	(84.77)
Income on account of Rent concessions	(45.00)	-
Impairment allowance	603.05	-
Operating profit before working capital changes	(535.24)	4,147.59
Changes in working capital:		
(Increase)/Decrease in inventories	33.73	15.48
(Increase) /Decrease in trade receivables and unbilled revenue	1,094.57	(565.26)
Increase in other current and non-current assets	230.37	(347.40)
Increase in provisions	35.16	15.43
Increase/(decrease) in trade payables and other liabilities	163.93	335.85
Increase/(Decrease) in other current and non-current liabilities	(490.76)	76.73
Cash generated from operations	531.76	3,678.42
Direct taxes paid (net)	3.36	757.05
Net cash generated from operating activities	528.40	2,921.37
B. Cash flows from investing activities		
Purchase of fixed assets (including changes in capital work-in-progress, net of project creditors and retention money payable)	(119.56)	(498.56)
Interest received	173.43	208.16
Change in other bank balances	(800.04)	(1,339.61)
Net cash used in investing activities	(746.17)	(1,630.01)

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Particulars	Year ended 31 March 2021 ₹ in lakhs	Year ended 31 March 2020 ₹ in lakhs
C. Cash flows from financing activities		
Interest paid	(266.12)	(1,172.56)
Proceeds from borrowings	712.00	-
Repayment of secured borrowings	(160.08)	(970.84)
Change in unsecured loans,net	-	562.50
Change in unclaimed dividend account	(0.03)	1.40
Proceeds from allotment of shares	-	14.65
Dividend paid	(200.60)	(548.50)
Dividend distribution tax on dividend	-	(112.75)
Buyback tax paid	-	(60.92)
Payment of lease liabilities (principal)	(37.03)	(227.19)
Payment of lease liabilities (interest)	(137.89)	(263.99)
Net cash used in financing activities	(89.75)	(2,778.20)
Net increase in cash and cash equivalents (A+B+C)	(307.52)	(1,486.84)
Cash and cash equivalents at the beginning of the year	1,965.34	3,452.18
Cash and cash equivalents at the end of the year	1,657.82	1,965.34

Notes:

- The Consolidated financial results for the quarter and year ended March 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 17 June 2021.
- 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.
- The figures for the quarter ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of the full financial years 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.
- Exceptional items comprise of the following:

Particulars	Quarter ended			Year ended	
	31 March 2021	31 December 2020	31 March 2020	31 March 2021	31 March 2020
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	-

- Ksheer Sagar Developers Private Limited ("subsidiary company") has suffered a loss of ₹ 524.35 lakhs during the year and has an accumulated deficit ₹ 6,053.66 lakhs as at 31 March 2021. The subsidiary company's current liabilities exceed its current assets by ₹3,461.01 lakhs as on the Balance Sheet date. 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 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.
- 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 March 22, 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 first six months of the year which resulted in a loss of ₹ 4,001.34 lakhs as the Group's hotels had to be shut down to comply with the government guidelines. Certain hotels of the Group were a part of Government denominated essential services called the Vande Bharat Mission and were operational. With the unlocking of restrictions, the Group's hotel has opened, and business is expected to gradually improve. During the second half of the year, the Group witnessed some signs of recovery of demand. 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 March 31, 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 Group will continue to monitor any material changes to future economic conditions and any significant impact of these changes would be recognised in the financial statements as and when these material changes to economic conditions arise.

- In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', the Group has retrospectively restated the value of 'Interest accrued on borrowings' under 'Other financial liabilities' (Current Liabilities) with a corresponding increase in other equity by ₹ 180.68 lakhs as at 31 March 2020 to account for the transactions in accordance with Ind AS 110 – Consolidated financial statements.
- During the current period, consequential to COVID-19 pandemic, the Group has requested and received rent waiver from certain landlords and accordingly recognized an amount of ₹ 45.00 lakhs for the year ended March 2021 (₹ 11.25 lakhs for each quarter ending June 2020, September 2020, December 2020 and March 2021 respectively) in Statement of Profit and Loss as "Other income", by applying practical expedient given in Para 46A and Para 46B of Ind AS 116 (as amended).
- During the current year, the Group has classified non-current assets of two subsidiaries as assets held for sale in accordance with the management's plan to dispose these assets of the subsidiaries.
- Prior period figures have been regrouped/ reclassified, wherever necessary, to conform to the current periods' presentation.

Place: Bengaluru
Date: 17 June 2021

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844