



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@royalorchidshotels.com

Date: August 29, 2019

**To,
The Manager,
Listing Compliance,
Department of Corporate Services,
BSE Limited,
Floor 25, P. J. Towers,
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532699**

**To,
The Manager,
Listing Compliance,
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,

Subject: Submission of Annual Report for Financial Year 2018-2019

Pursuant to Regulation 34 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for Financial Year 2018-2019.

We would further like to bring to your kind attention that Company has already submitted the declaration of unmodified opinion in the Auditors' Report on Standalone and Consolidated financial results, for the year ended 31st March, 2019, vide letter dated 29th May, 2019.

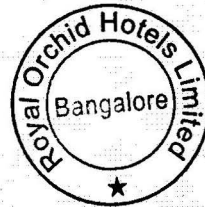
You are requested to take same on record.

Thanking you,

Yours Sincerely,

For **ROYAL ORCHID HOTELS LIMITED**

**RANABIR SANYAL
COMPANY SECRETARY & COMPLIANCE OFFICER
FCS: 7814**



Encl: As Above

CELEBRATING
50+
HOTELS

Royal Orchid Hotels Limited
Annual Report
2018 - 2019



Dear Shareholders,

Over the last year, the hospitality sector witnessed healthy growth and it has emerged as one of the key industries driving growth for the Indian economy. On the backdrop of this healthy growth, Royal Orchid Hotels Ltd. (ROHL) has posted positive growth in revenues and profitability for financial year ended 2019.

According to the CRISIL report, the occupancy rate is expected to reach 71% by 2023 from the current 66% levels. With 50+ hotels totaling 3,385 keys across 35 cities in India, Royal Orchid Hotels is poised for significant growth in the coming years.

The company has continuously paid dividend for the last 3 years. In the year 2016-17; the company had declared an interim dividend of 10%, in the year 2017-18; the company declared a final dividend of 15%, while for the year 2018-19; the company has proposed a dividend of 20%.

Our consolidated revenue in financial year 2018 - 19 is Rs 203.83 Cr, while the same was Rs 189.45 Cr in 2018. The EBITDA for 2019 is Rs 48.82 Cr, the same was Rs 38.29 Cr in 2018. Relating to this, profit after tax (PAT) stands at Rs 13.11 Cr in 2019 vs. Rs 2.41 Cr in 2018. The earning per share in 2019 is Rs 4.83, vs Rs 0.90 in 2018.

Delivering quality service with an emphasis on staff training and guest engagement has resulted in higher than average occupancy rates and guest satisfaction. In the fiscal year 2019, our owned and leased hotels had an average occupancy rate of 74% while the managed hotels' average occupancy rate was 69%. The inherent emphasis has been to better the experience of our guests, strengthen our market position and achieve transformative growth, leading to greater profitability in each of our segments. The Royal Orchid Hotels' network has been diversified among 11 owned/leased hotels and 28 managed hotels. We endeavor to create value by operating a best-in-class portfolio of hotels in India.

It has been five years since we adopted the asset light strategy and have been adding management contracts to our portfolio aggressively since. This transformation has helped us to overcome risks attached to owned hotels which gives us an edge over our peers. Our endeavor has been to deliver operating cost structures which are economical and enable us to offer a value-for-money proposition to our guests.

Since the very beginning, Royal Orchid Hotels Ltd. has contributed to CSR activities. In the year 2018-19, the company has contributed Rs 21.98 Lac towards CSR expenditure (skill development program) which has enabled youth to get jobs across the industry. Further, the Baljee Foundation and Presidency College undertake a number of CSR activities towards skill development, providing financial support towards education and medical emergencies, and contribution to various charitable trusts.

Our aim has always been to constantly enhance shareholder's value by striving for better growth, efficiency in operations and better payouts. Over the past few years, we have been focusing on strengthening our balance sheet while maintaining operational efficiencies. We assure you that we will achieve quicker timelines for 'development to commencement of operations' for our hotels and maintain consistency in brand experience at lower costs while delivering quality services to our customers.

I would like to thank all shareholders for believing in us and helping us to deliver and retain our brand promise which has resulted in outstanding deliveries and financial results. We acknowledge your participation and contribution in every way as we begin yet another year of making memories for both - customers and stakeholders.

Warm Regards,
Chander K. Baljee
Managing Director

Board of Directors



Mr. Chander K. Baljee
Managing Director



Mr. Sunil Sikka
Non-Executive Director



Dr. Vivek Mansingh
Independent Director



Mr. Naveen Jain
Independent Director



Ms. Lilian Jessie Paul
Independent Director



Mrs. Sunita Baljee
Non-Executive Director

Management Team



Mr. Amit Jaiswal

Chief Financial Officer
E: cfo@royalorchidhotels.com



Mr. Vikas Passi

Vice President – Operations (West)
E: vikaspassi@royalorchidhotels.com



Mr. Chetan Tiwari

Assistant Vice President
Business Development
E: chetan@royalorchidhotels.com



Mr. Chirag Talwar

Director – Marketing
(Corporate)
E: chirag@royalorchidhotels.com



Mr. T Selvaraj

Assistant Vice President
Engineering
E: selvaraj@royalorchidhotels.com



Dr. Ranabir Sanyal

Company Secretary
& Compliance Officer
E: cosec@royalorchidhotels.com



Mr. Ranjan Gupta

Vice President – Operations (South)
E: ranjan@royalorchidhotels.com



Mr. Perkin Rocha

Vice President – Operations (North)
E: perkin@royalorchidhotels.com



Ms. Moumita Mukherjee

Vice President Sales (East, West & South)
E: moumita@royalorchidhotels.com



Ms. Asma Begum

Director – Customer Services
& Loyalty Programs
E: asma@royalorchidhotels.com



Mr. Snehanshu Banerjee

Head – Revenue Management
& EMC
E: snehanshu@royalorchidhotels.com

Milestones

2019

Regenta Central, North Goa*
Regenta Resort, Belagavi*
Regenta Inn, Ranip, Ahmedabad*
Regenta Inn, Kullu Manali*

2019

Regenta Central, Vapi
Regenta Central, Nagpur
Regenta Resort, Bharatpur
Regenta Central, Chandigarh*
Regenta Central RS, Chennai*

2017

Regenta Central, Mysore
Regenta Inn, Vadodara
Regenta Central, Ahmedabad
Regenta Resort, Ranthambore
Regenta Resort, Jim Corbett
Regenta Central, Ludhiana
Regenta Inn, Kolkata
Regenta Central, Dehradun
Regenta Central, Indore
Regenta Central, Kanpur

2018

Regenta Resort, Pushkar
Regenta Resort, Nashik
Regenta Central, Srinagar
Regenta Central Hestia
Regenta Resort, Bharatpur
Regenta Central, Dahej

2016

Regenta Almeida, Chadigarh
Regenta Central, Amritsar
Regenta Central, Chennai

2016

Regenta Inn, Bangalore
Regenta Resort, Varca Beach, Goa
Regenta Central Jhotwara, Jaipur

2012

Royal Orchid Central, Shimoga
Royal Orchid Fort Resort, Mussoorie
Hotel Royal Orchid, Jaipur

2012

Royal Orchid Central, Navi Mumbai
Royal Orchid Central, Hampi

2008

Royal Orchid Golden Suites, Pune
Royal Orchid Central, Jaipur
Royal Orchid Brindavan Garden, Mysore
Nationwide Sales Offices

2007

Corporate HQ
Royal Orchid Central, Pune
Royal Orchid Beach Resort, Goa
Royal Orchid Suites, Bangalore

2004

Royal Orchid Metropole
Mysore

2002

Presidency College of
Hotel Management
Bangalore

2003

Royal Orchid Central
Bangalore

2001

Hotel Royal Orchid
Bangalore



Explore
our portfolio of
50+
Hotels
across India



Regenta Central Antarim, Ahmedabad

A much sought-after destination among travelers and entrepreneurs, Ahmedabad attracts people for both luxury and business. Regenta Central Antarim is strategically located along the city's CG Road, Navarangapura, in the vicinity of major industrial centers.

With four categories, the hotel offers comfortable living spaces with a mix of contemporary interiors and traditional wall art. There are three dining outlets at the hotel specializing in oriental cuisine, world cuisine and fresh offerings from the bakery. It also has numerous banqueting options to host MICE events, weddings and other social gatherings.

72 Rooms | 03 F&B Outlets



Regenta Inn Ranip, Ahmedabad

Regenta Inn Ranip, Ahmedabad is a business hotel adjoining the Arved Transcube Mall. Our hotel is located close to both the airport and the railway station, making it an ideal base for leisure and business travelers.

Our 102 rooms are beautifully appointed and are a blend of elegant and contemporary design. Our hotel offers extensive conference and banqueting facilities, which make it an ideal venue for an important business meeting, special event or a stylish wedding. Whether you're on a break or on a business trip, you will leave refreshed.

102 Rooms | 01 F&B Outlet



Hotel Opened in Q2, 2019

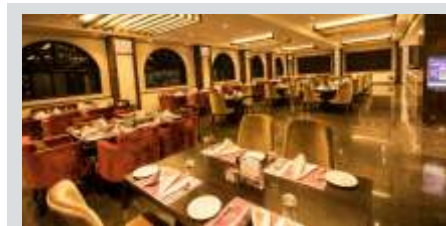


Regenta Central, Amritsar

Whether you're in Amritsar for a productive business meeting or on a vacation, the Regenta Central Amritsar has the perfect room for you. The hotel is just 1.5kms from the Golden Temple, 12kms from Amritsar International Airport, 3km from Amritsar Railway Terminal, and popular markets.

Book one of our 38 comfortable rooms for an excellent stay in the heart of the city. The hotel also hosts large social gatherings and corporate events in its elegant banquet halls in close proximity.

38 Rooms | 02 F&B Outlets | 05 Banquet Halls



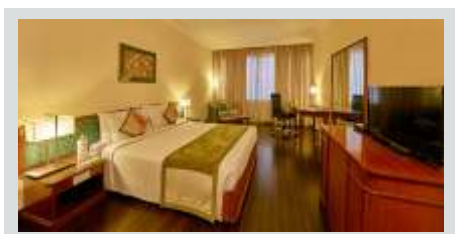


Hotel Royal Orchid, Bangalore

Hotel Royal Orchid Bangalore is located near Indiranagar. A 5-star hotel adjacent to the Karnataka Golf Association and 1.4 Km away from Embassy Golf Links Business Park. The hotel is one destination of choice for discerning travellers.

195 rooms of the hotel are categorized into - the Deluxe Room, the Royal Club Room, One-Bedroom Apartment, Orchid Suite and the Royal Suite. The hotel features 3 banquet halls, a poolside lounge and a lawn ideal for hosting social and corporate events. The hotel offers a variety of dining options, this hotel has Limelight- a multi-cuisine restaurant, Tiger Trail - an Indian specialty restaurant, Ginseng- a Pan Asian restaurant and Jeff's- a restobar and lounge.

195 Rooms | 04 F&B Outlets | 04 Banquet Halls & Lawns



Royal Orchid Central, Bangalore

Located in the center of the city just off MG Road, Royal Orchid Central, Bangalore is just 5 minutes from important attractions like Cubbon Park and key attractions. Situated in proximity to the Central Business Districts, it is an ideal hotel for business travelers.

The 130 rooms of this hotel are divided into 3 categories - Standard Rooms, Club Rooms and Executive Suites. Allowing guests to conveniently host corporate events, business meetings and social events, the hotel offers 4 banquet halls, 1 boardroom and 1 roof terrace. The hotel has an Infinity spa and a fitness center accompanied by an award-winning oriental bar and kitchen named Ging, a multi-cuisine restaurant, Pinxx and also a co-working Café.

130 Rooms | 03 F&B Outlets | 06 Banquet Halls



Regenta Inn, Devanahalli, Bangalore

Regenta Inn located in Devanahalli, is 10 minutes away from Kempegowda International Airport. The boutique hotel allows access for business travelers and tourists in Bengaluru.

Regenta Inn offers a stay in 40 rooms categorized into Superior Room, Executive Suite and Suite. Burgundy is the multi-cuisine restaurant of this hotel, which is well known for its local delicacies. Guests can also make use of the fitness center offered by the hotel.

40 Rooms | 01 F&B Outlet





Royal Orchid Resort & Convention Centre, Bangalore

Royal Orchid Resort & Convention Centre, one of the luxury resorts in Bangalore, is surrounded by 8 acres of tropical gardens and lush green lawns. The resort is located in close proximity to booming business centers. Providing accommodation in three categories - Deluxe Rooms, Superior Rooms and Luxury Cottages - the hotel features 54 rooms.

'9th Mile Dhaba' offers Indian delicacies. The resort also has a bar and multi-cuisine restaurant, 'Verve'. The resort's convention facility and huge lawns can cater to any event between 100 - 1000 guests and will be an ideal venue for corporate events and social gatherings. Perfect for weekend getaways and short holidays, the resort also has various games and activities available for guests.



54 Rooms | 02 F&B Outlets | 05 Banquet Halls & Lawns



Royal Orchid Suites, Bangalore

Royal Orchid Suites is strategically located at Whitefield between the heart of the city and other business areas of the Silicon city. The strategic location makes it a perfect hotel for business and leisure travelers.

The hotel provides stylish 88 rooms and suites in three categories: Studio Suite, Executive Suite and Duplex Suite. Other than providing comfortable accommodation, it has a swimming pool, a gymnasium, billiards and a squash court. Burgundy; the multi-cuisine restaurant and Blend- lounge and bar - provides all-day dining for customers. The lawn and boardroom of this hotel allows guests to conduct social and social events.



88 Rooms | 02 F&B Outlets | 02 Banquet Halls & Lawn



Regenta Place, Bangalore

Regenta Place, Bangalore occupies a prime location in the city. Being a favorable 4-star hotel for the business as well as leisure travelers, it is situated in a radius of 4 km from famous tourist spots such as Bangalore Palace, Cubbon Park, UB City and Indian Express.

This hotel comprises of 83 rooms that are divided into three categories: Standard Room, Deluxe Room and Suite. This hotel is equipped with an Indian cuisine restaurant named 'Tiger Trail'. Besides accommodation and restaurants, the hotel builds on its reputation with 4 well-appointed event spaces.



83 Rooms | 01 F&B Outlet | 04 Banquet Halls



Regenta Resort Bharatpur

Regenta Resort Bharatpur is well connected to the Jaipur International Airport and Bharatpur Junction. Comprising of 3 categories of rooms: Premium Rooms, Executive Suites and Presidential Suites, the hotel is a perfect choice for leisure travelers.

Our spacious banquet halls and lawns can accommodate up to 1000 guests for MICE events, weddings and social gatherings. Dine at Pinxx, our in-house coffee shop, as we serve you, various multi-cuisine delicacies. We also have a few recreational facilities for our guests - a swimming pool, spa, indoor activities and a fitness center.

49 Rooms | 01 F&B Outlet | 04 Banquet Halls & Lawn



Regenta Central Harimangla, Bharuch

Regenta Central Harimangla is 5 km away from the city's major commercial and tourist centers like the railway station, Golden Bridge and Surpaneshwar Shiva Temple.

The hotel comprises of 104 rooms and suites, which have been divided into five categories: Executive Rooms, Deluxe Rooms, Hollywood Twin Rooms, Suites and Presidential Suites. The hotel also has two multi-cuisine dining outlets: Pinxx and Sky Light. The hotel also features 4 banquet halls.

104 Rooms | 02 F&B Outlets | 04 Banquet Halls & Lawn



Regenta Resort, Bhuj

Regenta Resort is a luxury resort in Bhuj (Gujarat), located in the vicinity of the Mirzapur Highway. This resort in Bhuj is one of the most preferred hotels for both business activities and families traveling for holidays or weekend getaways. Regenta Resort Bhuj has an inventory of 65 rooms, which have been classified into four categories: Heritage, Executive, Deluxe Rooms and Heritage Huts.

Each of these rooms is designed keeping in mind the various needs of guests, ensuring a comfortable stay at a competitive price. The resort has two multi-cuisine dining outlets - Gazebo (featuring a live kitchen) and B-Zaika. Its banquet halls and open-air venues are well suited for corporate activities and large-scale family gatherings. The gymnasium, spa and swimming pool are some of the recreational facilities that this luxury resort in Bhuj offers.

65 Rooms | 02 F&B Outlets | 02 Banquet Halls & Lawn





Regenta Resort, Belagavi

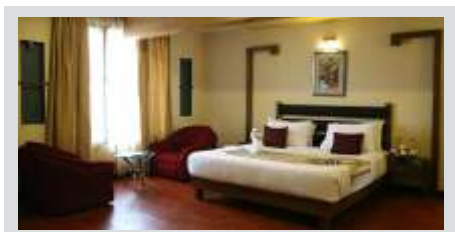
Amidst the picturesque Western Ghats of Karnataka, at the foothills of the Sahaydri range lies Belagavi, an ancient town which enamours travellers from across the world. A brand new destination, the Regenta Resort Belagavi with its 58 rooms & cottages is designed to offer a calm just enough to surprise you, a lively ambience to rejuvenate you, and warm service to delight you.

Located on the old Belagavi – Goa road, our contemporary resort offers rooms and villas which promise space, privacy, unmatched views and a great night of sleep. Guests can indulge at Limelight, our all-day dining restaurant offering cuisine that pleases versatile palates.

58 Rooms | 02 F&B Outlets | 02 Banquet Halls & Lawn



Hotel Opened in Q2, 2019



Regenta Central Deccan, Chennai

Chennai, known as the 'Detroit of India', is the cultural capital of Southern India. Regenta Central Deccan, located in the city-centre, Royapettah, is just 10 minutes away from Marina Beach. It features two categories of Luxury Suites and Superior Rooms with complimentary Wi-Fi and a well-stocked mini-bar in each room.

Regenta Central Deccan has space to host various corporate and social events at its spacious banquet halls and boardrooms. It has two F&B outlets – Olives, a multi-cuisine restaurant and Maami Samayal– a south Indian restaurant, and a bar. Apart from quality accommodation and good food, the hotel also offers options for rejuvenation with a spa and a gym.

93 Rooms | 03 F&B Outlets | 04 Banquet Halls



Regenta Central RS, Chennai

Regenta Central RS, Chennai, a business hotel, offers an ideal blend of comfort and convenience. Ideal for business travellers, the hotel is just 10 minutes away from Sipcot IT Park which houses all the major corporations. The hotel is adjacent to Marina Mall, one of the biggest malls on OMR. The hotel offers a beautiful view of the city from its rooms and restaurants. Our service reflects our tradition of warm and impeccable hospitality.

The 120 tastefully furnished rooms provide a comfortable stay and are equipped with contemporary amenities. For business or leisure, the hotel offers you all that you may need. From intriguing flavors of Indian cuisine to global delicacies, our fine-dining restaurants bring together these great contrasts. Savor refreshing spirits and delve into our delectable delicacies that will leave you speechless.

120 Rooms | 03 F&B Outlets | 04 Banquet Halls



Hotel Opened in Q1, 2019



Regenta Central Cassia, Chandigarh

Regenta Central Cassia, is a business hotel that provides luxurious accommodation and excellent services for business travelers. The hotel is located close to the airport, offering a convenient location for those traveling to Chandigarh on business.

We provide a choice of 50 luxurious and well-appointed rooms. Our rooms are designed to ensure that your stay is comfortable. We provide you with an atmosphere of ease and coziness. The banquet halls and meeting rooms promise an inviting venue for all events. Our restaurant offers a variety of multi-cuisine dishes to tickle every guest's taste buds.

50 Rooms | 01 F&B Outlet | 02 Banquet Halls



Hotel Opened in Q1, 2019



Regenta Almeida Zirakpur, Chandigarh

Located close to the city's major industrial clusters, Hotel Regenta Almeida is a convenient stop for all the business travelers. Hotel Regenta Almeida features various meetings and conference facilities. These halls have been equipped with modern amenities required for seamless events.

Our hotel has 75 rooms and suites. These have been categorized into Premium Rooms, Executive Suites, Deluxe Suites and Presidential Suites. Frontier Court offers Indian cuisine; while Saffron is a multi-cuisine restaurant. We have two bars, Salsa Bar and Sky Bar. We also have Café-Coffee Lounge & Pastry Shop. Besides, there are other facilities for your recreation – a rooftop swimming pool, spa and gymnasium.

75 Rooms | 03 F&B Outlets | 04 Banquet Halls



Regenta LP Vilas, Dehradun

Nestled in the cradle of the picturesque valleys of the Himalayas, Dehradun is a popular tourist hotspot in Uttarakhand. Inspired by the regal architecture of the bygone era of Rajput and Mughal dynasties, is Hotel Regenta LP Vilas. Managed by the Royal Orchid Hotel franchise, this heritage hotel is located in the vicinity of popular tourist centers such as Robber's Cave and Sahastradhara.

Regenta LP Vilas features 8 indoor and outdoor venues where guests can host weddings, cocktail parties, high school reunions, corporate conclaves, business conferences and other social get-togethers. The hotel has 75 rooms categorised into: Club Rooms, Executive Rooms, Suites and Family Suites. It also has 3 dining options: Coco- its 24*7 coffee shop; Zaffran- its multi-cuisine buffet restaurant; and Unplugged, its multi-cuisine bar.

75 Rooms | 03 F&B Outlets | 07 Banquet Halls & Lawn





Regenta Central Hestia, Dahej

Located off the coastline of Gujarat, the city of Dahej is known for its bustling trade and commerce. Strategically situated at a convenient distance of 12 km from the highway to Bharuch, Regenta Central Hestia, Dahej is a suitable destination for transit and long-stay travelers. This hotel in Dahej is situated in the vicinity of major industrial hubs and tourist points.

Regenta Central Hestia, Dahej offers 69 rooms to stay in, which have been segregated into different categories such as Standard Rooms, Deluxe Rooms, Superior Rooms and Executive Suites. We also have Pinxx- our multi-cuisine coffee shop. With well-equipped banquet halls, we are adept at handling MICE events. We have a swimming pool and a gym for guest to unwind.



69 Rooms | 01 F&B Outlet | 03 Banquet Halls & Lawn



Regenta Inn, Dwarka

One of the seven most ancient religious cities of India, Dwarka, Gujarat, is also known as the 'Gateway to Heaven'. Thousands of devotees visit this destination to explore the birthplace of Lord Krishna who also had his kingdom here. While planning a visit to the famous Dwarkadhish Temple and Sudama Setu, one can stay at Regenta Inn Dwarka, which is situated in a 2 km radius from the city's prominent temples, holy shrines and railway station.

Regenta Inn provides a comfortable stay at pocket-friendly prices. It also has a multi-cuisine vegetarian restaurant; Prasad and a coffee shop, which serves throughout the day. With 2 banqueting spaces, it is one of those hotels in Dwarka that is best suitable to host private, social and business gatherings.



57 Rooms | 02 F&B Outlets | 02 Banquet Halls



Royal Orchid Beach Resort & Spa, Goa

Nestled in South Goa's Uttroda Beach, the Royal Orchid Beach Resort & Spa is easily accessible from the Goa Airport & Madgoan Railway Station. Royal Orchid Beach Resort & Spa spans an area of five acres and has 73 rooms divided into 3 categories: Club Rooms, Luxury Suites and Royal Suites with Plunge Pool.

The resort has 3 banquet spaces and lawns for business and social events, the most popular of which are beach weddings. It has a multi-cuisine all-day restaurant; Cosmos, a poolside bar; Sunken Bar, and Barbeque by the Pool for grills, sizzlers and steaks. It has several recreational options such as a swimming pool, a fitness center, spa, a gaming zone, karaoke, an in-house water park and a kids' play area.



73 Rooms | 03 F&B Outlets | 06 Banquet Halls & Lawns

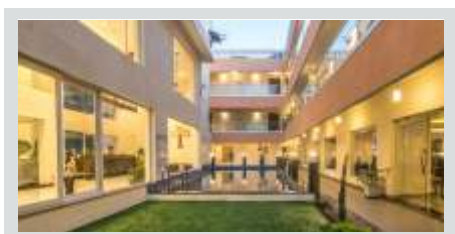
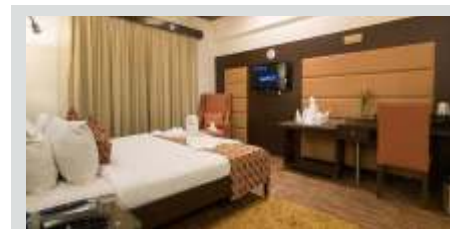


Regenta Resort Varca Beach, Goa

Regenta Resort Varca Beach is just 5-minutes away from the Varca Beach and is well connected to the Goa International Airport and Madgaon Railway Station. Popular tourist destinations of the city such as Uttroda Beach & Colva Beach and major financial centers are also in the same vicinity.

48 comfortable rooms categorized into: Deluxe Rooms, Pool View Rooms and Luxury Suites. The resort has a poolside restaurant; Aqua Grill; and a coffee shop, Pinxx. With lush green lawns and banquet halls, it is an ideal location for corporate events, product launches and other social gatherings. It also has recreational options for guests including a swimming pool, a gaming zone, a children's room and a gym.

48 Rooms | 02 F&B Outlets | 01 Banquet Hall

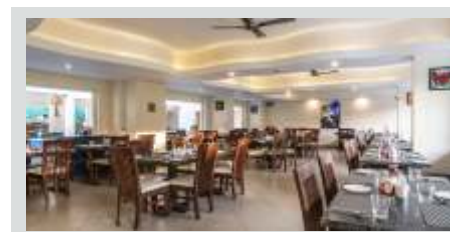


Regenta Central, North Goa

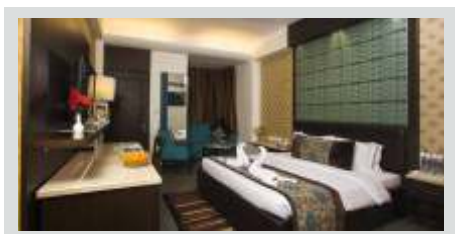
Regenta Central North Goa is a premier business and leisure hotel. The hotel is surrounded by commercial offices and shopping centers, hence making it an ideal place for business travelers and vacationers both. The hotel is well connected to the airport and the railway station.

46 tastefully furnished rooms offer all amenities of a business hotel and make your stay comfortable and pleasant. We have Club Rooms and Suite Rooms which are designed with all essential comforts. All the double bedrooms offer a great view of the club road and greens lawns outside.

46 Rooms | 01 F&B Outlet



Hotel Opened in Q1, 2019



Regenta Orkos, Haridwar

Easily accessible from strategic transit points such as the main Haridwar-Rishikesh highway and the Railway Station is Hotel Regent Orkos. This hotel in Haridwar is conveniently located within a radius of 10 km from prominent places such as Mansa Devi Temple and Har ki Pauri along the banks of the holy Ganga River.

Regenta Orkos also has three venues with modern facilities to host your MICE events and social gatherings. We also offer luxury at an affordable price to our guests by providing them with numerous accommodation options – Royal Club Rooms, Executive Suites and Presidential Suites. Each of these rooms is furnished in a way to facilitate a seamless stay for the guests. We also have a multi-cuisine restaurant, Limelight, and a bar – Salsa. There are also other facilities to unwind in our hotel – a gym and a spa.

56 Rooms | 02 F&B Outlets | 02 Banquet Halls





Royal Orchid Central, Kireeti, Hampi

Hotel Royal Orchid Central Kireeti is located in Hampi, the ancient capital of “the city of Victory”, Vijayanagar. Hampi is a World Heritage Site and rich in mineral resources that are visited by leisure as well as business travelers. This hotel is strategically located just a minute away from the Hospet Railway Station and is 13 Km away from famous tourist spots such as Hampi Bazaar, Royal Enclosure Hampi and Matunga Hills.

Rooms are categorized into: Deluxe Rooms, Executive Suites and Presidential Suites. A gym and a swimming pool let the guests have a relaxing experience while staying at Hotel Royal Orchid Central, Kireeti. Enabling guests to host events and weddings right inside the hotel, we provide a banquet hall, a board room and a lawn. The hotel has Echo, a coffee shop, a Mix-Lounge Bar, The Regal Garden, an Indian cuisine restaurant and Sunken Bar – a poolside bar.

135 Rooms | 04 F&B Outlets | 03 Banquet Halls & Lawn



Regenta Central, Indore

Strategically located in close proximity of Indore’s major industrial hubs, Regenta Central Indore is located on the Mangliya bypass. It is also accessible from the major tourist places in the city; thus making it a suitable destination for tourists. Regenta Central Indore features 50 rooms and suites, which have been clubbed into categories such as Superior Rooms, Executive Rooms and Suites.

All rooms have been equipped with modern-day comforts to facilitate a seamless stay for guests. It also has a banqueting arrangement for MICE events and social get-together like weddings. The hotel in Indore also has dining options; It has two bistros – Bistro 76 & Fountain Café. It also has a multi-cuisine restaurant, Masala Craft. The hotel has a pool, gym and spa where guests can unwind.

50 Rooms | 03 F&B Outlets | 03 Banquet Halls & Lawn



Hotel Royal Orchid, Jaipur

Overlooking the Tonk Road, the city’s business street, lies Hotel Royal Orchid, Jaipur which is the only hotel in Jaipur with eight plunge pool rooms. It is located just a few minutes away from Jaipur International Airport and Railway Station and has numerous places of interest, like Jal Mahal, Hawa Mahal, Jaipur Exhibition and Convention Centre and more within a 15 km radius.

With vast banqueting spaces, the hotel in Jaipur is the preferred destination for both weddings and corporate events. It has 139 rooms and suites, classified into Club Rooms, Deluxe Rooms, Plunge Pool Rooms, Suites and a Suite with a Pool. It features three dining outlets: Tiger Trail – a restaurant serving Indian delicacies, Limelight– an all-day multi-cuisine café and Salsa Bar – a multi-cuisine bar lounge. The hotel also has a beautiful rooftop swimming pool along with a gym.

139 Rooms | 03 F&B Outlets | 04 Banquet Halls & Lawns





Regenta Central Jal Mahal, Jaipur

Regenta Central Jal Mahal is situated in the heart of the city and is easily accessible from various business centers, the Airport and the Railway Station. Famous points of interest such as Amber Palace, Jaigarh Fort and Nahargarh Fort close to the hotel, making it a suitable destination for corporate and leisure travelers. Regenta Central Jal Mahal features an inventory of 57 rooms, which have been furnished with several amenities.

There are four restaurants: Pinxx - round the clock multi-cuisine coffee shop; Cafe Lounge - where you can enjoy beverages & snacks; a multi-cuisine Roof Top Lounge; and The Pinxx Bar. The hotel in Jaipur also has well-appointed venues for guests to host corporate events and social occasions such as weddings. It also has a rooftop pool overlooking the city.



57 Rooms | 03 F&B Outlets | 02 Banquet Halls



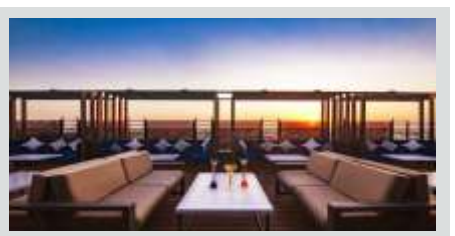
Regenta Central, Jaipur

Hotel Regenta Central Jaipur has some of the best state-of-the-art facilities and lavish décor its 70 comfortable rooms are well equipped to offer a pleasant and comfortable stay for the guests.

The hotel offers two pillarless banquet halls to host corporate meetings, weddings and other events; thereby, delivering the best facilities that any banquet halls in Jaipur could dream of. Further adding comfort to our guests is our 24-hour multi-cuisine restaurant Pinxx, which serves the best buffet and a-la-carte menu offering tasty Indian, Chinese and Continental delicacies for guests for a perfectly relaxing stay. Our hotel is undoubtedly the best choice of accommodation for all modern-day travelers visiting the area.



70 Rooms | 04 F&B Outlets | 02 Banquet Halls



Royal Orchid Central, Jaipur

Royal Orchid Central is located in the close proximity to the Jaipur Airport and Jaipur Railway Station and commercial hubs. Various tourist hubs such as Chandpol Bazaar, Bani Park and Hawa Mahal fall within a radius of 7 km from the hotel. This makes it a suitable location for business and leisure travelers. Hotel Royal Orchid Central has a banquet and board room where guests can plan various social, corporate and private events.

It features a total of 70 rooms, which have been labeled as Deluxe Rooms and Club Rooms. Priced economically, these rooms are equipped with features such as Wi-Fi, tea and coffee maker, electronic safe and minibar. The hotel has a rooftop swimming pool. There are four dining options: Ginseng- the award-winning Pan-Asian cuisine restaurant; Pinxx- the all-day coffee shop; Kloud- the multi-cuisine rooftop restaurant; and Bar - a multi-cuisine lounge.



70 Rooms | 04 F&B Outlets | 02 Banquet Halls



Regenta Resort Tarika, Jim Corbett

Nestled amidst the dense and pristine forests of Nainital district, Jim Corbett is a beautiful destination. Popular among wildlife enthusiasts, it draws a huge number of tourists and offers admirable sightseeing. Situated on the serene foothills of Kumaon, Regenta Resort Tarika, Jim Corbett is in Ramnagar. Surrounded by the Jim Corbett National Park on one side, it provides a scenic view of the Kosi River.

Regenta Resort Tarika features 45 rooms and cottages categorized as Deluxe Rooms/Cottages, Executive Cottages, Premium Rooms/Cottages and Royal Cottages. These rooms offer several complementary services. Enjoy a feast at our three multi-cuisine restaurants - Jungle Delight, Pinxx and Twilight. With a banquet hall, boardroom and an outdoor lawn, the resort is ideal for hosting several events, business meeting and other celebrations.

45 Rooms | 03 F&B Outlets | 02 Banquet Halls & Lawn



Regenta Orkos, Kolkata

Situated in Kasba, Regenta Orkos is a 3-star hotel in Kolkata is close to the Howrah Bridge. Being just 20 km away from Netaji Subhash Chandra Bose International Airport and Kolkata Railway Station Belgachia, it is easily accessible for travelers. Popular tourist attractions such as the Victoria Memorial, Indian Museum, Shaheed Minar and Eden Gardens are situated in a radius of 12 km from this hotel.

Hotel Regenta Orkos offers a swimming pool and a spa for all guests. With 67 rooms, this hotel provides comfortable accommodation in the centre of the city. A multi-cuisine restaurant named Orkos, a rooftop pool restaurant named Skyline and a Lounge Bar are the three dining options here. The three banqueting spaces allow guests to host business and social events.

67 Rooms | 03 F&B Outlets | 03 Banquet Halls



Regenta Inn Larica, Kolkata

Kolkata is a center of art, culture and history. Once known as the capital of British India, the city has various historic landmarks. Located on Biswa Bangala Road, Regenta Inn Larica is one of the best hotels in Kolkata, which is near Netaji Subhash Chandra Bose International Airport. Major attractions such as Eco Park, Mother's Wax Museum and Titumir Metro Station are within a radius of 5 km from this hotel.

Surrounded by many business centers, it becomes an ideal place to stay for travelers. Rooms are categorized into Premium Rooms, Executive Rooms and Suites. Dine at two restaurants, Breeze and Coriander, while staying at the Regenta Inn Larica. Offering two banquet spaces, this hotel provides options of hosting different types of events. The swimming pool available within the premises of the hotel provides a refreshing ambiance.

45 Rooms | 02 F&B Outlets | 03 Banquet Halls





Regenta Central The Crystal, Kanpur

Located on the mall road in this bustling city, Regenta Central The Crystal is easily accessible from the Airport and Kanpur Central railway station. The mall road houses several business centers and important offices, also lending their proximity to the hotel.

It is a major destination for corporate events and weddings in the city with a modern conference room and a beautiful banquet hall. Hotel Regenta Central The Crystal offers comfortable accommodation options with 44 Executive Rooms and 3 Executive Suites. There is a lively multi-cuisine restaurant on the first floor called Red Olive, and a rooftop lounge that can accommodate over 50 people at a time.



47 Rooms | 02 F&B Outlets | 02 Banquet Halls



Regenta Central Klassik, Ludhiana

Regenta Central Klassik is situated within a radius of 5 km from the city's major industrial clusters and tourist hubs such as Nehru Rose Garden and Leisure Valley Trail, making it a convenient choice for luxury and business travelers. Regenta Central Klassik has a North Indian specialty restaurant, Punjabi Bhatti and a 24*7 multi-cuisine café, Bon Appetite.

Guests can also enjoy premium spirits, wines, and beers at 'Starbar and Lounge'. Priced reasonably, the hotel accommodation features an inventory of 75 rooms divided into 4 categories: Standard Rooms, Club Rooms, Deluxe Suites, and Luxury Suites. The hotel in Ludhiana also has banquet halls and boardrooms where guests can host social or corporate affairs. It also has recreational facilities - a swimming pool, spa and gymnasium for guests to unwind.



75 Rooms | 03 F&B Outlets | 05 Banquet Halls



Regenta MPG Club, Mahabaleshwar

Regenta MPG Club, Mahabaleshwar, is a heritage property, which is over 100 years old and located in the lap of nature, converted into a beautiful resort. Constructed in an old colonial style, it is set amidst the lush tropical foliage of Mahabaleshwar. The city's vital business districts, main market and city bus stand are within a close distance from the resort, as well as the popular sites such as Venna Lake & Wilson Point.

It has conference halls and banqueting options, which make it suitable for facilitating weddings or corporate events. Rooms are categorized into - Standard, Deluxe and Suites. The resort also has two multi-cuisine dining options, including an open-air restaurant serving barbeque. It also has a swimming pool, spa, indoor and outdoor games, cycling and horse riding to make for a complete holiday.



32 Rooms | 01 F&B Outlet | 01 Banquet Hall & Lawn



Royal Orchid Fort Resort, Mussoorie

Fondly called the 'Queen of Hills', Mussoorie has been a prominent family holiday destination since the colonial era. Located amidst the quaint valleys and lakes of Mussoorie is the Royal Orchid Fort Resort. The hotel is situated near major tourist attractions such as Gun Hill Point, Mossy Falls and Mussoorie Lake.

The Royal Orchid Fort Resort houses several banquet halls with modern facilities to ensure hassle-free meetings and events. It also features 56 rooms and suites that have the comforts for all modern-day travelers. It also features a dining outlet, 'Pinxx', which is a multi-cuisine restaurant. It has a spa and a gym for your recreation.

58 Rooms | 01 F&B Outlet | 04 Banquet Halls



Royal Orchid Brindavan Garden Palace & Spa, Mysore

The Royal Orchid Brindavan hotel sits at the edge of the Brindavan Garden, it covers a vast area of 1.16 acres. Just 2.4 km away from KRS Waterfalls. The hotel is a favorite choice among leisure and MICE travelers.

A pet-friendly luxury hotel, rooms are categorized into: King-Size and Queen-Size. From Garden Café- a coffee shop to C.K.'s- a multi-cuisine restaurant and Elephant Bar, this hotel has various F&B options for guests. Its spacious banquet hall, KRS is perfect for hosting social and corporate events, including weddings.

24 Rooms | 03 F&B Outlets | 01 Banquet Hall



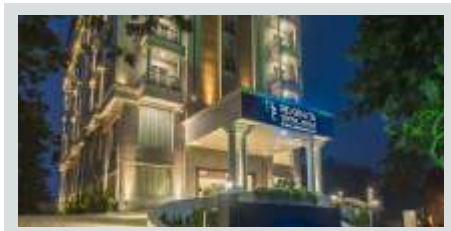
Royal Orchid Metropole, Mysore

Royal Orchid Metropole is located 2 km away from the Mysore Palace and 3.5 km away from Mysore Zoo and is spread across an area of 2.5 acres, the Hotel Royal Orchid Metropole consists of 30 rooms that are categorized into Royal Room, Heritage Room and Maharaja Suite.

It features two multi-cuisine restaurants- Shikari- known for its barbecued delights and Skan'del- with an open bar, Tiger Trail, Indian cuisine restaurant and High Tea, a lounge. There is a one-hour yoga class conducted from Monday to Saturday for all the in-house guests as well. The Royal Orchid Metropole also has three banquet and conference halls that are perfect for hosting business and social events.

30 Rooms | 04 F&B Outlets | 04 Banquet Halls & Lawn





Regenta Central Herald, Mysore

Regenta Central is a business class hotel in Mysore, which is located very close to the palace. It is near the other tourist attractions such as Tipu Sultan's Palace, Mysore Zoo and Chamundi Hill; and transit points, including the Railway Station.

Regenta Central Herald offers 70 rooms allowing guests to choose from the three categories: Deluxe Rooms, Executive Rooms and Suites. We have a multi-cuisine dining outlet, Pinxx. The boardrooms allow business travelers to organize meetings and small corporate events.



70 Rooms | 01 F&B Outlet | 03 Banquet Halls



Regenta Inn Blossoms, Manali

The Regenta Inn Blossoms, Kullu Manali welcomes travelers with 25 luxury guest rooms. The hotel is ideally located on the river-side along the road that leads to Manali. The hotel is a haven of bliss and relaxation. After exploring the city, guests can enjoy a great night of sleep in our tastefully appointed and elegantly furnished rooms.

The hotel features an in-house multi-cuisine restaurant, Pinxx offering an exquisite dining experience. Our restaurant is open 24 hours so that you can have a delicious meal anytime. Connect with our front desk for more exciting activities at "Beas" for boating, paragliding and river rafting.



25 Rooms | 02 F&B Outlets

Hotel Opened in Q2, 2019



Regenta Central Hotel & Convention Centre, Nagpur

India's 'Orange City', Nagpur has been a favorite destination among travelers for its endless beauty and countless experiences. It is also counted among the top greenest cities in India, thanks to the beautiful parks and wildlife sanctuaries. So, whether you're traveling for business or leisure, Nagpur is going to be a memorable experience for you.

A total of 47 rooms at Regenta Central Hotel & Convention Centre in Nagpur are segregated into four types and provide relaxed accommodation. Taking your experience a notch higher, the hotel houses three classy restaurants named 'Dejabrew', 'Feliz Café' and 'Zone'. Regenta Central Hotel & Convention Centre in Nagpur allows guests to host any kind of large-scale event.



47 Rooms | 03 F&B Outlets | 03 Banquet Halls



Regenta Resort Soma Vine Village, Nashik

Known as the 'Wine Capital of India', Nashik is a city with many surprises. Nashik is also a favorite destination for tourists due to its pleasant climate and scenic charm. The resort is close to the Mukthidam Temple, the Pandavleni Caves, the Gangapur Dam and the Trimbakeshwar Temple. Nashik is located 90km from Shirdi.

The pet-friendly resort has an amphitheater in its vineyard as well as a conference hall where corporate events, product launches, weddings, and other social events can be hosted. It also features two restaurants: Surahi- a multi-cuisine restaurant cum coffee-shop with a la carte menu and buffet on weekends. The resort also has game zones within 500 meters from the property which includes go-karting, rock climbing, etc.

32 Rooms | 02 F&B Outlets | 01 Banquet Hall & Lawn

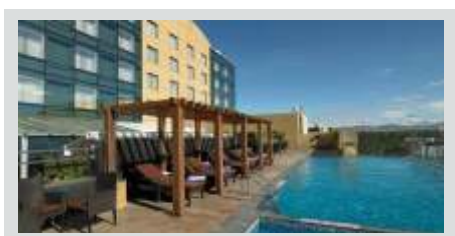


Royal Orchid Central Grazia, Navi Mumbai

A suburb of Mumbai, Navi Mumbai is a flourishing business location. Royal Orchid Central Grazia, Navi Mumbai is conveniently situated in the vicinity of major industrial centers of the city such as its Central Business District (CBD). It is also easily accessible from the city's major entertainment hubs such as Raghuleela Mall and its transit points - Mumbai-Pune Expressway & Vashi Railway Station. This makes the hotel a suitable stop for travelers.

Offering luxury to its guests at competitive rates, this 4-star hotel in Navi Mumbai has 67 rooms, which have been segregated into Deluxe & Club Rooms. We also have suitable arrangements for MICE and other important events. The hotel houses Echo, all-day dining restaurant accompanied by a rooftop pool and fitness center.

67 Rooms | 01 F&B Outlet | 02 Banquet Halls



Royal Orchid Central, Pune

Royal Orchid Central in Kalyani Nagar is just 3.7 km away from the airport and 5.4 km from the railway station. Surrounded by various Tech Parks, it is situated near famous tourist attractions such as the Aga Khan Palace, Koregaon Park and Wagheshwar Lake.

Hotel Royal Orchid Central provides accommodation in 115 rooms, categorized into Deluxe Room and Club Room, and Suites. Tiger Trail, Pinxx and Mix are trendy dining options offered to guests. The swimming pool and fitness center are the two recreational activities of this hotel. Two indoor banqueting spaces and two outdoor venues allow guests to host social and corporate events.

115 Rooms | 03 F&B Outlets | 06 Banquet Halls





Royal Orchid Golden Suites, Pune

Royal Orchid Golden Suites is a business hotel in Pune, located in the vicinity of commercial and various tech parks. The hotel is easily accessible from the airport and railway station and located within a radius of 16 km from tourist attractions such as the Gandhi National Memorial Society, Rajiv Gandhi Zoological Park, Aga Khan Palace and Wagheswar Lake.

The hotel has a boardroom and a banquet hall where guests can organize their important meetings or other social events. It offers accommodation in 71 suites, characterized as Executive Suite and Deluxe Suite. Guests can avail in-room dining services from the two multi-cuisine dining outlets, Kasba and Atrium or dine at the 2 beautiful restaurants.



71 Rooms | 02 F&B Outlets | 02 Banquet Halls



Regenta Resort Pushkar Fort, Pushkar

Regenta Resort Pushkar Fort, a boutique resort in Pushkar is close to major business centers transit points of the city and railway station.

The resort features 8 Standard Rooms, 50 Haveli Rooms, and 12 Regal Heritage Rooms.

Each of these affordably priced rooms has modern-day comforts with traditional décor and a dash of luxury. With banquet facilities, this heritage property is suitable for hosting weddings, social and MICE events. It houses a multi-cuisine restaurant, Rajwada, and a swimming pool for recreation.



70 Rooms | 01 F&B Outlet | 02 Banquet Halls & Lawn



Regenta Central Rajkot

Conveniently situated at the prime location in Rajkot, Kalawad Road, Regenta Central Rajkot is located 7 Km away from tourist spots such as the Rotary Dolls Museum, Kaba Gandhi No Delo and Watson Museum. It's also easily accessible from the airport, the railway station and the bus stand.

Regenta Central, Rajkot provides accommodation in three categories of rooms named Deluxe Rooms, Executive Rooms and Suites. The hotel has a multi-cuisine restaurant, Pinxx, offering a wide range of culinary delights. The two banquet halls in the hotel are used for social and business events and can be clubbed together for bigger gatherings.



60 Rooms | 01 F&B Outlet | 03 Banquet Halls



Regenta Resort Vanya Mahal, Ranthambore

Just 12.5 km away from the National Park, Regenta Resort Vanya Mahal is a beautiful resort in Ranthambore. Surrounded by business centers and situated within a range of 5 km from Sawai Madhopur and Wild Dragon Adventure Park, it occupies a favorable location for all kinds of travellers.

Promising a comfortable stay in the land of Maharajas, the resort offers accommodation in 70 rooms categorized as Executive Rooms, Premium Rooms, Cottages, Suites and Rajputana Tents. With an outdoor venue and two banquet halls, guests can host several events. Treat yourself to some Indian delicacies at Tiger Trail. A safari tour and swimming pool are also available here.

70 Rooms | 01 F&B Outlet | 02 Banquet Halls & Lawn



Regenta Central Point, Srinagar

Regenta Central Point, Srinagar is located amidst panoramic valleys and charming lakes of scenic Himalayan peaks. Strategically situated in the middle of the bustling business hub in Srinagar, the hotel embodies premium luxury and exemplary services. The hotel comprises of numerous well-appointed rooms, featuring chic interiors, which have been designed to meet the needs of modern-day travelers.

The hotel has a fitness center with the latest high-end facilities for guests to stay fit while they are vacationing. They can also drop by at the sauna and feel refreshed after their vigorous workout or after a hectic day of exploring the city. The experience of staying at Regenta Central Point, Srinagar is one that our guests will truly cherish for a long time.

46 Rooms | 01 F&B Outlet



Royal Orchid Central, Shimoga

Shimoga, Karnataka, is a bustling city known for its prospering mineral industry. Strategically located in proximity to KIADB Mandli Kallur Industrial Area, KSRTC Bus Stand, Shimoga Railway Station and the City Centre Mall, is Hotel Royal Orchid Central. This makes it a suitable hotel in Shimoga for all those travelers who are here for a business or a vacation.

Royal Orchid Central, Shimoga houses 108 rooms and suites furnished with all amenities required for a comfortable stay. Dining options; Tiger Trail (Authentic Indian Cuisine); Pinxx (Coffee Shop) and Mix Bar (Lounge Bar). With 3 banquet spaces and 1 board room, we are adept at handling MICE events and other social occasions.

108 Rooms | 03 F&B Outlets | 04 Banquet Halls





Royal Orchid Central, Vadodara

Not just for archaeological fans, Vadodara is a city of interest for many travelers. Known for its rich culture, glorious past and royal traditions, this city is a perfect location for a quick escapade. Royal Orchid Central, Vadodara is located near Shivajee Circle and Mujmahuda. It is situated near the business centre and within 4 km radius of Laxmi Vilas Palace, Sri Aurobindo Ashram Dandia and Department of Archaeology and Ancient History.

Royal Orchid Central, Vadodara offers three options of accommodation - Deluxe Rooms, Club Rooms and Suites. The Pinxx Coffee Shop is a multi-cuisine restaurant, which offers buffet service, à la carte and in-room dining facility. This hotel has a banquet hall and a boardroom where guests can host social and corporate events.

80 Rooms | 01 F&B Outlet | 02 Banquet Halls



Regenta Inn, Vadodara

Located on the banks of Vishwamitri River, Vadodara (Baroda) is lined with ancient palaces and old markets that make it one of the most fascinating cities of Gujarat. Amidst all tourist places, Regenta Inn, is located at a walking distance from Central Bus Station and Railway Station. It is located near business centers and within a radius of 4 km from major tourist spots such as Laxmi Vilas Palace, Sayaji Bang Zoo, Sur Sagar Lake and Sayaji Garden.

With essential amenities and fine interiors, rooms are categorized into Deluxe Room, Superior Room, Studio Suite and Suite. To let the guests, conveniently organize public and social events inside the hotel, we offer 2 banquet halls and 1 boardroom. The multi-cuisine restaurant, Casablanca, provides all-day dining buffets for guests.

94 Rooms | 01 F&B Outlet | 02 Banquet Halls



Regenta Central Harsha, Vapi

Vapi, is an industrial city surrounded by the Union Territories of Daman to the West and Dadra and Nagar Haveli to the East. Vapi is known for its historical legacy and stunning ancient temples, which hold great religious value and is an ideal destination for archaeological enthusiasts.

Regenta Central Harsha is located in Khadki, a developed industrial hub in Gujarat. The hotel features 57 well equipped and luxurious rooms. Enjoy a culinary journey with a variety of cuisines to experience at Pinxx, the all-day dining restaurant serving a combination of international cuisines. Spacious banquet halls are ideal for wedding, parties and corporate gatherings.

57 Rooms | 01 F&B Outlet | 01 Banquet Hall





BOARD OF DIRECTORS

Managing Director	- Mr. Chander K. Baljee
Non-Executive Directors	- Mr. Sunil Sikka Mrs. Sunita Baljee
Independent Directors	- Mr. Naveen Jain Dr. Vivek Mansingh Ms. Lilian Jessie Paul
Chief Financial Officer	- Mr. Amit Jaiswal
Company Secretary & Compliance Officer	- Dr. Ranabir Sanyal
Statutory Auditors	- M/s. Deloitte Haskins & Sells LLP 17 th Floor, Prestige Trade Tower 46, Palace Road, High Grounds Bengaluru - 560 001.
Stock Exchanges	- BSE Limited National Stock Exchange Limited
Bankers	- State Bank of India HDFC Bank Axis Bank Corporation Bank ICICI Bank
Registered Office	- No -1, Golf Avenue, Adjoining KGA Golf Course HAL Airport Road, Bengaluru, Karnataka- 560 008
Corporate Identity Number	- L55101KA1986PLC007392
Registrar & Share Transfer Agent	- Integrated Registry Management Services Private Limited 30, Ramana Residency, 4 th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003

CONTENTS

Description	Page No.
Boards' Report	2
Management Discussion and Analysis Report	29
Report on Corporate Governance	32
Auditors' Report on Standalone Financial Statements	47
Balance Sheet - Standalone	52
Statement of Profit & Loss - Standalone	54
Statement of Changes in Equity - Standalone	55
Cash Flow Statement - Standalone	56
Notes to the Standalone Financial Statements	58
Auditors' Report on Consolidated Financial Statements	94
Balance Sheet - Consolidated	98
Statement of Profit and Loss - Consolidated	99
Statement of Changes in Equity - Consolidated	100
Cash Flow Statement - Consolidated	101
Notes to the Consolidated Financial Statements	102
Notice	138

CAUTIONARY STATEMENT: Statements in this Annual report describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the company's operations include a downtrend in the hospitality sector, significant changes in political and economic environment in India or key financial markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs.

Boards' Report

Dear Members,

The Board of Directors of your Company, with immense pleasure, present the Thirty Third Annual Report of your Company along with the Audited Balance Sheet, Statement of Profit and Loss, Statement of changes in equity and Cash Flow Statement (Standalone and Consolidated), Schedules and Notes to Accounts for the year ended March 31, 2019.

Financial Performance

The Company's financial performance, for the financial year ended March 31, 2019 on standalone and consolidated basis is summarized below:

(₹ in lakhs)

Particulars	As on March 31, 2019		As on March 31, 2018	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	20,383.28	11,259.59	18,945.35	10,214.02
Other Income	1,521.56	744.29	893.16	598.99
Total revenues	21,904.84	12,003.88	19,838.51	10,813.01
Food and Beverages Consumed	2,199.00	1,189.22	2,026.85	1,056.07
Employee Benefit Expenses	5,009.16	2,280.49	4,668.43	2,115.67
Finance Costs	1,321.11	451.69	1,469.42	524.11
Depreciation	1,432.19	402.26	1,581.79	438.51
Other Expenses	9,814.92	5,858.44	9,314.55	5,275.12
Total Expenses	19,776.38	10,182.10	19,061.04	9,409.48
Profit before exceptional items, tax and minority interest	2,128.46	1,821.78	777.47	1,403.53
Exceptional Item	-	-	145.00	145.00
Profit before tax and minority interest	2,128.46	1,821.78	922.47	1,548.53
Tax expense	817.41	559.71	681.25	450.90
Profit/(Loss) for the year	1,311.05	1,262.07	241.22	1,097.63
Other comprehensive income/(loss), net of tax	10.02	(4.47)	4.73	(0.06)
Total comprehensive income/(loss) for the year	1,321.07	1,257.60	245.95	1,097.57

External Environment & Indian Hospitality Industry

India continued to build its lead as one of the fastest growing large economies in the world during FY 2018-19. Recent estimates as per the Central Statistical Office pegged GDP growth for FY 2018-19 at 7% led by government expenditure on roads and affordable housing, strong gross capital formation and improved exports. A moderate, but resilient private consumption and steady construction activity remain enablers to this growth (Source: Monetary Policy Committee of RBI, April 2019). Domestic consumption is expected to grow into a \$6 trillion opportunity by 2030 (Source: WEF Future of Consumption in Fast-Growth Consumer Markets: India, January 2019). Healthy savings by Indian households (22% of their income), higher proportion of young, working population and policy reforms are the long-term drivers for India's economic growth in future.

Inflation, as measured by the Consumer Price Index (CPI), remained modest for major part of the year owing to benign food inflation (forms 46% of CPI). The soft food inflation appears to be structural in nature given the increased agricultural productivity in India. Wholesale Price Index (WPI) inflation too remained in low single digits in FY 2018-19 on account of marginal increase in fuel prices.

Weak inflation propelled the Reserve Bank of India (RBI) to go back to

its 'neutral' stance from 'calibrated tightening' (briefly adopted between October and December 2018). The apex bank announced a 25 basis points cut in repo rate in its last policy of the financial year, in a bid to improve economic growth, as well as inflation. The Government of India adopted prudent policies and hence has managed to keep fiscal deficit in a narrow band during the year. This metric is pegged at 3.4%, slightly higher than the targeted level of 3.3%.

The Indian Rupee (INR) remained weak for most part of the year and hit an all-time low of ₹ 74.48 against the US Dollar (USD) due to higher oil prices, improving US yields, weak domestic fundamentals and outflows from domestic markets.

Advantages of Indian Economy: India's economy will most likely be powered by private consumption, investments and exports in future.

Private consumption: Softer interest rates, improving farm realizations and higher disposable incomes will enable this metric.

Investments: Overall investments rebounded in FY 2018-19 with fixed investments growing 12.2%, up from 7.6% in FY 2017-18. Moreover, the investment ratio (investment/GDP) is estimated to have surged to 32.9% after being range bound at 30-31% in the past four to five years.



Boards' Report *(continued)*

Exports: India's exports grew at a healthy pace in FY 2018-19, albeit on a low base. The primary factors propelling India's exports during the year under review were the easing constraints posed by Goods and Services Tax (GST) implementation, improved manufacturing and tailwinds of 2017 global trade revival.

Global Economy: The year in review rising trade tensions between the US and China; financial tightening amid normalisation of monetary policies in larger advanced economies; tighter credit policies in China; volatile crude oil prices and moderating industrial production resulted in a slow-down of global economic activity notably in the second half of 2018. Amongst the advanced economies, the United States' economy grew by 2.9% as per 2018 estimates, higher than the previous two years. Growth in the United Kingdom moderated from 1.7% in 2017 to 1.3% in 2018 mainly due to the uncertainty of its exit from the European Union (Source: World Bank Report on Global Economic Prospects, January 2019).

Indian Hospitality and Tourism Industry: Travel and tourism industry contributed 9.2% to India's GDP and registered a growth of 6.7% in 2018 (Source: WTTC). The industry supported 43 million jobs in the country (8.1% of total employment). India offers a diverse portfolio of niche tourism products, including cruises; adventure medical; wellness; sports; meetings incentives, conventions and exhibitions (MICE) eco-tourism; films; rural and religious tourism. The country has been recognised as a destination for spiritual tourism for domestic and international tourists. Besides, the introduction of a new category of visa – the medical visa or M visa – is expected to encourage medical tourism in India. Total contribution by travel and tourism sector to India's GDP is expected to increase from ₹ 15.24 trillion (US\$ 234.03 billion) in 2018 to ₹ 32.05 trillion (US\$ 492.21 billion) by 2028.

India was ranked 7th among 184 countries in terms of travel & tourism's total contribution to GDP in 2017. Travel and tourism is the third largest foreign exchange earner for India. During 2018, FEEs from tourism increased 4.70 per cent year-on-year to US\$ 28.59 billion. Foreign Tourist Arrivals (FTAs) increased 5.20 per cent year-on-year to 10.56 million in the same period. During 2018, arrivals through e-tourist visa increased 39.60 per cent year-on-year to 2.37 million. During January 2019, arrivals through e-tourist visa increased by 21.10 per cent year-on-year to 0.29 million. It is estimated that 81.1 million people are employed in the tourism sector in India which was 12.38 per cent of total employment in the country. The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well. In September 2018, the Indian government launched the 'Incredible India Mobile App' to assist the traveller to India and showcase major experiences for travelling. The Government of India is working to achieve one per cent share in world's international tourist arrivals by 2020 and two per cent share by 2025. In October 2018, Statue of Sardar Vallabhbhai Patel, also known as 'Statue of Unity', was inaugurated as a tourist attraction. It is the tallest statue in the World

standing at a height of 182 metre. It is expected to boost the tourism sector in the country and put India on the world tourism map. The Government has also been making serious efforts to boost investments in tourism sector. In the hotel and tourism sector, 100 per cent FDI is allowed through the automatic route. A five-year tax holiday has been offered for 2, 3 and 4 star category hotels located around UNESCO World Heritage sites (except Delhi and Mumbai). Total FDI received by Indian hotel & tourism sector was US\$ 12 billion between April 2000 and December 2018. India is a large market for travel and tourism. It offers a diverse portfolio of niche tourism products - cruises, adventure, medical, wellness, sports, MICE, ecotourism, film, rural and religious tourism. India has been recognized as a destination for spiritual tourism for domestic and international tourists.

- Focus on improving infrastructure, including airports, roads and rail connectivity across the country
 - Positive amendments to Coastal Regulation Zones Rules are expected to facilitate development of beach resorts across the coastline
 - Digitisation of services, including payment mechanisms
 - E-visas offered to nationals of 166 countries is expected to increase foreign travellers
 - New avenues of funding Real Estate and Hospitality assets through institutional equity by way of listing Real Estate Investment Trusts (REIT) and Initial Public Offers (IPOs) of certain hospitality companies
 - Introduction of the Insolvency and Bankruptcy Code (IBC) to resolve insolvencies efficiently, which in turn gives rise to opportunities for expansion. The industry's concern however, are high GST rates, which at 28% for room tariffs above ₹ 7,500 are amongst the highest in South East Asia positioning the country as an expensive destination in comparison with regional peers. Further, the recent turmoil within the airline industry in India leading to a decline in flights has impacted travel, notwithstanding the high demand for air travel.
- INDUSTRY MEGATRENDS** The hospitality industry has been undergoing tremendous changes and disruptions over the last two decades. The key trends that are reshaping the industry are listed here:
- Virtual communities across social networks like TripAdvisor and Google, among others influence tourists and lead to more transparency
 - Online Travel Agents (OTAs) have altered distribution channels, facilitated a shift towards large brands and have built enduring relations with travellers.
 - Digitalised guest experiences through apps are increasingly helping hoteliers manage many aspects of the guest cycle and experience
 - Booming global tourism, owing to enablers like low-cost carriers and healthy GDP growth in emerging markets.
 - Rising trend of experience economy wherein customers request extreme personalisation, unique experiences, and so on

Boards' Report *(continued)*

Key Financial and Operational Highlights :

Standalone performance:

During the financial year 2018-19, the Company earned revenue from operations amounting to ₹ 11,259.59 lakhs as compared to ₹ 10,214.02 lakhs in the previous financial year, thus marking a growth of 10.24% over the previous financial year. Total revenues of the Company have increased by ₹ 1,190.87 over the previous financial year. The Company generated total comprehensive income of ₹ 1,257.60 lakhs during the year ended March 31, 2019 as compared to ₹ 1,097.57 lakhs in the previous financial year, thus registering a growth of 14.58% over the previous financial year.

Consolidated/Group performance:

During the financial year 2018-19, the Group earned revenue from operations amounting to ₹ 20,383.28 lakhs as compared to ₹ 18,945.35 lakhs in the previous financial year, thus marking a growth of 7.59% over the previous financial year. Total revenues of the Group have increased by 10.42% over the previous financial year. The Group generated total comprehensive income of ₹ 1,321.07 lakhs during the year ended March 31, 2019 as compared to income of ₹ 245.95 lakhs in the previous financial year, thus registering a growth of 437.13% over the previous financial year.

Changes in nature of Business

During the year under review, there was no change in the nature of Company's business.

Share Capital of the Company and changes thereof

During the financial year under review, the issued and paid-up share capital of the Company was increased to ₹ 2,740.67 Lakhs divided into 2,74,06,715 equity shares of face value of ₹ 10 per share by issue and allotment of 1,05,527 equity shares on account of exercise of employee stock options.

Your Company has received a certificate from the Statutory Auditors of the Company that the scheme has been implemented in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. The certificate would be placed at the ensuing Annual General Meeting for inspection by Members of the Company.

During the financial year, ₹ 1,42,632 unclaimed dividend which was not claimed for a period of 7 years along with 9116 equity shares belonging to the respective share holders of the aforesaid unclaimed dividend were transferred to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs.

Appropriations

Dividend and Transfers to Reserve

On account of improved performance and Profit after Tax reported by your Company during the current year, the Board of Directors

recommend a dividend at the rate of 20% i.e. ₹ 2 per share. The dividend on Equity Shares, if approved by the Members would involve a cash payout of ₹ 660.80 lakhs, including dividend distribution tax.

Further, during the year under review, no amount has been transferred to reserve.

Loans, Guarantees or Investments

Your Company is exempt from the provisions of Section 186 of the Companies Act, 2013 ('Act') with regard to Loans and Guarantees. Details of Investments made are given in the Note No.4 to the Financial Statements.

Public Deposits

In terms of the provisions of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014, the Company had no opening or closing balances of public deposits and during the year under review, the Company has also not accepted any public deposits and as such, no amount of principal or interest was outstanding as on March 31, 2019.

Material Changes and commitments affecting financial position between the end of financial year and date of report

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

Revision in Financial Statements or Boards' Report under Section 131(1) of the Companies Act, 2013

In terms of Section 131 of the Companies Act, 2013, the Financial Statements and Board's Report are in compliance with the provisions of Section 129 or Section 134 of the Companies Act, 2013 and that no revision has been made during any of the three preceding financial years.

Management Discussion and Analysis Report

The Management's Discussion and Analysis Report on Company's performance – industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable, forms part of this Annual Report.

Subsidiaries, Associates and Joint Ventures

During the year under review no company has become the Subsidiary, Associate or Joint venture of the Company.

Pursuant to Section 129 (3) of the Companies Act, 2013, a statement containing salient features, brief financial details of the Company's subsidiaries for the financial year ended March 31, 2019 and their



Boards' Report *(continued)*

contribution to the consolidated financials in **Form AOC – 1 is appended as Annexure – I** to the Boards' Report and in consolidated financials forming part of this Report. The annual accounts of the Subsidiary Companies and the related information will be made available to any Member of the Company seeking such information and are available for inspection by any Member of the Company at the Registered Office of the Company.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of your Company, Consolidated Financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of your Company at the following link <http://www.royalorchidhotels.com/investors>.

The policy for determining material subsidiaries can be accessed on your Company's website under the link <http://www.royalorchidhotels.com/investors>.

Promoter Group

The names of the Promoters and entities comprising "group" (and their shareholding) as defined under the Competition Act, 2002 for the purposes of Section 3(1)(e)(i) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 include the following:

S. No.	Name of Promoter including Persons Acting in Concert	Total Shareholding as on March 31, 2019	Percentage of Shareholding
1.	Mr. Chander K Baljee	120,01,060	43.79
2.	Mrs. Sunita Baljee	2,26,260	0.83
3.	Mr. Keshav Baljee	8,03,424	2.93
4.	Mr. Sunil Sikka	6975	0.03
5.	Baljees Hotels and Real Estates Private Limited	57,14,689	20.85
6.	Hotel Stay Longer Private Limited	2,29,337	0.84

Particulars of Contracts or Arrangements made with Related Parties under Section 188(1) and (2) of the Companies Act, 2013

In line with the requirements of the Act and the Listing Regulations, your Company has formulated a policy on dealing with Related Party Transactions ('RPTs') which can be accessed on the Company's website under the link: <http://www.royalorchidhotels.com/Images/factsheet/Policy-Related-party-transaction.pdf>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Prior omnibus approval is obtained for RPTs which are of a repetitive nature and entered in the Ordinary Course of Business and are at Arm's Length. A statement on RPTs specifying the details of the transactions, pursuant to each omnibus approval granted, has been placed on a

quarterly basis for review by the Audit Committee.

The particulars of contracts/arrangements with related parties referred to in Section 188(1) and (2) of the Companies Act, 2013, are provided in the prescribed **Form AOC-2**, appended as **Annexure – II** to this Boards' Report.

Development in Human Resources and Industrial Relations

The Company continues to maintain a very cordial and healthy relationship with its workforce across all its units. The total number of persons working in the group (permanent employees on rolls and contractual employees) as at **March 31, 2019** was **3,463** across all its units in the group.

The Company is ensuring the best place to work to attract and retain good employees in the Company. The Company continued to strive towards attracting, retaining, training, multiskilling employees. With the increase in workforce due to expansion in business, envisaging the requirement of adequate on the job training across the various levels of employees, a major thrust to the training and development of multi-skilled certification programmes has been initiated through Presidency college of Hotel Management. Baljee Foundation continues to offer financial support for medical and educational needs of certain category of employees. The Human Resource Team carried out the following programs across the group during the year:

1. Online Hospitality Training Program
2. Food Festivals to make staff experience cuisines of multiple types
3. Plantation drive as an environmental awareness initiative.
4. Blood donation camp and staff health checkup camps in collaboration with Rotary Club, Columbia Asia Hospital & Manipal Hospitals
5. Many Employees were recognized and rewarded with financial benefits under service bonus program. It helps in recognizing and rewarding key talent and resulting in quality talent retention.

The disclosure pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (as amended up to date) have been detailed in the **Annexure - III** to this Boards' Report.

Extract of Annual Return

The extract of Annual Return in Form MGT – 9, as provided under Section 92 (3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed hereto as **Annexure - IV** to this Board's Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoes

Your Company is continuously striving towards conservation of energy across all its units and has implemented various Energy Conservation programs and latest technology up gradation measures, your Company

Boards' Report *(continued)*

also earned foreign currency in Financial Year 2018– 2019, complete details of which has been disclosed in **Annexure – V** to this Boards' Report.

Particulars of Loans/Guarantees/Investments

The Company has not given any Inter Corporate loans during the financial year 2018-19, except for the subsidiaries amounting to ₹ 333.80 lakhs, which were duly approved under the applicable provisions of the Companies Act, 2013. Particulars relating to Investments have been detailed in the Notes to Financial Statements, forming part of this Annual Report.

Corporate Governance

Your Company has been practising the principles of good corporate governance. Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") (applicable from December 01, 2015), a detailed report on corporate governance is available as a separate section in this Annual Report.

A certificate of the Company Secretary in whole-time practice regarding compliance with the conditions stipulated in the said clause and the LODR is provided separately as an **Annexure – A** to the Corporate Governance Report.

Board of Directors and changes thereof during Financial Year 2018-2019

As on March 31, 2019, your Board has following Directors:

S. No.	Name	DIN	Category	Designation
1	Mr. C. K. Baljee	00081844	Executive	Managing Director
2	Mr. Sunil Sikka	00083032	Non-Executive	Non-Independent Director
3	Ms. Sunita Baljee	00080737	Non-Executive	Non-Independent Director
4	Dr. Vivek Mansingh	06903079	Non-Executive	Independent Director
5	Mr. Naveen Jain	00051183	Non-Executive	Independent Director
6	Ms LilianJessie Paul	02864506	Non-Executive	Independent Director

During the financial year 2018-19 no change took place in the Board.

Mrs. Sunita Baljee, Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment, her brief profile is enclosed in the Annexure to Notice calling 33rd Annual General Meeting of the Company.

Committees of the Board

As on March 31 2019, your Board has following Statutory Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

d) Corporate Social Responsibility Committee

The details of the composition, meetings held during the year and attendance of the meetings and the terms of reference of the above Committees of the Board are provided in the Corporate Governance Report.

Formal Annual Evaluation of Board

Pursuant to section 134 (3) (p) of the Companies Act, 2013 and Rule 8(4) of Companies (Accounts) Rules, 2014, it is mandatory to monitor and review the Board evaluation framework, the Board has carried out peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of the Committees of Board as per the criteria laid down in the Nomination, Remuneration and Evaluation policy. The said policy including above said criteria for the evaluation of the Board, individual directors including independent directors and the committee of the board has been laid down in the Corporate Governance Report, which form part of this report.

Meetings of the Board held during the Year

During the year under review, your Board met 4 (Four) times on 28.05.2018; 27.07.2018; 31.10.2018 and 04.02.2019, all the Board Meetings were conducted in due compliance with Companies Act, 2013 and the Corporate Governance principles specified in the LODR.

Managerial Remuneration

Erstwhile as per the provisions of Section 197 read with Schedule V of the Companies Act 2013 approval of members and Central Government were required for payment of remuneration in case of inadequate profits accordingly Members of the Company vide Special resolution dated 27.09.2017 at 31st Annual General Meeting of the Company has approved a total remuneration of ₹ 2,41,53,777/- p.a. to Mr. Chander K. Baljee (DIN: 00081844), Managing Director of the Company, for Financial Year 2018 – 2019 and the Company had applied to Central Government for approval.

Ministry of Corporate Affairs vide notification dated September 12, 2018 has amended Section 197 of Companies Act, 2013 relating to Managerial Remuneration payable top executives. In addition, the Ministry has also come up with corresponding amendments in Schedule V of the Companies Act, 2013 and issued Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018 which has ended Central Government approval and shareholders can approve any amount in excess of the said limits by passing a Special Resolution in the General Meeting.

During the period of April 2018 to September 2018 before the aforesaid amendment remuneration to Mr. Chander K. Baljee ((DIN: 00081844), Managing Director of the Company) has been paid in proportion to Effective Capital of the Company. The Details of remuneration paid to Managing Director is given in MGT 9 - Annexure IV to the Directors Report.



Boards' Report *(continued)*

Declaration by Independent Directors

As on March 31, 2019, your Company has following Independent Directors:

1. Dr. Vivek Mansingh
2. Mr. Naveen Jain
3. Ms Lilian Jessie Paul

In pursuance of Section 149(7) of the Companies Act, 2013, all the three Independent Directors of the Company have submitted, a declaration, under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the LODR, that they meet the criteria of independence.

Familiarisation programme for Independent Directors

The Company has made a familiarisation programme for the Independent Directors, which has been disclosed on Company's website at www.royalorchidhotels.com/investors.

Separate Meeting of Independent Directors and performance evaluation of Board by them

In due compliance with the provisions of Regulation 25(3) of the LODR, a separate meeting of Independent Directors was held in the previous calendar year 2018-19, to inter-alia consider and discuss the performance of Non-Independent Directors, the Chairman and to assess the quality, quantity and timeliness of flow of information between the management and the listed entity and the Board in order to help Board to perform its duties.

Audit Committee and its Recommendation(s)

In accordance with Section 177 of the Companies Act, 2013, rules made there under and Regulation 18 of the LODR, the Company has duly constituted the Audit Committee, details of which has been disclosed in the Corporate Governance Report forming part of this Annual Report and all recommendations made by the Audit Committee were accepted by the Board.

Nomination and Remuneration Committee

In accordance with Section 178 of Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of LODR, the Company has constituted a Nomination and Remuneration Committee, details of which has been disclosed in the Corporate Governance Report forming part of this Annual Report and also on Company's website at www.royalorchidhotels.com/investors and your Company has also formulated Royal Orchid Nomination and Remuneration Policy, extracts of which are hereunder:

- 1) The Nomination and Remuneration Committee shall identify potential candidates who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- 2) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other Employees.
- 3) The Nomination and Remuneration Committee shall, while formulating the policy ensure that–
 - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c) Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's Report.
- 4) Recommend nominees to various committees of the Board.
- 5) Approve and make recommendations to the Board of Directors in respect of Directors' fees, salary structure and actual compensation (inclusive of performance based incentives and benefits) of the Executive Directors, including the Managing Director;
- 6) Recommending remuneration for Non-Executive Directors.
- 7) Ensuring that appropriate procedures are in place to assess Board's effectiveness and shall carry out evaluation of every Director's performance.
- 8) Developing an annual evaluation process of the Board and its Committees.
- 9) Assist the Board of Directors in ensuring that affordable, fair and effective compensation philosophy and policies are implemented;
- 10) Review and approve the compensation and Employee Stock Option Plan ("ESOP") to be granted to senior executives, requiring approval from the Board of Directors;
- 11) Review and approve the changes in terms and conditions of the ESOP;
- 12) Review and approve the overall budgetary increment proposals for annual increase of compensation and benefits for the Employees;
- 13) Criteria for selection and appointment of Non-Executive Directors; and
- 14) Review and approve any disclosures in the annual report or elsewhere in respect of compensation policies or Directors' compensation.
- 15) devising a policy on diversity of board of directors;
- 16) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

Boards' Report *(continued)*

- 17) Recommend to the board, all remuneration, in whatever form, payable to senior management.
- 18) The Policy for making payment to Non-Executive Directors is available on the website of the Company at the following link. <http://www.royalorchidhotels.com/investors>.

Stakeholders' Relationship Committee

In terms of Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of LODR the Company has constituted a Stakeholders' Relationship Committee (erstwhile Shareholders' Grievance Committee), details of which, along with terms of reference, has been disclosed in the Corporate Governance Report forming part of this Annual Report and also on Company's website at www.royalorchidhotels.com/investors.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed, Mr. G. Shanker Prasad (ACS 6357), Practising Company Secretary (CoP No. 6450), to undertake the Secretarial Audit of the Company for Financial Year 2018 - 2019.

There were no qualifications by the Auditor in their Secretarial Audit Report in Form MR-3 for the Financial Year ended 31 March 2019 which is appended as Annexure – VI to this Boards' Report.

Corporate Social Responsibility

Your Company has always been committed to Corporate Social Responsibility ("CSR") and it is one of our commitments to the society. Our CSR activities are embedded around the vision of the Promoters of the Company. The CSR at Royal Orchid focuses on Skill Development. The Presidency Educational Trust established Presidency College for Hotel Management to focus on the education in the field of hospitality and Tourism sector. The academy is a unique institution where students are exposed to hotel operations continuously as part of their academic curriculum. This is in addition to the mandatory industrial training. The details of the CSR activities of the Company are enclosed in **Annexure - VII**.

In accordance with Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formulated a Corporate Social Responsibility Committee, details and composition of which has been disclosed in the Corporate Governance Report forming part of this report and also on Company's website at www.royalorchidhotels.com/investors and the Company has also adopted a Corporate Social Responsibility Policy (Royal Orchid Corporate Social Responsibility Policy) in this respect, extracts of which are on the website of the Company at the following link <http://www.royalorchidhotels.com/investors>.

Risk Management

The Company has established an effective Compliance Mechanism to mitigate the risk and will be reviewed by the Board periodically. The Company has adopted Risk Management Policy, pursuant to the provision of Section 134 of the Act, to identify and evaluate business risks and approach for mitigation of such risks. The Company has identified various risks and also has mitigation plans for each risk identified and reviewed periodically.

Green Initiatives

The Company, in order to promote green initiative, has sent electronic copies of the Annual Report for Financial Year 2018–2019, along with the Notice of the 33rd Annual General Meeting, are sent to all members whose email addresses are registered with the Company / Registrar and Share Transfer Agent ("RTA"). For members who have not registered their email addresses, physical copies of the Annual Report 2018-2019 under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members who have been sent Annual Report copies in electronic mode, desirous to have physical copies of the same can send a request, in writing, either to the Company or the RTA.

Insider Trading Regulations

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015 (erstwhile, SEBI (Prohibition of Insider Trading) Regulations, 1992), as amended till date, the Code of Conduct for prevention of Insider Trading and the Code of fair disclosure, as approved by the Board from time to time, are enforced by the Company.

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and this is made available on the Company's website www.royalorchidhotels.com/investors.

The objective of this Code is to protect the interest of Stakeholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Officers and Designated Employees. The Company also adopts the concept of Closure of Trading Window, to prevent its Directors, Officers, Designated Employees and other employees from trading in the securities of the Company at the time when there is unpublished price sensitive information.

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 29th AGM held in the year 2015, until the conclusion of the 34th AGM to be held in the year



Boards' Report *(continued)*

2020. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who are appointed in the Annual General Meeting, held on September 29, 2015.

Cost Audit

The Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

Explanations or Comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Statutory and Secretarial Auditors

There were no qualifications or adverse remark by either of the Auditors in their respective Reports.

Litigation

1. The Company has been named as a defendant in two civil suits on small portion of land taken on lease from the Karnataka State Tourism Development Corporation ("KSTDC") for the operation of the Hotel Royal Orchid Regenta, Bangalore, which are adjacent to the hotel premises. One of the civil suit has been settled in favour of the Company, against which an appeal before the High Court of Karnataka, is pending and in the other matter the Company has an injunction against the other party. Management believes that these cases are not material and will not adversely affect its operations.
2. The Company has been named as a defendant in a suit filed in mid 2008 by Kamat Hotels (India) Limited ('the plaintiff' or "Kamat Hotels") with Bombay High Court restraining the alleged use of the trademark of the Company and a relief of a permanent injunction restraining the Company from using the trademark 'Orchid'. The Company had filed an application seeking an interim injunction while the above proceedings are pending. The Bombay High Court vide its interim order dated 05 April 2011, has allowed the Company to continue to operate its current hotels as on that date but has restrained the Company from opening new hotels under the said brand. However, the Division bench of the Bombay High Court vide its order dated 06 May 2011 has partially stayed operation of the said Order and allowed opening of one of Company's proposed hotels in Vadodara under the 'Royal Orchid' brand.
During the year ended 31 March 2014, the Company has obtained two favourable rulings from the Intellectual Property Appellate Board ("IPAB"). Kamat Hotels had preferred to appeal the ruling of IPAB in Madras High Court. The Madras High Court has passed orders cancelling the registration in Class 42 of Trademarks Act and the Company has filed an Special Leave Petition "SLP" with the Honorable Supreme Court in 2015. Reply to SLP was filed by

Kamat Hotels in the form of Counter affidavit and the Company has filed a Rejoinder in the form of an affidavit. The matter was partly heard by the Honorable Supreme Court in April and May of 2017 and has advised Kamat Hotels to consider the options for settlement by displaying the disclaimers on the Websites regarding the disassociation between the two brands. On 13 February 2018, the Supreme Court dismissed the SLP filed by the Company and consequently, the Company has filed a Chamber Appeal against the said Order which was listed on August 3, 2018. The Chamber accepted the clarification filed by the Company. Therefore, the management believes that the outcome of SLP affects only the registration of the trademarks in Class 42 and does not in any way affect the use of marks by the Company.

The management believes that the case will be settled in its favour and will not affect its current and future operations.

3. During the prior years, a Subsidiary Company had received an Order from Office of the Commissioner of Customs (Export) imposing differential duties and penalties amounting to ₹ 323.36 lakh plus applicable interests for certain alleged violations of the Export Promotion Capital Goods Scheme. The Subsidiary Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and an unconditional stay in the matter is granted till the disposal of the appeal. Based on a detailed evaluation and independent advise obtained, the management believes that the case will be settled in its favour. Accordingly, these financial statements do not include adjustments, if any, on the above account.
4. The Company received tax demand including interest, from the Indian tax authorities for payment of ₹426 lakhs (31 March 2018: ₹ 449 lakhs for fiscal year 2009, 2011 and 2012) arising on denial of certain expenditure, upon completion of tax assessment for the fiscal years 2009 and 2011. The Company appeal against the said demands were allowed partially in favour of the Company. Currently, the matter for these fiscal years are before the Income Tax Appellate Tribunal for hearing.
The Company is contesting the above demands and the management believes that the final outcome of the disputes would be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future

There were no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

Boards' Report *(continued)*

Internal Financial Control Systems

The Company has adequate system of internal controls, which ensures that all the transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

The Company has appointed an Internal Audit Mr Assoka Gandhi who along with his team conducts the Internal Audit of the Company and reports directly to the Chairman of the Audit committee.

The Company also has an Audit Committee comprising of 3 (Three) professionally qualified Independent Directors, who interact with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. This Committee mainly deals with accounting matters, financial reporting and internal controls.

Vigil Mechanism and Whistle Blower Policy

The Board of Directors of your Company has adopted the Vigil Mechanism and Whistle Blower Policy in compliance with Section 177(9) and (10) of the Companies Act, 2013, and regulations specified under LODR.

The Company has adopted a channel for receiving and redressing of employees' complaints. Under this policy, we encourage our employees to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct. Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employees who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring. No individual in the Company has been denied access to the Audit Committee or its Chairman.

The Whistle Blower policy can be accessed on your Company's website at the link: <http://www.royalorchidhotels.com/investors>.

The Audit Committee periodically reviews the functioning of this mechanism. This meets the requirement under the said provisions above.

Directors' Responsibility Statement

Your Company's Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- 1) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on 'a going concern basis';
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- 6) the Directors have devised proper system to ensure compliances with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Compliance with Secretarial Standards on Board Meetings and General Meetings

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Payment of Listing Fee and Custodial Fee

Your Company has paid the both, Annual Listing Fee and Annual Custodial Fee for the Financial Year 2018 – 2019, to the National Stock Exchange ("NSE") and the Bombay Stock Exchange ("BSE") and to National Securities and Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) respectively.

Commission or Remuneration received from Holding or Subsidiary Companies

During the year under review, no Commission or Remuneration was paid to the Executive Directors from Holding/Subsidiary Companies.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at its workplace and in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under, your Board of Directors has approved and adopted a "Policy on Prevention of Sexual Harassment at Workplace" to provide equal employment opportunity and is committed to provide a work environment that ensures every woman employee is treated with dignity and respect and afforded equitable treatment.

During the year under review the Company has not received any complaints on sexual harassment. The Company has complied with the Information required under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.



Boards' Report *(continued)*

Dematerialisation

The Company's shares are available for dematerialization with both the Depositories viz., NSDL and CDSL. About 99.89% of the paid-up equity share capital of the Company has been dematerialized as on March 31, 2019.

Disclosure of Frauds in the Boards' Report under Section 143 of the Companies Act, 2013

During the year under review, your Directors do not observe any contract, arrangement and transaction which could result in a fraud; your Directors hereby take responsibility to ensure you that the Company has not been encountered with any fraud or fraudulent activity during the Financial Year 2018 - 2019.

Policies, Affirmations and Disclosures

In line with ROHL's philosophy for adhering to ethical and governance standards and ensure fairness, accountability, responsibility and transparency to all its stakeholders, ROHL inter-alia, has adopted all the applicable policies and codes. The aforesaid policies have been uploaded on the website at: <https://www.royalorchidhotels.com/investors>.

Other Disclosures

- 1) During the year under review, the Company has not bought its own shares nor has given any loans to its employees (including Key Managerial Personnel) of the Company for purchase of the Company shares.
- 2) Your Company provides e-voting facility, to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

Acknowledgments

Your Directors place on record, their deep sense of appreciation to all Employees, support staff, for adopting to the values of the Company, viz., collaborative spirit, unrelenting dedication and expert thinking, to be an expertise led organization and the Company's Customers for letting us deliver the Company's Mission statement, to help the businesses and societies flourish.

The Board also immensely thank all the Shareholders, Investors, Vendors, Service Providers, Bankers and all other Stakeholders for their continued and consistent support to the Company during the year.

Your Directors would like to make a special mention of the support extended by the various Banks, Departments of Government of India, the State Governments, the Tax Authorities, the Ministry of Commerce, Ministry of Tourism, Government of India, Karnataka State Tourism Development Corporation (KSTDC), Ministry of Corporate Affairs, Ministry of Finance, SEBI, NSE and BSE and others and look forward to their continued support in all future endeavours.

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

	Chander K. Baljee	Sunita Baljee
Place : Bengaluru	Managing Director	Director
Date : August 09, 2019	(DIN: 00081844)	(DIN:00080737)

Boards' Report *(continued)*

Form – AOC – I (Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014) Statement containing the salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures as on 31.03.2019 PART-A:

S. No.	Name of Subsidiary	Reporting currency and exchange rate	Date since when subsidiary was acquired	Share Capital	Instruments entirely equity in nature	Reserves and Surplus	Total Assets	Total Liabilities (excluding Share Capital and Reserves & Surplus)	Investments	Total Income	Profit/ (Loss) Before Tax	Provision for tax	Profit/ (Loss) After Tax	Other comprehensive income/ (loss), net of tax	Total comprehensive income/ (loss) for the year	% of Shareholding	Proposed Dividend
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	
₹ in lakhs																	



Boards' Report *(continued)*

Annexure – II

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to insub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL
2. Details of contracts or arrangements or transactions at Arm's length basis :

Sl. No.	Name of related Party	Nature of relationship	Nature of contract/ arrangements/ transaction	Duration of contract/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board (via Admin Committee)	Amount paid as advances, if any
---------	-----------------------	------------------------	---	---	---	---	---------------------------------

Nil

Note: All the Contracts and Arrangements apart from the aforesaid contract entered by the Company during the year as detailed in Note no. 36 in Notes to Accounts are on Arms Length Basis and in the Ordinary Course of Business. Hence, the provisions of Section 188(1) are not applicable to the Company.

Annexure – III

Particulars of Employees

- a) a) Information as per Rule 5(1) of Chapter XII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i.	The ratio of Remuneration of each Director to the median remuneration of the employees of the Company for the financial Year;	<table><tr><th>Name of the Directors</th><th>Ratio to the Median</th></tr><tr><td>N.A</td><td>N.A</td></tr></table> <p>None of the Directors other than Managing Director are being paid any remuneration apart from sitting fees for Board and Committee Meetings</p>	Name of the Directors	Ratio to the Median	N.A	N.A				
Name of the Directors	Ratio to the Median									
N.A	N.A									
ii.	The percentage increase in remuneration of each director, chief financial officer, company secretary in the financial year;	<table><tr><th>Name</th><th>Percentage of increase</th></tr><tr><td>Chander K. Baljee Managing Director</td><td>15.00%</td></tr><tr><td>Amit Jaiswal Chief Financial Officer</td><td>08.00%</td></tr><tr><td>Ranabir Sanyal Company Secretary & Compliance Officer</td><td>07.50%</td></tr></table>	Name	Percentage of increase	Chander K. Baljee Managing Director	15.00%	Amit Jaiswal Chief Financial Officer	08.00%	Ranabir Sanyal Company Secretary & Compliance Officer	07.50%
Name	Percentage of increase									
Chander K. Baljee Managing Director	15.00%									
Amit Jaiswal Chief Financial Officer	08.00%									
Ranabir Sanyal Company Secretary & Compliance Officer	07.50%									
iii.	Percentage increase in the median remuneration of employees in the financial year;	7.5%								
iv.	Number of employees including contractual on the rolls of company;	961(Permanent employees 759 and on contract 202)								
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	There is an increase of 6.5% in the median remuneration of the employees, other than Managerial persons which is given based on individual performance and market trends in the respective areas.								
vi.	The key parameters for any variable component of remuneration availed by the directors;	No variable component paid to the Directors during the year.								
vii.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, the remuneration is as per the policy adopted by the Company.								
viii.	No of employee drawing remuneration of ₹ 8.50 Lacs per month or ₹ 1.02 Crores per year or at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole- time director or manager and employees holding by himself or along with his spouse and dependent children, more than two percent of the equity shares of the Company.	NIL								

Boards' Report *(continued)*

Annexure – IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN As on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:	
1 CIN	L55101KA1986PLC007392
2 Registration Date	3rd January, 1986
3 Name of the Company	Royal Orchid Hotels Limited
4 Category/Sub-category of the Company	Public Company/ Limited By Shares
5 Address of the Registered office & contact details	No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560 008, Karnataka Tel: 080-40612345 e-mail: cosec@royalorchidhotels.com
6 Whether listed company	Yes
7 Name, Address & contact details of the Registrar & Transfer Agent, if any.	Integrated Registry Management Services Private Limited 30, Ramana Residency, 4th Cross, Sampiege Road, Malleswaram, Bengaluru - 560 003, Karnataka Tel: 080-23460815-818 Email: irg@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	ACCOMODATION AND FOOD SERVICE ACTIVITIES: Hotels, Resorts and Restaurants	55101	61%
2	FOOD AND BEVERAGE SERVICE ACTIVITIES: Restaurants and Mobile Food Services	56301	33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Icon Hospitality Private Limited, Registered Office: The Central Park, No. 47/1, Dickenson Road, Bengaluru - 560042, Karnataka	U55101KA2003PTC031516	Subsidiary	51.07%	Section 2(87)
2	Maruti Comforts & Inn Private Limited Registered Office: Allalasandra, Bellary Road, Yellahanka, Near Jakkur Flying Club, Bengaluru - 560065, Karnataka	U55101KA1994PTC015366	Subsidiary	65.22%	Section 2(87)
3	Royal Orchid Hyderabad Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2005PTC037198	Subsidiary	100.00%	Section 2(87)
4	Royal Orchid South Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2006PTC038712	Subsidiary	100.00%	Section 2(87)
5	A B Holdings Private Limited Registered Office: No. 47/1, Manipal Centre, Dickenson Road, Bengaluru - 560042, Karnataka	U70102KA2006PTC040894	Subsidiary	100.00%	Section 2(87)



Boards' Report *(continued)*

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
6	Royal Orchid Jaipur Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U055101KA2005PTC036813	Subsidiary	100.00%	Section 2(87)
7	Multi Hotels Limited* Registered Office: Plot No. 1, Mjimwema Temeke, P O Box No. 1889, Dar Es Salam, Tanzania	8527	Subsidiary	100.00%	Section 2(87)
8	Royal Orchid Maharashtra Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2008PTC046681	Subsidiary	100.00%	Section 2(87)
9	Royal Orchid Goa Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2008PTC046679	Subsidiary	100.00%	Section 2(87)
10	Royal Orchid Shimla Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55100KA2008PTC046598	Subsidiary	100.00%	Section 2(87)
11	Royal Orchid Mumbai Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2009PTC049631	Subsidiary	100.00%	Section 2(87)
12	River Shore Developers Private Limited (Formerly known as Amar Tara Hospitality Private Limited) Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U70100MH2009PTC194423	Subsidiary	100.00%	Section 2(87)
13	Cosmos Premises Private Limited Registered Office: Phoenix, Bund Garden Road, Opp. Residency Club, Pune, Maharashtra - 411001	U70100PN1997PTC133546	Subsidiary	50.00%	Section 2(87)
14	Royal Orchid Associated Hotels Private Limited Registered Office: No.1, Golf Avenue, Adjoining KGA Golf Association, Kodihalli, HAL Airport Road, Bengaluru - 560008, Karnataka	U55101KA2006PTC040290	Subsidiary (of AB Holdings Private Limited)	100.00%	Section 2(87)
15	J.H. Builders Private Limited Registered Office: Opp. to BSNL Office, Tonk Road, Near Durgapura Flyover, Durgapura, Jaipur - 302018, Rajasthan	U45201RJ1995PTC010122	Subsidiary	50.00%	Section 2(6)
16	Ksheer Sagar Developers Private Limited Registered Office: Opp. to BSNL Office, Tonk Road, Near Durgapura Flyover, Durgapura, Jaipur - 302018, Rajasthan	U45201RJ1995PTC010120	Subsidiary	50.00%	Section 2(6)
17	Ksheer Sagar Buildcon Private Limited Registered Office: Opp. to BSNL Office, Tonk Road, Near Durgapura Flyover, Durgapura, Jaipur - 302018, Rajasthan	U45201RJ1995PTC010707	Subsidiary	50.00%	Section 2(6)
18	Raj Kamal Buildcon Private Limited Registered Office: Opp. to BSNL Office, Tonk Road, Near Durgapura Flyover, Durgapura, Jaipur - 302018, Rajasthan	U45201RJ1995PTC010121	Subsidiary	50.00%	Section 2(6)

* Overseas subsidiary.

Boards' Report *(continued)*

IV. SHAREHOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year - 01.04.2018				No. of Shares held at the end of the year - 31.03.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	13037719	-	13037719	47.76	13037719	-	13037719	47.57	-0.19
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	5944026	-	5944026	21.77	5944026	-	5944026	21.69	-0.08
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL: (A) (1)	18981745	-	18981745	69.53	18981745	-	18981745	69.26	-0.27
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	18981745	-	18981745	69.53	18981745	-	18981745	69.26	-0.27
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	223714	-	223714	0.82	250787	-	250787	0.92	0.10
b) Banks/FI	32307	-	32307	0.12	213531	-	213531	0.78	0.66
c) Cenntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Alternative Investment Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	1644897	-	1644897	6.02	1663294	-	1663294	6.07	0.05
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	1900918	-	1900918	6.96	2127612	-	2127612	7.76	0.80
(2) Non Institutions									
a) Bodies corporates									
i) Indian	1079809	-	1079809	3.96	1112340	-	1112340	4.06	0.10
ii) Overseas	-	-	-	-	-	-	-	-	-



Boards' Report *(continued)*

Category of Shareholders	No. of Shares held at the beginning of the year - 01.04.2018				No. of Shares held at the end of the year - 31.03.2019				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	3285546	33162	3318708	12.16	3709198	29567	3738765	13.64	1.48
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	1756813	-	1756813	6.43	1178320	-	1178320	4.30	-2.13
c) Others (specify)								0.00	
NRI	132501	-	132501	0.49	144833	-	144833	0.53	0.04
Clearing Member	108834	-	108834	0.40	93624	-	93624	0.34	-0.06
Trusts	600	-	600	0.00	100	-	100	0.00	0.00
NBFC's	1500	-	1500	0.01	500	-	500	0.00	-0.01
IEPF	19760	-	19760	0.07	28876	-	28876	0.11	0.04
SUB TOTAL (B)(2):	6385363	33162	6418525	23.51	6267791	29567	6297358	22.98	-0.53
Total Public Shareholding (B)= (B)(1)+(B)(2)	8286281	33162	8319443	30.47	8395403	29567	8424970	30.74	0.27
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	27268026	33162	27301188	100.00	27377148	71443	27406715	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year - 01.04.2018			Shareholding at the end of the year - 31.03.2019			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Chander Kamal Baljee	12001060	43.96	-	12001060	43.79	-	-0.17
2	BALJEES HOTELS AND REAL ESTATE P LTD	5714689	20.93	-	5714689	20.85	-	-0.08
3	KESHAV BALJEE	803424	2.94	-	803424	2.93	-	-0.01
4	HOTEL STAY LONGER PVT LTD	229337	0.84	-	229337	0.84	-	-0.00
5	Sunita Baljee	226260	0.83	-	226260	0.83	-	-0.00
6	SUNIL SIKKA	6975	0.03	-	6975	0.03	-	-0.00
Total		18981745	69.53	-	18981745	69.26	-	-0.27

Boards' Report *(continued)*

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Name of Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Chander K. Baljee	12,001,060	43.96%	12,001,060	43.79%
2	Baljee Hotels and Real Estate Pvt. Ltd.	5,714,689	20.93%	5,714,689	20.85%
3	Keshav Baljee	803,424	2.94%	803,424	2.93%
4	Hotel Stay Longer P Ltd.	229,337	0.84%	229,337	0.84%
5	Sunita Baljee	226,260	0.83%	226,260	0.83%
6	Sunil Sikka	6,975	0.03%	6,975	0.03%

Name	Increase/Decrease	Reason	Date	No. of Shares
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g allotment/ transfer/ bonus/sweat/equity etc.)*				
NO MOVEMENT DURING THE YEAR				

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2018			CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2019			
		No. of Shares	% of Total Shares of the Company	Date	Increase/Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
1	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	1008978	3.70	01.04.2018	0	-	1008978	3.70
				06.04.2018	Increase	Purchase	1020487	3.74
				08.06.2018	Increase	Purchase	1096497	4.02
				16.11.2018	Increase	Purchase	1115623	4.07
				22.02.2019	Increase	Purchase	1194423	4.36
				31.03.2019			1194423	4.36
2	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED – SOUTH ASIA ACCESS FUND	296558	1.09	01.04.2018	0	-	296558	1.09
				06.04.2018	Decrease	Sale	285603	1.05
				08.06.2018	Increase	Purchase	305264	1.12
				16.11.2018	Decrease	Sale	294895	1.08
				15.03.2019	Decrease	Sale	275090	1.00
				31.03.2019			275090	1.00
3	C MACKERTICH PRIVATE LIMITED	250000	0.92	01.04.2018	0		250000	0.92
				01.06.2018	Decrease	Sale	100000	0.37
				26.10.2018	Increase	Purchase	190000	0.69
				18.01.2019	Increase	Purchase	200000	0.73
				25.01.2019	Increase	Purchase	262000	0.96



Boards' Report *(continued)*

Sl. No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2018		CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2019				
		No. of Shares	% of Total Shares of the Company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
				01.02.2019	Increase	Purchase	274787	1.00
				22.02.2019	Decrease	Sale	262787	0.96
				31.03.2019	0		262787	0.96
4	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS MID	223714	0.82	01.04.2018	0	-	223714	0.82
				08.06.2018	Decrease	Sale	115087	0.42
				01.03.2019	Increase	Purchase	133026	0.49
				08.03.2019	Increase	Purchase	161864	0.59
				15.03.2019	Increase	Purchase	166147	0.61
				22.03.2019	Increase	Purchase	250787	0.92
				31.03.2019			250787	0.92
5	RAHUL MADHUSUDAN BHANGADIA	250000	0.92	01.04.2018	NO MOVEMENT DURING THE YEAR			
				31.03.2019			250000	0.91
6	ICICI BANK LIMITED	22234	0.08	01.04.2018	0		22234	0.08
				06.04.2018	Decrease	Sale	22034	0.08
				20.04.2018	Decrease	Sale	20990	0.08
				27.04.2018	Increase	Purchase	21237	0.08
				04.05.2018	Decrease	Sale	20556	0.08
				11.05.2018	Decrease	Sale	17452	0.06
				18.05.2018	Increase	Purchase	20378	0.07
				25.05.2018	Increase	Purchase	20400	0.07
				01.06.2018	Increase	Purchase	20474	0.07
				08.06.2018	Decrease	Sale	20370	0.07
				15.06.2018	Decrease	Sale	20352	0.07
				22.06.2018	Increase	Purchase	23097	0.08
				30.06.2018	Decrease	Sale	23095	0.08
				06.07.2018	Decrease	Sale	22895	0.08
				20.07.2018	Increase	Purchase	23629	0.09
				27.07.2018	Decrease	Sale	23171	0.08
				03.08.2018	Decrease	Sale	21594	0.08
				31.08.2018	Increase	Purchase	24781	0.09
				07.09.2018	Decrease	Sale	23574	0.09
				14.09.2018	Decrease	Sale	23544	0.09
				21.09.2018	Decrease	Sale	23260	0.09
				29.09.2018	Decrease	Sale	22688	0.08
				05.10.2018	Decrease	Sale	22416	0.08
				12.10.2018	Decrease	Sale	22348	0.08
				19.10.2018	Decrease	Sale	19420	0.07
				02.11.2018	Increase	Purchase	20392	0.07
				09.11.2018	Decrease	Sale	19392	0.07

Boards' Report *(continued)*

Sl. No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2018			CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2019			
		No. of Shares	% of Total Shares of the Company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
				16.11.2018	Increase	Purchase	19395	0.07
				23.11.2018	Increase	Purchase	29162	0.11
				30.11.2018	Decrease	Sale	23728	0.09
				07.12.2018	Decrease	Sale	20788	0.08
				14.12.2018	Decrease	Sale	18361	0.07
				21.12.2018	Decrease	Sale	14390	0.05
				31.12.2018	Decrease	Sale	10309	0.04
				04.01.2019	Increase	Purchase	14243	0.05
				11.01.2019	Increase	Purchase	15562	0.06
				18.01.2019	Increase	Purchase	16473	0.06
				25.01.2019	Decrease	Sale	16084	0.06
				01.02.2019	Decrease	Sale	9858	0.04
				08.02.2019	Increase	Purchase	16378	0.06
				15.02.2019	Decrease		14786	0.05
				22.02.2019	Increase	Purchase	184186	0.67
				01.03.2019	Increase	Purchase	195105	0.71
				08.03.2019	Increase	Purchase	202311	0.74
				15.03.2019	Increase	Purchase	211511	0.77
				31.03.2019	Decrease	Sale	204006	0.74
7	SHAREKHAN LIMITED	15232	0.06	01.04.2018	0		15232	0.06
				04.04.2018	Decrease	Sale	14496	0.05
				13.04.2018	Decrease	Sale	14071	0.05
				20.04.2018	Increase	Purchase	24529	0.09
				27.04.2018	Decrease	Sale	23831	0.09
				04.05.2018	Increase	Purchase	30180	0.11
				11.05.2018	Decrease	Sale	28121	0.10
				18.05.2018	Decrease	Sale	15351	0.06
				25.05.2018	Decrease	Sale	13313	0.05
				01.06.2018	Increase	Purchase	18317	0.07
				08.06.2018	Decrease	Sale	13719	0.05
				15.06.2018	Decrease	Sale	8275	0.03
				22.06.2018	Increase	Purchase	10056	0.04
				30.06.2018	Increase	Purchase	80069	0.29
				06.07.2018	Decrease	Sale	78258	0.29
				13.07.2018	Decrease	Sale	8450	0.03
				20.07.2018	Increase	Purchase	8762	0.03
				27.07.2018	Increase	Purchase	9108	0.03
				03.08.2018	Decrease	Sale	7344	0.03
				10.08.2018	Increase	Purchase	10512	0.04
				17.08.2018	Increase	Purchase	10833	0.04
				24.08.2018	Decrease	Sale	10146	0.04
				31.08.2018	Decrease	Sale	9220	0.03



Boards' Report *(continued)*

Sl. No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2018			CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2019			
		No. of Shares	% of Total Shares of the Company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares	% of Total Shares of the Company
				07.09.2018	Decrease	Sale	8442	0.03
				14.09.2018	Decrease	Sale	7001	0.03
				21.09.2018	Increase	Purchase	7752	0.03
				29.09.2018	Increase	Purchase	9203	0.03
				05.10.2018	Decrease	Sale	5992	0.02
				12.10.2018	Decrease	Sale	5547	0.02
				19.10.2018	Increase	Purchase	5890	0.02
				26.10.2018	Increase	Purchase	8360	0.03
				02.11.2018	Decrease	Sale	6874	0.03
				09.11.2018	Increase	Purchase	9697	0.04
				16.11.2018	Decrease	Sale	6439	0.02
				23.11.2018	Increase	Purchase	6955	0.03
				30.11.2018	Increase	Purchase	8867	0.03
				07.12.2018	Decrease	Sale	8851	0.03
				14.12.2018	Decrease	Sale	7209	0.03
				21.12.2018	Increase	Purchase	9436	0.03
				31.12.2018	Decrease	Sale	5306	0.02
				04.01.2019	Increase	Purchase	5648	0.02
				11.01.2019	Decrease	Sale	5096	0.02
				18.01.2019	Decrease	Sale	4847	0.02
				25.01.2019	Increase	Purchase	4859	0.02
				01.02.2019	Increase	Purchase	10507	0.04
				08.02.2019	Decrease	Sale	5641	0.02
				15.02.2019	Decrease	Sale	5343	0.02
				22.02.2019	Increase	Purchase	5838	0.02
				01.03.2019	Increase	Purchase	7361	0.03
				08.03.2019	Decrease	Sale	5018	0.02
				15.03.2019	Increase	Purchase	172562	0.63
				22.03.2019	Decrease	Sale	171361	0.63
				31.03.2019	Decrease	Sale	170769	0.62
8	SARASWATI COMMERCIAL (INDIA) LTD	117000	0.43	01.04.2018	0		117000	0.43
				07.09.2018	Increase	Purchase	118000	0.43
				01.03.2019	Increase	Purchase	118250	0.43
				31.03.2019			118250	0.43
9	KUBER INDIA FUND	206482	0.76	01.04.2018	0		206482	0.76
				06.04.2018	Decrease	Sale	201482	0.74
				13.04.2018	Decrease	Sale	198479	0.73
				20.04.2018	Decrease	Sale	130000	0.48
				01.06.2018	Decrease	Sale	105000	0.38
				08.06.2018	Increase	Purchase	105847	0.39
				15.06.2018	Increase	Purchase	146000	0.53

Boards' Report *(continued)*

Sl. No.	NAME OF THE SHARE HOLDER	SHAREHOLDING AT THE BEGINNING OF THE YEAR - 01.04.2018			CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2019		
		No. of Shares	% of Total Shares of the Company	Date	Increase/ Decrease in Share Holding	Reason	No. of Shares
				12.10.2018	Increase	Purchase	150000
				14.12.2018	Decrease	Sale	148390
				21.12.2018	Decrease	Sale	100000
				31.03.2019	0		100000
10	GEOSPHERE INDIA FUND	120000	0.44	01.04.2018	0		120000
				01.06.2018	Decrease	Sale	113781
				08.06.2018	Increase	Purchase	133781
				30.11.2018	Decrease	Sale	93781
				31.03.2019			93781
							0.34

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in ₹ lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,678.42	105.00	-	3,783.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19.99	19.22	-	39.21
Total (i+ii+iii)	3,698.40	124.22	-	3,822.63
Change in Indebtedness during the financial year				
- Addition	3,900.00	-	-	3,900.00
- Reduction	3,881.65	-	-	3,881.65
Net Change	18.35	-	-	18.35
Indebtedness at the end of the financial year				
i) Principal Amount	3,716.75	105.00	-	3,821.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.05	30.01	-	31.06
Total (i+ii+iii)	3,717.80	135.01	-	3,852.82

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹ Actuals)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
	Name	Chander K. Baljee
	Designation	MANAGING DIRECTOR
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,865,006
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-



Boards' Report *(continued)*

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
3	Sweat Equity	-
	Commission	-
4	- as % of profit	-
	- others, specify	-
5	Others, please specify	-
	Total (A)	20,865,006
	Ceiling as per the Act	

B. Remuneration to other Directors

(Amount in ₹ Actuals)

Sl. No.	Particulars of Remuneration	Name of Director					Total Amount
	Name	Naveen Jain	Vivek Mansingh	Ms Jessie Paul	Sunita Baljee	Sunil Sikka	(₹)
	Designation	Director	Director	Director	Director	Director	
	Independent Directors						
	Fee for attending board / committee meetings	572,000	440,000	506,000	-	-	1,518,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	572,000	440,000	506,000	-	-	1,518,000
	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	220,000	242,000	462,000
	Commission	219,514	219,514	219,514	219,514	219,514	1,097,570
	Others, please specify	-	-	-	-	-	-
	Total (2)	219,514	219,514	219,514	439,514	461,514	1,559,570
	Total (B)=(1+2)	791,514	659,514	725,514	439,514	461,514	3,077,570
	Total Managerial Remuneration	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Note: The above amounts are based on pay-out basis.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹ Actuals)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name	Amit Jaiswal	Ranabir Sanyal		(₹)
	Designation	C.E.O.	Chief Financial Officer	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	6,120,000	2,028,000	8,148,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	643,400	-	643,400
3	Sweat Equity	-	-	-	-
	Commission	-	-	-	-
4	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	6,763,400	2,028,000	8,791,400

Boards' Report *(continued)*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					



Boards' Report *(continued)*

ANNEXURE – V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO Section 134(3) (m) of the Companies Act, 2013 read with, Rule 8(3) of The Companies (Accounts) Rules, 2014

Your company is continuously striving towards conservation of energy across all its units and has implemented various Energy Conservation programs and latest technology upgradation measures including:

A. Conservation of energy:

A. Conservation of Energy:

i) Steps taken or impact on conservation of energy:

The Operations of your company are not energy intensive. However adequate measure has been initiated to reduce energy consumption further by implementing the additional measures are various hotels in the group:

1. Installation of STP/ETP Plant with tertiary system for final treatment and utilization of treated water for cooling tower, flushing, landscaping and cleaning purpose.
2. Centralized Air-conditioning chillers system, waste heat dissipated in the cooling tower is captured in the de-super heater and hot water is generated for domestic use and utilized in Guest room and public area.
3. VRF & VRF Air conditioning system installed in New Hotels less than 100 rooms for conserving energy.
4. Replacing inefficient AHU & FCU with Efficient units to conserve energy.
5. In place of HSD/LPG fired boilers, we are using heat pump to generate hot water which has resulted in giving us 70% saving on the boiler fuel cost and the cold air which comes out of the heat pump is used as treated fresh air and pumped into the back area or Guest area, thereby giving double advantage on energy conservation.
6. Extensive drive has been taken in replacing high energy consuming Incandescent lamp, Halogen lamp, and Metal Halide & Sodium Vapour lamp to COB LED.
7. Natural Light is introduced into the building space to reduce the lighting electricity consumption.
8. Occupancy sensors are provided for lighting and AC in public area, Back of the house, Toilets, Gym, Staircase etc.
9. Dawn & Dusk Sensor, Analog & Digital Timers are used for street lights, Hotel Periphery lights, Building focus lights, Hoardings, Signage's etc.
10. Energy audit, Environment audits are regularly carried out and the recommendations are implemented which gives good returns and reduces operation cost.
11. Rolling out extracts from HACCP, ISO 14001, and Green Globe etc.
12. Implementation of Total Productive Maintenance – Japanese Concept for upkeep / Operational efficiency of Plant and machinery, Kitchen equipment, Guest Area, Back Area & public area.
13. Implementation of Green Building requirements in a phased manner.
14. Implementation of Balance score card for development of Process to improve operational efficiency.
15. Building Management System is installed for efficient operation of engineering system.
16. Smart LED TV's are installed in the guest room to meet the present requirement of the guest and reduce energy consumption.
17. All new hotel projects have achieved 100% LED Lighting for energy conservation.

18. Rain water harvesting is implemented for water conservation and water conservation program is implemented across the group.
19. All the cold equipments purchased for new upcoming hotels use eco-friendly Refrigerant Gas.
20. All the hotel room we are using only energy efficient Absorption system minibar bar Refrigerators.
21. In all the buffet counters we have replace the fuel usage with energy efficient induction heating.
22. New VFD Driven energy efficient Screw chillers installed, phasing out old chillers which consumes high energy.
23. Conventional Hydro-pneumatic systems replaced with Latest VFD Driven Hydro-pneumatic system.
24. Replacing of OLD Transformer & Old DG Set is in done to increase the Electrical operational efficiency
25. Incorporating OLTC For Newly installed transformer to save energy
26. Introduced servo stabilizer in Cities where the power quality is not good.
27. Optimum utilization of Maximum Demand by introducing MD Controllers.

ii) Steps taken by the Company for utilizing alternate sources of energy:

- a. Solar System for hot water generation and lighting is implemented at various hotels.
- b. In staff cafeterias we are using eco-friendly cooking units with pellets.
- c. Solar panels have been installed at appropriate places.
- d. Rain water harvesting is done to re-activated the old and abandoned bore wells
- e. Rain water harvesting is done and water is used for Gardening, Cleaning and for cooling tower condenser circulation.

iii) The capital investment in energy conservation equipment: ₹ 25 Lakhs.

B. Technology absorption

- i) Efforts made towards technology absorption: The Company continues to absorb and upgrade modern technologies and advances hotel management techniques in various guest contact areas
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: The aforesaid energy conservation and technology absorption efforts has considerably reduced the cost
- iii) Information regarding imported technology (Imported during the last three years): The Company has not imported any technology during the last three years.
- iv) Expenditure incurred on research and development: Nil

C. Foreign Exchange Earnings and Outgo

During the year under review, your Company earned Foreign Exchange Revenue of ₹ 752.62 Lakhs (Previous Year ₹ 958.04 Lakhs) and the Foreign Exchange outgo on account of commission and others is ₹ 36.08 Lakhs (Previous year ₹ 104.66 Lakhs).

Boards' Report *(continued)*

ANNEXURE – VI

**G. SHANKER PRASAD ACS ACMA
PRACTISING COMPANY SECRETARY**

#10, AG's Colony, Anand Nagar, Bangalore – 560 024 Tel: 080 42146796

E-mail: gsp@grapilind.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Royal Orchid Hotels Limited,
No -1, Golf Avenue, Adjoining KGA Golf Course,
Airport Road, Bangalore KA 560008

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Royal Orchid Hotels Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of Companies Act, 1956.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and amendments from time to time;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018,
- vi. The other laws specifically applicable to the Company:
 - a) Food Safety and Standards Act, 2006 and Food Safety and Standards Rules, 2011
 - b) Food Safety and Standards (Packing & Labelling) Regulations, 2011.

For the purpose of examining adequacy of compliances with other applicable laws reliance has been placed on the Compliance Certificate issued by the officials of the Company, at each Board Meeting, based on the report received by the Company from its hotels and service units etc. as part of the Company's Compliance Management and Reporting System. Based on the aforesaid internal compliance certificates, we are of the opinion that the Company has generally complied with the Deposit of Provident Fund, Employee State Insurance, Employee Deposit Linked Insurance and other employee related statutory dues and applicable stipulations pertaining to the Payment of Wages Act, Minimum wages Act, Contract Labour (Regulation and Abolition) Act and other related legislations.



Boards' Report *(continued)*

However, notices received from the statutory authorities, if any, are reported as part of Board process for compliance reporting and appropriate action is taken from time to time.

I have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board/Committee meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions at the Board meetings were carried with requisite majority/taken unanimously and the related discussions were duly recorded in the minutes.

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

G. Shanker Prasad
ACS No.: 6357
CP No.: 6450

Place : Bengaluru
Date : May 21, 2019

This report is to be read with our letter of even date (Part I) of the Annexure and forms an integral part of this report.

(Part I) of the Annexure

To,
The Members
Royal Orchid Hotels Limited,
No -1, Golf Avenue, Adjoining KGA Golf Course,
Airport Road, Bangalore KA 560008

Our report of even date is to be read along with this letter.

1. The maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

G. Shanker Prasad
ACS No.: 6357
CP No.: 6450

Place: Bengaluru
Date : May 21, 2019

Boards' Report *(continued)*

ANNEXURE – VII

Corporate Social Responsibility (CSR)

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

Brief outline of the Company's CSR Policy, Including overview of projects / programmes undertaken in terms of section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of Corporate Social Responsibility (CSR) expenditure incurred by the Company for the FY 2018-19 are provided herein below:

1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The Company has adopted a CSR policy for carrying out activities given in Schedule VII of the Companies Act 2013. The CSR Policy is available at the website of the Company at the following link http://www.royalorchidhotels.com/investors . During the financial year 2018-19 the Company has contributed towards CSR through various Trusts i.e. Nightingale; Abhaya Ashram and Skill Development Centre run by the Company which are working in the field of Education, Serving Senior citizens, promoting Education Environmental Sustainability and Rural development.		
2.	The Composition of the CSR Committee.:	Name of the Member	Position in the Board	Position in the Committee
		Ms. Lilian Jessie Paul	Non-Executive Independent Director	Chairperson
		Mr. Chander K. Baljee	Managing Director	Member
		Mr. Sunil Sikka	Non-Executive Director	Member
3	Average net profit of the company for last three financial years	₹ 1,097.14 lakhs.		
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	₹ 21.94 lakhs.		
5.	Details of CSR spent during the financial year.	₹ 21.98 lakhs.		
(a)	Total amount to be spent for the financial year	₹ 21.94 lakhs.		
(b)	Amount unspent, if any	Nil		

(c) Manner in which the amount spent during the financial year is detailed below.

(₹ in Lakhs)

S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
1	4 Skill Development Centres run by company	Education	Local area	5.51	5.51	5.51	Direct
2	Every Saturday food for 150 dementia patients at Nightingale Trust	Eradication of hunger, poverty and malnutrition	Local area	5.26	5.26	5.26	Direct
3	Every Sunday food for 100 old aged people given to Abhaya Ashram.	Eradication of hunger, poverty and malnutrition	Local area	2.22	2.22	2.22	Direct
4	Donation to Iskcon Akshayapatra Trust	Eradication of hunger, poverty and malnutrition	Local area	9.00	9.00	9.00	Implementing Agency i.e. Trust
TOTAL				21.98	21.98	21.98	

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Chander K. Baljee
Managing Director
(DIN: 00081844)

Lilian Jessie Paul
Chairperson
CSR Committee
(DIN: 02864506)



Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

ECONOMIC OUTLOOK

A year ago the global economy was projected to grow at 3.9 percent in 2018 and 2019 as economic activity was accelerating in almost all regions of the world. However, over the last year much has changed on the backdrop of tighter credit policies in China, the US China trade war and financial tightening alongside the normalization of monetary policy in the larger advanced economies. The global economy has significantly weakened and is facing a slowdown since the second half of 2018; this is expected to continue into the first half of 2019. Hence, the World Economic Outlook (WEO) has projected a decline in growth for 70 percent of the global economy. For 2018 the global growth declined to 3.6 percent as compare to close to 4.0 percent in 2017, for 2019 the global growth is projected to decline further to 3.3 percent.

As per the world economic outlook, post 2020 global growth will stabilize at around 3.5 percent boosted mainly by countries like India and China and their increasing weights in world income. India, supported by recovery of investment and robust local consumption along with a more expansionary stance of monetary policy and impetus from fiscal policy is projected to grow at 7.3 percent in 2019 and 7.5 percent in 2020.

Real GDP Projections			
Year	2018	2019	2020
United States	2.9	2.3	1.9
Brazil	1.1	2.1	2.5
Japan	0.8	1.0	0.5
China	6.6	6.3	6.1
India	7.1	7.3	7.5
Asia	5.3	6.3	6.2

Global Tourism

In the year 2018, the Global Travel & Tourism sector grew by 3.9% contributing 8.8 trillion USD which equates to 10.4% of the global GDP. The sector outpaced overall economy growth for the eighth consecutive year. China and USA together accounted for 35.2% of the world's total Travel & Tourism GDP and still are the largest Travel & Tourism economies in 2018 followed by Japan, Germany and the UK.

Domestic travel is the main driving force of the sector in major economies. The domestic tourism in the five largest Travel & Tourism economies of the world (USA, China, Japan, Germany and the UK) was accounted for at least 80% of the total Travel & Tourism spending.

A strong growth in the sector is set to continue over the next decade, particularly across Asia where China will overtake the USA as the world's largest Travel & Tourism economy. Nearly 67 million 'new travelling households' are expected in China, followed by India with 14 million and the USA with 9 million. China is expected to account for 35% of

the world's absolute change in Travel & Tourism GDP during 2018-29, followed by the USA (11%) and India (6%).

2018	2018 RANK	2018 T&T CONTRI- BUTION TO GDP (US\$BN)	2018 T&T % OF COUNTRY GDP	2018 T&T GDP GROWTH (%)	2018-29 T&T GDP GROWTH CAGR %	DOMESTIC SPEND, % SHARE OF TOTAL, 2018	INTERNA- TIONAL SPEND, % SHARE OF TOTAL, 2018	LEISURE SPEND, % SHARE OF TOTAL, 2018	BUSINESS SPEND, % SHARE OF TOTAL, 2018
USA	1	1,595	7.80	2.20	2.60	81.20	18.80	71.30	28.70
China	2	1,509	11.00	7.30	6.50	85.80	14.20	81.40	18.60
Japan	3	368	7.40	3.60	1.70	82.50	17.50	68.50	31.50
Germany	4	345	8.60	1.20	1.60	85.20	14.80	83.10	16.90
UK	5	311	11.00	1.00	1.90	84.40	15.60	65.90	34.10
Italy	6	275	13.20	3.20	1.70	76.20	23.80	79.10	20.90
France	7	266	9.50	4.10	2.00	65.70	34.30	80.50	19.50
India	8	247	9.20	6.70	7.00	87.20	12.80	94.80	5.20
Spain	9	211	14.60	2.40	2.50	44.80	55.20	88.50	11.50
Mexico	10	209	17.20	2.40	3.20	85.20	14.80	94.10	5.60

Tourism in India

Tourism in India is growing rapidly and the world travel and tourism council expects India to become the world's fourth largest travel and tourism economy in less than a decade India accounted for 6.7 percent of total world's travel and tourism GDP in 2018; this is poised to more than double by 2029. The direct contribution of travel and tourism to India's GDP is expected to rise by 7.1 percent per annum from 2018 to 2028. Total contribution of travel and tourism to employment is also expected to be at 8.4% of the total employment in India by 2028, this includes jobs that are directly and indirectly supported by the sector. The foreign exchange earning in India increased by 4.8 percent in 2018 on a year on year basis to US\$ 28.59 billion, for January 2019 foreign exchange earnings recorded were US\$ 2.55 billion. Also, the sector's contribution to capital investment is expected to grow at 6.7 percent per annum from 2018 to 2028.

Indian tourism industry is poised for growth backed by robust demand, niche tourism products, geographical diversity and policy support. During 2018 foreign tourist arrivals in India grew by 5.2 percent year on year to 10.55 million. The growth in arrivals has been because of easy availability of e – visas and flexible government policies. As of December, 2018 e – tourist visa facility has been extended to citizens of 166 countries. The number of tourists arriving on e – tourist visa stood at 0.29 million in January 2019, depicting an increase of 21.10 percent year on year. The government of India has set a target of 20 million foreign tourist arrivals by 2020.

India offers geographical diversity, attractive beaches, 30 world heritage sites and 25 bio geographic zones. Moreover the country has a lot of niche tourism products to offer like medical, rural, heritage, religious and wellness tourism. The policy support offered has also been tremendous, like a five year tax holiday has been offered for two, three and four star category hotels located around UNESCO world heritage sites. Also

Management Discussion and Analysis *(continued)*

under the Swadesh Darshan Scheme 15 thematic circuits in the country have been selected for development of tourism infrastructure.

Per capita GDP in India as of 2018 stands at US\$ 2,134.75 and is expected to rise to US\$ 3,273.85 by 2023. Rising income will lead to rise in domestic expenditure on tourism which will help enhance revenues from domestic tourism. Domestic travel revenues are expected to increase from US\$ 186 billion in 2017 to US\$ 405.8 billion by 2028.

Government Initiatives:

The government of India has taken several significant measures to promote tourism in India. From launching campaigns like Incredible India & Athithi Devo Bhava to development of destinations, circuits, mega projects as well as rural tourism infrastructure projects. Government initiatives like e – visa and m – visa are bound to give a boost to foreign tourist arrivals as well as medical tourism in India. The government initiative of allowing 100 percent FDI through automatic for the hotel and tourism sector has proved to be a bane for the sector. FDI inflows between April 2000 to December 2018 in the hotel and tourism sector have been to the tune of US\$ 12 billion.

As per a FICCI report on inbound tourism below are few government initiatives to enhance tourism in India

A. Religious Tourism

- As per the PRASHAD Scheme, under which 25 cities of religious significance have been identified with the objective of holistic development of these destinations. As of December 2018, a total number of 24 projects had been sanctioned for an amount of INR 727.16 crore.

B. Culture & Heritage

- Under the Swadesh Darshan Scheme which was launched in 2014-15 an amount of INR 5,987.60 crore has been sanctioned by the Ministry across 74 projects till date to develop theme based tourist circuits. In February 2017 Government of India has started Aastha Circuit trains covering various religious places. It offers all inclusive tour packages on different itineraries of varying duration, decided by Indian Railway Catering and Tourism Corporation Ltd. (IRCTC). IRCTC also runs various other packages covering key religious destinations along with Buddhist circuit trains.

C. Nature-based Tourism

- Ministry of Tourism has identified several nature-based themes including Coastal, Desert, Eco, Himalayan, North East and Wildlife and sanctioned costs for various circuits under this theme
- Cost sanctioned towards various circuits under these themes are:
 - Coastal: INR 895.98 Cr.
 - Desert: INR 63.96 Cr.
 - Eco: INR 608.37 Cr.

- Himalayan: INR 668.95 Cr.
- North East: INR 676.22 Cr.
- Wildlife: INR 187.90 Cr.

- Ministry of Environment, Forest and Climate Change has prepared an Eco-tourism policy which will work towards engaging local communities through mechanism to enrich local economy and promote sustainable use of indigenous material. The policy will enhance education and awareness about wildlife and habitat, and will encourage homestead-based hospitality enterprises for enhancing local livelihood.

D. Medical and Wellness Tourism

- The Government of India has introduced e- Medical Visa facility to simplify procedure for obtaining visa for tourists coming to India for medical purpose. Further e- FRRO scheme has been introduced for 27 visa related services (visa extension, conversion etc.)
- A National Medical and Wellness Tourism Board has been formed to promote Medical and Wellness Tourism in an organized manner.
- A film on Medical Tourism has been produced in collaboration with BBC for promotional activities.
- The Ministry of Tourism offers financial support for organizing Wellness and Medical Tourism Promotional shows, workshops, seminars, amongst others.
- Government has planned to set up facilitation counters at major airports of Mumbai, New Delhi, Kolkata, Chennai, Hyderabad and Bengaluru for tourists arriving on Medical Visas.
- Department of Commerce and Services Export Promotion Council (SEPC) has launched a Healthcare Portal as a single platform for medical travelers to provide comprehensive information on healthcare landscape of the country.

E. Adventure Tourism

- The ministry celebrated 2018 as the 'Year of Adventure Tourism' to promote the segment. A task force on adventure tourism was created with the Secretary (Tourism) as the Chair to resolve issues related to development and promotion of adventure tourism in the country. The Ministry, along with the Adventure Tour Operators Association of India (ATOAI), launched the 'Indian Adventure Tourism Guidelines (Version 2.0) – 2018' on safety and quality norms for adventure tourism in India.
- Ministry of Tourism has established National Institute of Water Sports (NIWS) in Goa under the administrative control of the Indian Institute of Tourism and Travel Management which offers long and short-term courses on water sports.
- Adventure tourism is also a key theme under the Swadesh Darshan scheme. Eco-Adventure Circuit in Mizoram, adventure sports related infrastructure development in Uttarakhand,



Management Discussion and Analysis *(continued)*

integrated development of new adventure tourism in Arunachal Pradesh under the North East India circuit are some of the projects being undertaken by the ministry.

F. MICE Tourism

- MICE Tourism is one among the niche tourism products identified by the Ministry of Tourism to develop India as a 365 days destination. India Convention Promotion Bureau (ICPB), set up by the Ministry, is engaged in promoting India as a venue for international congresses and conventions.
- The Department of Industrial Policy & Promotion, Ministry of Commerce and Industry is developing a world class convention center – India International Convention and Exhibition Centre (IICC) at Dwarka, New Delhi in an area of nearly 90-hectare. The total cost of the project is estimated to be around INR 25,700 Cr.

Hotel Sector

According to CARE Ratings Ltd, the industry is set to register an overall healthy growth in revenue on back of economic growth and consistently growing middle class along with increasing disposable income. Going forward, the major markets in the industry are expected to sustain the average room rates (ARRs) and grow at an average of 3.5-4.5% per annum. In FY18 the average occupancy was 66.6% and it is expected to inch up to an average of about 68-70% by the end of FY23. The hotel industry is expected to see an increase in room revenue at the rate of about 10-12% CAGR over the 5 years.

The existing room supply for the country grew by 7.5% y-o-y in FY18 totaling to 128,163 rooms (as of 31 March 2018). This considers the 8,944 new rooms that entered various markets during the year, as well an expansion of the existing properties.

In 11 Major cities of India, the overall Occupancy rates (ORs) increased by about 180 basis points (y-o-y) from 64.8% in FY17 to 66.6% during FY18 on back of increased demand from domestic and foreign travelers for business and leisure activities. The average room rates (ARRs) increased by only about 1.6% during the FY18 to Rs 5,759 per day due to stiff competition faced by players in the market.

This increase in ORs and ARRs led to the all India RevPAR performance of major markets to record a growth of about 4.4% over the preceding fiscal and reach Rs 3,837 per day in FY18. This rate was last achieved in the year FY11

Occupancy rates for 5 star hotels witnessed the sharpest growth of about 240 basis points y-o-y during FY18. This was followed by 3 star hotels that registered a growth of about 200 basis points and 4 star hotels that registered a growth of 180 basis points during FY18 while the 5 star D hotels witnessed lower growth of only 110 basis points y-o-y. 2 star hotels however, witnessed a decline of about 10 basis points in their occupancy rates during the year.

Despite registering a decline in occupancy rates, 2 star hotels witnessed the maximum growth in average room rates increasing by about 8.5% y-o-y during FY18. This was followed by 3 star hotels that registered a growth of about 5% y-o-y in FY18. 4 star and 5 star hotels recorded a growth of 3% y-o-y each in average room rates. 5 star hotels, however, registered the lowest growth about 1.8% y-o-y during the year. This may be attributed to the gradual escalation of commercial activity in Tier II and Tier III cities as well as increased domestic travel.

All categories witnessed a y-o-y increase in RevPAR in FY18, with the 3 star category leading the pack, recording a 8.2% growth during the year. The improvement in RevPAR across all star categories can be attributed to both occupancy and average rate, with the exception of 2 star hotels.

Outlook

India possesses tremendous growth opportunity for the travel, tourism and hospitality sector. India is amongst the top ten countries (currently ranked eighth) in the world for its contribution of the travel and tourism sector to the world GDP. It is well placed to rise up to the third position in the next decade only behind China and US. Growth in the sector is expected to be fueled by the expanding base of Indian middle class and its growing per capita income. Government initiatives to promote India as a premier tourist destination will also help the sector grow. India has an advantage of rich cultural and geographical diversity and can attract tourists with varied needs. We at Royal Orchid Hotels have identified this opportunity to grow and have strengthen our position in the mid space hotel segment. Currently Royal Orchid Hotels is amongst the top 20 hotels in India in terms of room inventory. We foresee demand for rooms outpacing the supply and are ready to grab the opportunity. Royal Orchid Hotels is looking to grow at a rapid pace keeping in mind our asset light strategy. Our strategy of going asset light has taken us on the path of profitability with minimal increase in costs. Our robust infrastructure and strong brand recall gives us an edge in terms winning managed contracts. Moreover online booking portals have made life simpler for the millennial generation by allowing booking the entire trip on the go. The advancement of technology will only help us curb our cost of sales and ensure wider reach thus enabling higher occupancy. We understand the importance of digital platforms and are looking to make the best use of it. Along with leisure the company also aims to tap business travelers with presence in all major business centers across the country.

Discussion on Financial Performance with respect to Operational Performance

The details of the Financial Performance with respect to Operational Performance are detailed in notes to accounts for the financial year 2018-19. Further details of the internal controls and HR initiatives are given in Directors Report which forms a part of this Annual Report.

Source: India Inbound Tourism – FICCI, World economic outlook (International Monetary Fund), IBEF, Travel & Tourism Global economic impact & trends 2019 - world Travel & Tourism Council

Corporate Governance Report

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2019

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Royal Orchid Hotels Limited (hereinafter referred to as "ROHL" or "your Company"), observes the Corporate Governance principles and practices as key to sustainable corporate growth and long term shareholders' value creation. ROHL and its Subsidiary companies, as a group values and believes in excellence in Corporate Governance as a good corporate citizen and is committed to ethical corporate practices based on conscience, openness, fairness, professionalism and accountability, for the benefit to its stakeholders and for its long term success.

Your Company believes in maintaining the highest standards of corporate governance, not only in form but also in substance by incorporating highest levels of transparency, accountability and equity in all facets of its operations and in all its transactions with its stakeholders, including its Employees, Customers, Shareholders, Vendors, supporting agencies, Government, and society at large. The corporate governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct, Whistle Blower Policy, CSR Policy, and Code for Prohibition of Insider Trading and such other policies. We have summarized the same in this Corporate Governance Report.

Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders: customers, vendor-partners, investors, employees, government and society.

ROHL's Corporate Governance philosophy is based on the following ideologies:

- ❖ Ensure transparency, high degree of disclosure, and good practices in our operations;
- ❖ Openness in communication externally and internally with all stakeholders;
- ❖ Maintain high standards of clean, healthy and safe environment;
- ❖ Institutionalize Corporate Governance at all levels within the Company with best practices, policies and procedures;
- ❖ Act in the spirit of the law and not merely the letter of the law.

THE 4 TIER GOVERNANCE STRUCTURE AT ROHL

Corporate Governance philosophy is put into practice at ROHL group through the following four layers, namely,

- ❖ Governance by Board of Directors,
 - ❖ Governance by Sub-committees of Board of Directors,
 - ❖ Governance through Management process, and
 - ❖ Governance to Shareholders.
- i. The Shareholders appoint the Board of Directors and authorizes the Board to conduct the business and ensure accountability to all the stakeholders.
 - ii. The Board of Directors is responsible for the vision, strategy and good governance of the Company. The Board ensures good returns to the Stakeholders through strategic management.
 - iii. The Committees of the Board are responsible to set governance policies and principles and overview the internal controls of the Company.
 - iv. The Executive Management, appointed by the Board is responsible for day to day management of the Company in line with the strategies and principles set by the Board.

2. GOVERNANCE BY BOARD

2.1 Board of Directors

1. The Board of Directors of your Company which consists of an optimum mix of Executive and Non-Executive Directors. The composition of the Board consists of a fine blend of professionals from diverse backgrounds which enables the Board to discharge its responsibilities more efficiently and provide effective leadership by taking the Company's business to achieve greater heights.

Pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), the Board has six directors out of which one is Executive Director, two are Non-Executive Non-Independent Directors and three, i.e., half of the Board comprises of Independent Directors.





Corporate Governance Report *(continued)*

Directorships and Committee Memberships held by Directors in companies other than Royal Orchid Hotels Limited as on March 31, 2019.

Name of the Director	Age (in years)	Position/ Designation /Promoter	DIN	Date of appointment	Directorship in other public Companies	Position in committees of the Board of other Indian Public Companies*	
						As Chairman	As member
Mr. C. K. Baljee*	68	Managing Director	00081844	03/01/1986	-	-	1
Mr. Sunil Sikka*	60	Non- Executive Director	00083032	30/09/2000	-	-	-
Mrs. Sunita Baljee*	64	Non-Executive Director	00080737	01/04/2015	-	-	-
Dr. Vivek Mansingh	63	Non-executive and Independent Director	06903079	12/08/2016	2	1	3
Mr. Naveen Jain	60	Non-executive and Independent Director	00051183	25/10/2016	2	2	8
Ms. Lilian Jessie Paul.	49	Non-executive and Independent Director	02864506	02/11/2017	3	-	4

* Promoters of the Company

- Number of Directorships held in other public companies includes all companies, whether listed or unlisted but excludes foreign companies, other body corporates and professional bodies but does not include subsidiaries of public companies. The limits on directorships of Independent Directors and Executive Directors are within the permissible limits.
- During the year under review, necessary disclosures regarding change in Committee positions, if any, have been made by all the Directors. None of the Directors is a member of more than 10 Committees or Chairman of more than 5 Committees across all Indian Companies.
- As on April 01, 2019, all Independent Directors have submitted their declarations to the effect that they fulfil the criteria as laid down in Regulation 16(1) (b) of LODR, Sections 2 (47) and 149(6) of the Companies Act, 2013 and rules made there under.
- The Company has issued a formal letter of appointment to its Independent Directors and the said Letter published on the website of the Company. The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and the LODR.
- Mrs. Sunita Baljee (DIN: 00080737), Director of the Company, is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment, her brief profile is disclosed in the Annexure to Notice calling 33rd Annual General Meeting of the Company.
- Except Mrs. Sunita Baljee & Mr. Sunil Sikka, Directors of the Company, who are relatives of Mr. C. K. Baljee, Managing Director of the Company, none of the Directors on Board are related to each other.

8. Meetings of the Board and Attendance thereat Scheduling of Board meetings and agenda fixation

- The schedule of Board Meetings is communicated to all the Directors in advance, to enable them to schedule their effective participation during Board Meetings.
- As a system, information to Directors is submitted along with the agenda papers well in advance of the Board meeting. Inputs and feedback of Board members are taken in preparation of agenda and documents for the Board meeting.
- During the year under review, your Board met four times on 28.05.2018; 27.07.2018; 31.10.2018 and 04.02.2019 and the gap between two meetings did not exceed 120 days.
- The Annual General Meeting for the Financial Year 2017 - 2018 was held on September 28, 2018.

The attendance at the Board Meetings during the year and at the Annual General Meeting is as below:

Name	Board Meeting		AGM Attendance
	Held	Attended	
Mr. C. K. Baljee	4	4	Yes
Mr. Sunil Sikka	4	4	Yes
Ms. Sunita Baljee	4	4	Yes
Dr. Vivek Mansingh	4	3	No
Mr. Naveen Jain	4	4	Yes
Ms. Lilian Jessie Paul	4	4	Yes

Corporate Governance Report *(continued)*

e) Information provided to the Board and its Committees

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of Board of Directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

f) Post-meeting follow-up system

After the Board Meeting, we have a formal system of follow up, review and reporting on actions taken by the management on the decisions of the Board and sub-committees of the Board.

9. Directors Shareholding in the Company as on March 31, 2019

Name of the Director	Designation	No. of Equity Shares held by the Directors	Percentage of holding (%)
Mr. C. K. Baljee	Managing Director	1,20,01,060	43.79
Mr. Sunil Sikka	Non-Executive Director	6975	0.03
Mrs. Sunita Baljee	Non-Executive Director	2,26,260	0.83
Dr. Vivek Mansingh	Independent and Non-Executive Director	0	0.00
Mr. Naveen Jain	Independent and Non-Executive Director	0	0.00
Ms. Lilian Jessie Paul	Independent and Non-Executive Director	0	0.00

10. Familiarisation programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the Industry as well as key regulatory changes and reporting requirements as per the Companies Act and SEBI Guidelines etc.

The Company has made a familiarisation programme for the Independent Directors, which has been disclosed on Company's website at www.royalorchidhotels.com

2.1.2 Brief Profile of Board of Directors

Mr. Chander K. Baljee

A Management Graduate from Indian Institute of Management, Ahmedabad, is the Founder Promoter and Managing Director of Royal Orchid Hotels. He has over four decades of experience in hospitality industry. He has been featured in the IIM Ahmedabad book "Stay Hungry Stay Foolish" which chronicles the rise of 25 entrepreneurs. He is a certified Hotel Administrator from American Hotel and Lodging Association (AH and LA).

Mr. Sunil Sikka

Mr Sunil Sikka is Managing Partner of Houzz N Dezins a leading Floor covering sourcing solutions provider. Mr. Sikka was one of the first to open a warehouse and distribution center in USA



Corporate Governance Report *(continued)*

to market directly Floor Covering and Handicrafts from India and lived and gained experience for five years in early 80s on a L1 visa prior to returning to India. Mr. Sikka has won awards for development of Modern and Transitional Designs of Carpets at International Forums like Domotex, and is a regular speaker in Export Promotion forums like CEPC, EPCH and UPEPC. He is known for his passion for development of new Designs and textures in fashion colors for the Industry.

Mrs. Sunita Baljee

A co-promoter and one of the founders of Royal Orchid Hotels Limited, She is Master's degree holder in Business Administration from the University of Raipur.

Dr. Vivek Mansingh

Dr. Vivek Mansingh is a Gold Medalist engineer from NIT Allahabad (1978). Also PhD from the Queen's University, Kingston, Canada in 1986 and completed an Executive Business Management Program with the Stanford University in 1996. Dr. Vivek Mansingh is the General Partner of Your Nest Angel Fund, Chairman of the Board of Axis Cades Engineering Technologies Limited and is also a member of the Board and engaged Angel Investor of Innovatia, Janaagraha, EnCloudEn, Arthayantra, Golflan, Wolken Software, Teamtoq, Smartbuildings and KlickH.

Mr. Naveen Jain

Mr. Naveen Jain is a fellow member of Institute of Chartered Accountants of India as a Hospitality professional with over 35 years of experience, Mr. Jain has held several leadership positions across various functions with leading hotel companies. Mr. Jain is currently Managing Director of Nouvelle Knowledge Services and is member on the Board within Hospitality, Food & Beverage, Retail and Service Organizations. He is also Angel & Strategic advisor to new startups in the service industry. Prior to this, Mr. Jain headed Duet India Hotels, a private equity funded hotel group that invests in Indian Hospitality industry, as the President of the company. Prior to joining Duet, Mr. Jain worked with leading hotel companies namely the Oberois and the Leela Hotels leading several functions. Mr. Jain has been invited as a speaker at various national and international hospitality forums, and is a part of several industry associations, initiatives and government forums on hospitality & tourism.

Ms. Lilian Jessie Paul

Ms. Jessie Paul has over two decades of experience as a marketer. She was Global Brand Manager of Infosys, headed marketing for iGATE (now a part of CapGemini) and was Chief Marketing Officer of Wipro Technologies. She commenced her career with Ogilvy & Mather Advertising. In 2010, Jessie Paul

founded Paul Writer a marketing advisory firm that works with clients to build profitable conversations amongst customers and prospects. Jessie is an independent director on the board of SQS India BFSI Ltd (SQSI: IN) She holds an MBA from Indian Institute of Management, Calcutta, and a bachelor's degree in computer science and engineering from National Institute of Technology, Trichy.

11. GOVERNANCE BY BOARD COMMITTEES

Committees of Board

The Board has constituted following Committees and each Committee has its terms of reference as Charter.

The Chairman of each Committee along with other Members, decides the agenda, frequency and duration of each meeting and if required, with other Members of the Board also.

As on March 31, 2019, the Board has following four Statutory Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship Committee; and;
- Corporate Social Responsibility Committee

Audit Committee –

1. Terms of Reference

The Audit Committee reports to the Board and the roles, responsibilities and the terms of reference of the same are as follows:

- a) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;

Corporate Governance Report *(continued)*

- Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
 - Modified opinion(s) in the draft audit report.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- h) Approval or any subsequent modification of transactions of the Company with related parties.
- i) Scrutiny of inter-corporate loans and investments.
- j) Valuation of undertakings or assets of the Company, wherever it is necessary.
- k) Evaluation of internal financial controls and risk management systems.
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n) Discussion with internal auditors any significant findings and follow up thereon.
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- r) To review the functioning of the Whistle Blower mechanism.
- s) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- u) Management discussion and analysis of financial condition and results of operations.
- v) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- w) Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- x) Internal audit reports relating to internal control weaknesses.
- y) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- z) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.
- aa) Annual Statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of Listing Regulations and
- ab) The Audit Committee of the listed holding Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

2. Composition of Committee:

In accordance with Section 177 of the Companies Act, 2013 and Regulation 19 of LODR, as on March 31, 2019,



Corporate Governance Report *(continued)*

Audit Committee of the Company is duly constituted having three members, all of them are Non-Executive Independent Directors and the Chairman of the Committee is financially literate.

Details of the Members of Audit Committee are given below:

Name of the Member	Position in the Board	Position in the Committee
Mr. Naveen Jain	Non-Executive Independent Director	Chairman
Dr. Vivek Mansingh	Non-Executive Independent Director	Member
Ms. Lilian Jessie Paul	Non-Executive Independent Director	Member

Note: The Company Secretary of the Company acts as the secretary for Audit Committee.

3. Meetings and Attendance of the Members of the Audit Committee:

During the financial year 2018-19, the Audit Committee has met 4 times, i.e., 28.05.2018, 27.07.2018, 31.10.2018 and 04.02.2019 and attendance of the members is given below:

Name	Audit Committee Meetings	
	Held	Attended
Mr. Naveen Jain	4	4
Mr. Vivek Mansingh	4	3
Ms. Lilian Jessie Paul	4	4

Nomination and Remuneration Committee –

1. Brief Terms of Reference and Performance evaluation and Payment criteria for Directors and Independent Directors

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Our compensation philosophy is to align Directors and employee compensation with our business objectives, so that compensation is used as a strategic tool that helps us recruit, motivate and retain highly talented individuals who are committed to our core values. We believe that our compensation programs are integral to achieving our goals. Through its compensation programme, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance of the Company.

The Nomination and Remuneration Committee recommends all remuneration, in whatever form, including the commission based on the net profits of the Company for the Directors and Senior Management Personnel. This recommendation is then approved by the Board and Shareholders for payment of remuneration to Executive Directors and Senior Management Personnel.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives, commission (variable component) to its Managing Director. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Board and Shareholders.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as Independent Professionals/Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meetings of the Board and Board Committees.

During the year under review the Independent Directors were oriented on various provisions and compliances of new Companies Act, 2013, introduction of Listing Regulation, SEBI guidelines, Internal Financial Controls and Accounting Standards by Consultants and Statutory Auditors.

Criteria for selection of Independent Directors

- 1) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of information technology, sales/ marketing, finance, taxation, law, governance and general management.
- 2) In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- 3) The Nomination and Remuneration Committee shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director:
 - a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing; and
 - c) Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/ her engagement level.

2. Composition of the Nomination and Remuneration Committee:

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR, as on March 31, 2019, Nomination and

Corporate Governance Report *(continued)*

Remuneration Committee of the Company is duly constituted comprising of three members, all of them are Non-Executive Independent Directors and the chairperson is a Non-Executive Independent Director.

Name of the Member	Position in the Board	Position in the Committee
Ms. Lilian Jessie Paul	Non-Executive Independent Director	Chairperson
Dr. Vivek Mansingh	Non-Executive Independent Director	Member
Mr. Naveen Jain	Non-Executive Independent Director	Member

3. Meetings and Attendance of Members of Nomination and Remuneration Committee:

During the Financial Year 2018 - 2019, the Nomination and Remuneration Committee has met 2 times, i.e., 28.05.2018 and 04.02.2019 attendance of the members are given below:

Name	Nomination and Remuneration Committee Meetings	
	Held	Attended
Ms. Lilian Jessie Paul	2	2
Dr. Vivek Mansingh	2	2
Mr. Naveen Jain	2	2

4. Performance evaluation criteria for Independent Directors:

The performance evaluation criteria for Independent Directors and payment criteria for other Non-Executive Directors are disclosed on the web link: www.royalorchidhotels.com

Details of remuneration paid to the Directors for the year 2018-2019

Erstwhile as per the provisions of Section 197 read with Schedule V of the Companies Act 2013 approval of members and Central Government were required for payment of remuneration in case of inadequate profits accordingly Members of the Company vide Special resolution dated 27.09.2017 at 31st Annual General Meeting of the Company has approved a total remuneration of Rs. 2,41,53,777/- p.a. to Mr. Chander K. Baljee (DIN: 00081844), Managing Director of the Company, for Financial Year 2018 - 2019 and the Company had applied to Central Government for approval.

Ministry of Corporate Affairs vide notification dated September 12, 2018 has amended Section 197 of Companies Act, 2013 relating to Managerial Remuneration payable top executives. In addition, the Ministry has also come up with corresponding amendments in Schedule V of the Companies Act, 2013 and issued Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018 which has ended Central Government

approval and shareholders can approve any amount in excess of the said limits by passing a Special Resolution in the General Meeting.

During the period of April 2018 to September 2018 before the aforesaid amendment remuneration to Mr. C.K. Baljee ((DIN: 00081844), Managing Director of the Company) has been paid in proportion to Effective Capital of the Company

In accordance with the members approval and the remuneration policy of the Company following are the details of remuneration to the Board:

S. No.	Name of Director	Sitting fees*	Salary	Commission *
1.	Mr. C. K. Baljee	NIL	208.65	NIL
2.	Ms. Sunita Baljee	2,20,000	NIL	2,19,514
3.	Mr. Sunil Sikka	2,42,000	NIL	2,19,514
5.	Dr. Vivek Mansingh	4,40,000	NIL	2,19,514
6.	Mr. Naveen Jain	5,72,000	NIL	2,19,514
7.	Ms. Jessie Paul	5,06,000	NIL	2,19,514

Note: No stock options have been granted to any of the Directors during the financial year 2018-2019.

** The aforesaid amount is on pay-out basis.*

Stakeholders' Relationship Committee –

Terms of reference of Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee shall:

- Ensure proper controls at Registrar and Share Transfer Agent,
- Look into the redressing of the shareholders complaints and queries,
- Review movement in shareholdings and ownership structure,
- To approve issue of duplicate certificates and oversees and reviews all matters connected with transfer and transmission of securities of the Company,
- The Committee shall review and note the following Statutory Reports submitted to Stock Exchange(s):
Quarterly Report on Corporate Governance,
Quarterly Report on Reconciliation of Share Capital Audit, and
Half Yearly Certificates;
- The Committee shall look into redressal of shareholders'/ investors' complaints related to transfer and transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc., and
- The Committee shall oversee performance of the Registrars and Transfer Agents of the Company and recommends



Corporate Governance Report *(continued)*

measures for overall improvement in the quality of investor services;

- viii. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders;

ix. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;

- x. Review of measures taken for effective exercise of voting rights by shareholders;
- xi. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- xii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company;
- xiii. To approve, ratify, refuse to register transfer / transmission / deletion of name/ transposition requested of shares;
- xiv. To approve the transmission of shares arising as a result of death of the sole/any joint shareholder or operation of law;
- xv. To authorize issue of Duplicate Share Certificates and Share Certificates after Split / Consolidation / Rematerialization and in Replacement of those which are defaced, mutilated, torn or old, decrepit, worn out or where the pages on reverse for recording transfers have been utilized;
- xvi. To approve issuance of share certificate(s) pursuant to request received for rematerialisation;
- xvii. To approve request received for Dematerialisation of shares;

1. Composition of Stakeholders Relationship Committee:

In terms of Section 178 of the Companies Act, 2013 and Regulation 20 of LODR, the Stakeholders' Relationship Committee of the Company is duly constituted comprises of three members out of which two members are Non-Executive Independent Directors and One is an Executive Director and the chairman of the Committee is a Non-Executive Independent Director.

Name of the Member	Position in the Board	Position in the Committee
Dr. Vivek Mansingh	Non-Executive Independent Director	Chairman
Mr. Naveen Jain	Non-Executive Independent Director	Member
Mr. Chander K. Baljee	Managing Director	Member

2. Meetings and Attendance of members of Stakeholders' Relationship Committee

As a good corporate governance practice at your Company, four meetings are usually held in order to consider, discuss and review the quarterly stock exchange compliances of the Company, share transfers and stakeholders' grievances.

During the financial year 2018-2019, the Stakeholders' Relationship Committee has met 4 times, i.e., 28.05.2018, 27.07.2018, 31.10.2018 and 04.02.2019, attendance of the members is given below:

Name	Stakeholders Relationship Committee Meetings	
	Held	Attended
Dr. Vivek Mansingh	4	3
Mr. Chander K. Baljee	4	4
Mr. Naveen Jain	4	4

- 3. Dr. Ranabir Sanyal, Company Secretary & Compliance officer, monitors the share transfer process and reports to the Company's Board in each meeting and the said Officer also directly liaises with the authorities such as SEBI, Stock Exchanges, ROC etc., and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities and investor service and complaints related matter. There is no share transfer pending for more than 15 days.

Your Company has a designated email ID, cosec@royalorchidhotels.com for the Redressal of any Stakeholders' related grievances exclusively for the purpose of registering complaints by Members/ Stakeholders. Your Company has also displayed the said email ID under the investors section at its website, www.royalorchidhotels.com and other relevant details prominently for creating investor/ stakeholder awareness.

Your Company maintains a functional website containing necessary information about the Company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with the media companies and/ or their associates, etc., at www.royalorchidhotels.com/investors and the contents of the said website are updated at any given point of time as per the requirements of Companies Act, 2013 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Company has appointed Integrated Registry Management Services Private Limited as its Registrar and Share Transfer Agent, they are entitled to handle the Investor's Grievances as and when received the Company, they have sufficient infrastructure to process and resolve these grievances.

The Registrar and Share Transfer Agent, in every quarter, send the

Corporate Governance Report *(continued)*

Company, a status of investor's grievances and as on 31st March, 2019, there were no complaints pending to be resolved. Following is the complete status of Investor's Grievances during the Financial Year 2018-2019:

No. of shareholders' complaints received during the year	No. of complaints not resolved to the satisfaction of shareholders during the year	No. of pending complaints during the year
NIL	NIL	NIL

Corporate Social Responsibility (CSR) Committee:

The Board has constituted the CSR Committee as per the requirements of the Companies Act, 2013 along with applicable Rules.

1. Terms of reference of CSR Committee

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

2. Composition of CSR Committee:

The Company has constituted a committee of the Board to be known as Corporate Social Responsibility Committee. The primary role of the Committee is to review the Group's Corporate Social Responsibility Programme and to monitor performance against agreed targets.

The members are appointed by the Board. The Committee consists of three members, who are nominated by the Board from time to time and at least one is Non-Executive Independent Director of the Company.

Name of the Member	Position in the Board	Position in the Committee
Ms. Lilian Jessie Paul	Non-Executive Independent Director	Chairperson
Mr. C. K. Baljee	Managing Director	Member
Mr. Sunil Sikka	Non-Executive Director	Member

Note: The Company Secretary of the Company is secretary to the Committee.

III. GOVERNANCE THROUGH MANAGEMENT PROCESS

Empowerment and Control:

Royal Orchid's Board believes that it is essential for effective corporate governance; management must have the freedom to drive the business forward. The Board believes in this principle and has vested the decision-making powers at the most appropriate levels in the organizational hierarchy. It is the core principle of corporate governance that while the Board of Directors are accountable to the shareholders, the management is accountable to the Board. With an optimum combination of the empowerment with accountability, it would lead to improved effectiveness, thereby enhancing shareholder value. The aforesaid would not yield any results without adequate control which is necessary and thus freedom of management should be exercised within a framework of appropriate checks and balances. Control should prevent misuse of power, facilitate timely management response to change, and ensure that business risks are pre-emptively and effectively managed.

Risk Management

Your Company has a well established risk management process and framework for all hotels and managed properties across India and overseas.

The Audit Committee reviews the risks relevant to the business including changes in key regulations or political risks, competitor activities, economic or business risks, strategic acquisitions, attrition risk, health and safety. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk, employee, guest, asset safety and safety of community and to establish a prevention system to safeguard the future.

Environment Initiatives

Your Company has constantly given high priority to social concerns. Your Company continually strive towards sustainable development by trying to find a balance between the needs of our customers and responsible care for the environment. Your Company is committed to protect and promote the environment and has a well-defined Environment Policy and all our units have proper environmental management system in place. The several initiatives taken are given in the Boards' Report.

IV. GOVERNANCE TO SHAREHOLDERS

General Body Meetings:

Annual General Meeting for the year 2018 - 2019 is scheduled to be held on Monday, the 23rd Day of September, 2019 at Hotel Royal Orchid Regenta, No.1 Golf Avenue, Adjoining KGA Golf Course, Bangalore -560008, Karnataka at 11:30 A.M

The facility to appoint a proxy to represent the members at the



Corporate Governance Report *(continued)*

meeting is also available for the members who would be unable to attend the meeting. You are required to fill a proxy form and send it to us latest 48 hours before the meeting

1. Annual General Meetings

Financial Year	Date	Time	Venue	Special Resolutions/ important items passed in the Annual General Meeting
2015-16	29.09.2016	10.00 A. M.	Royal Orchid Resort and Convention Center, Allalsandra, Bellary Road, Yelhanka, Bangalore – 560065	1. To re-appointment of Mr. Vijay Rekhi as an Independent Director of the Company for a second term 2. To appoint Dr. Vivek Mansingh as Independent Director of the Company. 3. To authorise Board of Directors for payment of remuneration to Non-executive Directors of the Company.
2016-17	27.09.2017	09.30 A. M.	Royal Orchid Resort and Convention Center, Allalsandra, Bellary Road, Yelhanka, Bangalore – 560065	1. To borrow money exceeding paid up capital and free reserves upto Rs 150 crore 2. To authorise Grant Loans , make Investment and give Corporate Guarantee on loans taken by subsidiary and Joint Venture Companies upto Rs 350 Crore 3. To pay Remuneration to Mr. C.K. Baljee as Managing Director for the years 2018-20
2017-18	28.09.2018	05.00 P.M.	Royal Orchid Resort and Convention Center, Allalsandra, Bellary Road, Yelhanka, Bangalore –560065	1. To appoint a Director in place of Mr. Sunil Sikka (DIN: 00083032) 2. To declare a dividend of Rs. 1.5/- per equity share of Rs. 10/- each for the Financial Year ended March 31, 2018 3. To appoint Ms. Lilian Jessie Paul as an Independent Director of the Company 4. Modification of the Royal Orchid Hotels Limited Employee Stock Option Plan (ESOP), 2014

2. Extraordinary General Meeting(s)

Financial Year	Date	Time	Venue	Special Resolutions passed in the Annual General Meeting
2015-16	No Extraordinary General Meeting was conducted during last three years			
2016-17				
2017-18				

3. No Postal Ballot held during the year ended March 31, 2019.

4. E-Voting /Postal Ballot voting pattern, procedure and result.

During the year under review, at the Annual General Meeting, the Company passed the Resolutions through E-Voting system of Central Depository Services Limited (CDSL) and voting at through Poll Paper (MGT – 12). The result of the E-voting and voting through poll is detailed herein below:

Resolution No.	No. of E-votes/ postal ballots in favour	Total Votes cast in favour of Resolution	No. of E-votes/ postal ballots against	Votes cast against the Resolution	Percentage of votes in favour of total votes
1.	55	19468042	0	0	100%
2.	55	1663014	0	0	100%
3.	58	19608100	0	0	100%
4.	57	19608098	1	2	*100%
5.	56	19607540	2	560	*100%

* Rounded off

The result of the voting through electronic means and through poll was announced on September 29, 2018. After declaration, the result was communicated to the stock exchanges and the report of the Scrutiniser (MGT-13) was also posted on the Company's website at www.royalorchidhotels.com/investors

Scrutinizer:

Mr. G. Shanker Prasad, Practising Company Secretary, Bangalore was appointed as Scrutinizer for conducting the e-voting / postal ballot process in a fair and transparent manner.

Means of Communication:

1	Quarterly results	The Quarterly unaudited financials of the Company are published in news papers and also on the Company's website.
2	Newspapers in which results are normally published	The Financial Express and Vijayavani
3	Company's Website	www.royalorchidhotels.com
4	Websites' investor's section	www.royalorchidhotels.com/investors
5	Whether website also displays official News Releases and the presentations made to Institutional Investors or to the analysts	The official news releases presentations to investors are also displayed on the website of the Company & Stock Exchanges

Corporate Governance Report *(continued)*

General Shareholder Information:

1. Annual General Meeting:

Date : Monday, the 23rd Day of September, 2019

Time : 11:30 A.M

Venue: Hotel Royal Orchid Regenta, No.1 Golf Avenue,
Adjoining KGA Golf Course, Bangalore -560008, Karnataka

Financial Calendar:

Financial Year:	2018-19
Book Closures Dates:	September 14, 2019 to September 23, 2019
Cut-off date for the purpose of remote E- voting	September 13, 2019
Exchange on which Equity Shares are listed:	The National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 BSE Limited Bombay Stock Exchange Floor 25, P J Towers, Dalal Street, Mumbai – 400 001

2. Financial Reporting (held and tentative)

For the quarter ended 30.06.2019	July 2019
For the quarter ending 30.09.2019	November 2019
For the quarter ending 31.12.2019	February 2020
For the quarter ending 31.03.2020	May 2020

3. Listing fees for the year ending 2018-19 has been paid to both the Stock Exchanges where shares are listed.

4. Scrip Code:

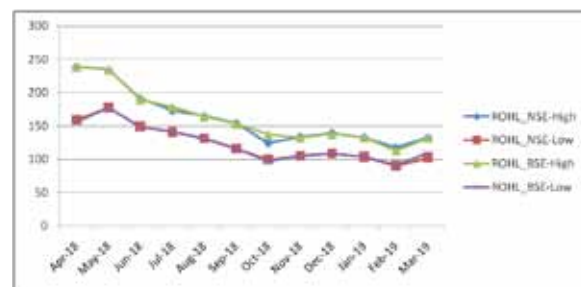
Particulars	Scrip Code
The National Stock Exchange of India Limited	ROHLTD
The Bombay Stock Exchange Limited	532699
ISIN Numbers in NSDL and CDSL	INE283H01019

5. Market Price Data

The Equity Shares of the Company were listed with Stock Exchanges on **February 06, 2006**. The following is the data of high and low closing quotations of Equity Shares of the Company during April 2018 to March 2019.

Month	National Stock Exchange (NSE)		Bombay Stock Exchange (BSE)	
	ROHL_ NSE-High	ROHL_ NSE-Low	ROHL_ BSE-High	ROHL_ BSE-Low
Apr-18	238.90	159.00	239.00	156.40
May-18	234.00	177.40	235.20	177.95
Jun-18	191.00	149.10	190.00	148.50
Jul-18	173.00	141.00	178.85	140.90
Aug-18	165.00	130.85	164.40	132.20
Sep-18	154.25	115.85	153.00	115.50
Oct-18	124.55	99.55	137.00	97.35
Nov-18	134.00	105.00	133.00	105.25
Dec-18	139.70	108.55	137.95	108.15
Jan-19	133.15	103.70	132.75	104.00
Feb-19	117.90	90.20	113.20	91.40
Mar-19	132.50	102.60	132.00	109.00

(Source: www.nseindia.com and www.bseindia.com)

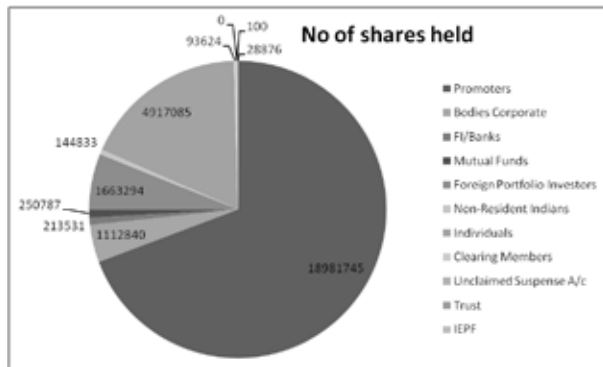


6. Distribution of Shareholding as on March 31, 2019

Category	No of shares held	% to Paid up capital
Promoters	18981745	69.26
Bodies Corporate	1112840	4.06
FI/Banks	213531	0.78
Mutual Funds	250787	0.92
Foreign Portfolio Investors	1663294	6.07
Non-Resident Indians	144833	0.53
Individuals	4917085	17.94
Clearing Members	93624	0.34
Unclaimed Suspense A/c	0	0.00
Trust	100	0.00
IEPF	28876	0.11
TOTAL	27406715	100.00



Corporate Governance Report *(continued)*



7. Distribution Schedule as on March 31, 2019

Category	No. of Members	% of Total	Amount	% of Total
Upto 5000	17457	99.12	35685310	13.02
5001 - 10,000	76	0.43	5500870	2.01
10,001 - 20,000	38	0.22	4857930	1.77
20,001 - 3,000	13	0.07	3191800	1.16
30,001 - 40,000	5	0.03	1785050	0.65
40,001 - 50,000	2	0.01	867190	0.32
50,001 - 1,00,000	8	0.05	6132080	2.24
1,00,001 and above	13	0.07	216046920	78.83
Total	17612	100.00	274067150	100.00

8. Top ten shareholders of the Company (excluding promoters) as on March 31, 2019

Sr. No.	Name of Shareholder	No. of Shares
1.	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	1194423
2.	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND	275090
3.	C MACKERTICH PRIVATE LIMITED	262787
4.	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS MID	250787
5.	RAHUL MADHUSUDAN BHANGADIA	250000
6.	ICICI BANK LIMITED	204006
7.	SHAREKHAN LIMITED	170769
8.	SARASWATI COMMERCIAL (INDIA) LTD	118250
9.	KUBER INDIA FUND	100000
10.	GEOSPHERE INDIA FUND	93781

9. Dematerialization of Shares and Liquidity

The Company's shares are available for dematerialization with both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). About 99.89% of the paid-up equity share capital of the Company has been dematerialized as on March 31, 2019.

Description	No. of Shareholders	No. of shares	% of Equity
Physical	51	29567	0.11
CDSL	5792	1790276	6.53
NSDL	11769	25586872	93.36
Total	17612	27406715	100.00

10. Registrar and Share Transfer Agent

Company has appointed a Registrar and Share Transfer Agent to smoothen the share transfer process, any request for transfers, transmissions, duplicate share certificates, updation of folio records etc., can be made to our Registrar and Share Transfer Agent at following address:

Integrated Registry Management Services Private Limited

30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bengaluru – 560 003
Tel No. 080 - 23460815 – 818
Fax No. 080 – 23460819, E-mail ID: alfint@vsnl.com

*Note: Shareholders holding shares in electronic mode should address all correspondence to their respective **Depository Participants**.*

11. Hotels and Resorts Locations:

The Hotel Locations consisting of address and other contact details have been provided separately in this Annual Report and also available at www.royalorchidhotels.com

12. Address for Correspondence:

Dr. Ranabir Sanyal
Company Secretary & Compliance officer
Royal Orchid Hotels Limited
No. 1, Golf Avenue, Adjoining KGA Golf Course
Bengaluru – 560 008
Tel No. 080 - 41783000
Fax No. 080 - 2520 3366
E-mail ID: cosec@royalorchidhotels.com

13. The notice period of Chander K. Baljee, Managing Director is one year

Corporate Governance Report *(continued)*

Other Disclosures:

1. **Related Party Transactions:** Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

There were no other transactions of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc., that have potential conflict with the interests of the Company.

2. **Statutory compliances, penalties:** Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were neither any instance of non compliances nor have any penalties/strictures been imposed by any stock exchange or SEBI or any statutory authority or any other matter related to capital markets during the last three years.

3. **Vigil Mechanism and Whistle Blower Policy:** Establishment of Vigil Mechanism and Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

Royal Orchid Hotels Limited and its subsidiaries (collectively referred to as "the Company" or "ROHL") are committed to the highest standards of transparency, professionalism, honesty, integrity, ethical behaviour and accountability in conducting its business. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.

The Company has adopted a Whistle Blower Policy and has established the vigil mechanism in line with the Companies Act, 2013 and the LODR, for employees to report concerns about alleged wrongful conduct, including unethical behaviour, financial irregularities, sexual harassment, infringement and misuse of property. It also provides protection against victimization of employees who avail of the mechanism and also allows direct access to the Audit Committee. The policy is displayed on the intranet of the Company and it is also available on the website of the Company at www.royalorchidhotels.com/pdfs/Whistle-Blower-Policy.pdf.

4. **Compliance with mandatory and non-mandatory requirements under Chapter IV of LODR:**

The Company has disclosed all the mandatory requirements under Chapter IV of LODR and Schedules thereto.

5. **Disclosure on Policies for Determining Material Subsidiaries and Material Related Party Transactions**

The Board, in its meeting held on November 04, 2015, had reviewed and revised the Policy for Determining Material Subsidiary and

Policy for Determining Material Related Party Transactions; the same has been disclosed on weblink: www.royalorchidhotels.com/pdfs/Determining-Material-Subsidiary.pdf and www.royalorchidhotels.com/pdfs/Policy-Related-party-transaction.pdf.

6. **Compliance with Regulation 6 of the Listing Obligations and Disclosure Requirements (LODR):**

In compliance with the provisions of Regulation 6 of LODR, a separate designated e-mail ID, investors@royalorchidhotels.com operates as a dedicated ID solely for the purpose of registering investor grievances.

7. **Compliance Certificate of Corporate Governance:**

The Company has obtained a Certificate from the Company Secretary in whole-time Practice regarding compliances as stipulated in Clause 40 (9) of the Listing Obligations and Disclosure Requirements (LODR). The Certificate is appended as **Annexure – A.**

8. **Declaration on Compliance with Code of Conduct of the Company:**

Pursuant to Regulation 17 of the LODR, all Board Members and Senior Management personnel shall affirm Compliance with code on annual basis. Company has obtained a Certificate from the Managing Director regarding compliances as stipulated in Regulation 17 of the LODR. The Certificate is appended as **Annexure – B.**

9. **CEO/CFO Certification:**

Pursuant to Regulation 33 of the SEBI (LODR) Regulation 2015, Managing Director and the Chief Financial Officer of the Company shall certify to the Board the provisions stipulated herein. The Company has obtained a Certificate from the Managing Director and the CFO, appended as **Annexure – C.**

10. **Reconciliation of Share Capital Audit:**

As required under Regulations 55A of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Certificate issued by the Company Secretary in Whole-time Practice in regard to the same is submitted to BSE Limited and NSE Limited and is also placed before the Board of Directors in every quarter.

11. **Subsidiary**

The Company has 18 Indian Subsidiaries including 1 foreign subsidiary as on the year ended 31st March, 2019. One of the



Corporate Governance Report *(continued)*

Independent Directors of the Company is also on the Board of material Subsidiary i.e. Icon Hospitality Pvt Ltd.

12. Unclaimed Dividends:

Under the provisions of the Companies Act, 2013, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government along with interest and shares in respect of which unclaimed dividend has been transferred. The details of the unclaimed dividend along with the due date for transfer to Investor Education and Protection Fund is given hereunder:

Financial Year	Dividend declared (%)	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed Dividend amount (')	Due date for transfer to IEPF
2010-11	15%	05.09.2011	12.09.2018	1,45,239/-	10.10.2018**
2011-12	NIL	NA	NA	NA	NA
2012-13	NIL	NA	NA	NA	NA
2013-14	NIL	NA	NA	NA	NA
2014-15	NIL	NA	NA	NA	NA
2015-16	NIL	NA	NA	NA	NA
2016-17*	10%	18.02.2017	25.03.2024	97,946	25.03.2024
2017-18	15%	28.09.2018	02.11.2025	136,458	02.11.2025

* Interim Dividend for the financial year 2016-17 declared on 18.02.2017

** Transferred to IEPF

Shareholders who have not yet claimed the dividends as mentioned above are requested to contact the Secretarial Department (e-mail ID: cosec@royalorchidhotels.com) at the Registered Office of the Company.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company and also the details of shares liable for transfer in the name of IEPF Authority. The aforesaid details are put on the Company's website and can be accessed at: <http://www.royalorchidhotels.com/investors>. The Company has also uploaded details of shares liable for transfer in the name of IEPF Authority on the website of the Ministry of Corporate. (www.mca.gov.in)

13. The Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations.

AUDIT QUALIFICATION

The Company is in the regime of unqualified financial statement.

REPORTING OF INTERNAL AUDITOR

The Internal Audit is done by inhouse internal audit team who acts as per the directions of the Audit Committee.

Annexure – A

Certificate on Corporate Governance

To the Members of Royal Orchid Hotels Limited

I have examined the compliance of conditions of Corporate Governance by M/s. Royal Orchid Hotels Limited ("the Company") for the financial year ended March 31, 2019, as stipulated in the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the said Company with the Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru
Date : May 21, 2019

G. SHANKER PRASAD
Practicing Company Secretary
C. P. No. – 6450

Annexure – B

Declaration by the C. K. Baljee, Managing Director regarding Compliance with Code of Conduct

I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended on March 31, 2019.

Place : Bengaluru
Date : May 21, 2019

C. K. Baljee
Managing Director
DIN: 00081844

Corporate Governance Report *(continued)*

Annexure – C

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification (Pursuant to Regulation 17(8) and Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Board of Directors Royal Orchid Hotels Limited

We, Chander K Baljee, Managing Director and Mr. Amit Jaiswal, Chief Financial Officer, to the best of our knowledge and belief, certify that:

1. *We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:*
 - a. *These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;*
 - b. *These statements together present, a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations. .*
2. *There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or which violate the Company's code of conduct.*

3. *We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.*
4. *We have indicated to the auditors and the Audit committee*
 - i) *There are no significant changes in internal control over financial reporting during the year;*
 - ii) *There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and*
 - iii) *There are no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the company's internal control system over financial reporting.*

Place : Bengaluru
Date : May 21, 2019

Chander K Baljee **Amit Jaiswal**
Managing Director **Chief Financial Officer**
DIN:00081844



Independent Auditor's Report

To The Members of Royal Orchid Hotels Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Royal Orchid Hotels Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment of investment Impairment assessment carried out by Management for investment made in one of the subsidiaries of the Company viz. Ksheer Sagar Developers Private Limited due to recurring losses incurred by the subsidiary.	Principal Audit Procedures performed: <ul style="list-style-type: none"> Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which inter-alia includes the reasonableness

Key Audit Matter	Auditor's Response
<p>The Balance Sheet includes Investments of Rs. 3,756.05 lakhs, Loans (including interest accrued thereon) of Rs 687.19 lakhs and current financial assets of Rs. 152.51 lakhs (hereinafter collectively referred to as "Investments") in respect of this subsidiary.</p> <p>Impairment of Investments in the said subsidiary has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the exposure; and The assessment of the carrying value of the Investments as it involves exercising significant judgement in determining the fair value. 	<p>of input data considered, assumptions made in determining the fair value of the subsidiary;</p> <ul style="list-style-type: none"> Obtained the impairment assessment prepared by the Management and performed the following procedures: <ul style="list-style-type: none"> i. Conducted discussions with the Company/Subsidiary personnel to identify if factors which, in our professional judgement, should have been taken into account in the analysis, were considered. ii. Reviewed the source data used for determining the fair value of the subsidiary. iii. Verified if the fair valuation of the subsidiary considered for the assessment of impairment is as per that reviewed and approved by the Board of Directors of the Company and the subsidiary. iv. Assessed the competence, independence and objectivity of the management's expert involved in determining fair value. v. Consulted with valuation specialist to review key assumptions considered in the fair valuation.

Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Independent Auditor's Report *(continued)*

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity of the Company and cash flows in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are 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 SAs 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 these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, 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 financial 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 adequate internal financial controls system 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 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 standalone financial statements 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report *(continued)*

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
Partner
(Membership No.47840)

Bengaluru
May 29, 2019
MP/SS/MSK/2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Royal Orchid Hotels Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Independent Auditor's Report *(continued)*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
Partner
(Membership No.47840)

Bengaluru
May 29, 2019
MP/SS/MSK/2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to The Members of Royal Orchid Hotels Limited of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) In respect of freehold land where the Company has a share of undivided land jointly with other entities, according to the information and explanations given to us and based on the examination of registered sale deed provided to us, we report that the title deeds, comprising of such immovable property as at the balance sheet date, is held in the name of the Company.

In respect of immovable properties constructed on leased land and disclosed as property, plant and equipment in the financial statements, we report that the Company is the lessee in the lease deed based on confirmation received from the banker with whom the lease deed is pledged.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
 - (c) The schedule of repayment is not stipulated and in the absence of such schedule, we are unable to comment on the overdue amount, if any remaining outstanding as at the balance sheet date.
- (iv) The Company has not granted any loans that are covered under the provisions of section 185 of the Act and provisions of section 186 of the Act in respect to granting of loans, making investments and providing guarantees and securities are not applicable.



Independent Auditor's Report *(continued)*

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except in case of Tax Deducted at Source of Rs 17.39 lakhs which is unpaid on account of dispute with the party.
 - (c) Details of dues, which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in lakhs)
Income tax Act, 1961	Income Tax	Income Tax- Appellate Tribunal	Financial year 2008-09	227.46
			Financial year 2010-11	198.74

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has no borrowings from government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
Partner
(Membership No.47840)

Bengaluru
May 29, 2019
MP/SS/MSK/2019

Balance Sheet as at 31 March 2019

	Notes	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	3,277.25	3,426.34
(b) Capital Work in progress	3A	-	29.45
(c) Financial assets			
(i) Investments	4	16,563.86	16,558.40
(ii) Loans	5	2,538.36	2,204.57
(iii) Other non-current financial assets	6	2,441.66	2,275.17
(d) Deferred tax assets, net	7	300.91	466.11
(e) Other non-current assets	8	799.83	1,125.72
		25,921.87	26,085.76
Current assets			
(a) Inventories	9	137.87	128.43
(b) Financial assets			
(i) Trade receivables	10	902.73	1,007.65
(ii) Cash and cash equivalents	11	1,853.18	1,402.32
(iii) Bank balances other than cash and cash equivalents	12	322.34	2.47
(iv) Other financial assets	13	274.74	163.70
(c) Other current assets	14	496.41	484.22
		3,987.27	3,188.79
TOTAL ASSETS		29,909.14	29,274.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	2,740.67	2,730.12
(b) Other equity	16	19,596.25	18,758.52
		22,336.92	21,488.64
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	3,608.86	3,660.05
(ii) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		113.19	113.19
(iii) Other non-current financial liabilities	19	60.01	247.16
(b) Provisions	20	165.60	190.05
(c) Other non-current liabilities	21	129.91	173.06
		4,077.57	4,383.51



Balance Sheet as at 31 March 2019 *(continued)*

	Notes	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,214.97	2,077.45
(ii) Other financial liabilities	23	587.71	556.52
(b) Provisions	24	64.61	32.13
(c) Current tax liabilities, net	25	6.84	144.70
(d) Other current liabilities	26	620.52	591.60
		3,494.65	3,402.40
TOTAL EQUITY AND LIABILITIES		29,909.14	29,274.55

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

For and on behalf of the Board of Directors of

Royal Orchid Hotels Limited

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No. : F7814

Place : Bengaluru

Date : 29 May 2019

Place : Bengaluru

Date : 29 May 2019

Statement of Profit and Loss for the year ended 31 March 2019

	Notes	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
INCOME			
Revenue from operations	27	11,259.59	10,214.02
Other income	28	744.29	598.99
Total revenue		12,003.88	10,813.01
Expenses			
Food and beverages consumed	29	1,189.22	1,056.07
Employee benefits expense	30	2,280.49	2,115.67
Finance costs	31	451.69	524.11
Depreciation and amortisation	32	402.26	438.51
Other expenses	33	5,858.44	5,275.12
Total expenses		10,182.10	9,409.48
Profit before exceptional item and tax		1,821.78	1,403.53
Exceptional item	49	-	145.00
Profit before tax		1,821.78	1,548.53
Tax expense/(benefit)	34		
Current tax		549.00	487.00
Deferred tax credit		10.71	(36.10)
		559.71	450.90
Profit for the year		1,262.07	1,097.63
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement (losses)/gains in defined benefit plans		(6.31)	(0.08)
Income tax effect		1.84	0.02
		(4.47)	(0.06)
Other comprehensive income, net of tax		(4.47)	(0.06)
Total comprehensive income for the period		1,257.60	1,097.57
Earnings per equity share of ₹ 10 each	35		
Basic		4.59	4.03
Diluted		4.56	4.00

See accompanying notes to Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

For and on behalf of the Board of Directors of

Royal Orchid Hotels Limited

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No. : F7814

Place : Bengaluru

Date : 29 May 2019

Place : Bengaluru

Date : 29 May 2019



Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares	
	Number	Amount (₹ in lakhs)
As at 1 April 2017	27,233,965	2,723.40
Add: Issued and subscribed during the year	67,223	6.72
As at 31 March 2018	27,301,188	2,730.12
Add: Issued and subscribed during the year	105,527	10.55
As at 31 March 2019	27,406,715	2,740.67

B. Other equity

For the year ended 31 March 2019

(₹ in lakhs)

	Reserves and Surplus				Total
	Securities Premium Account	Share based payments Reserve	Retained Earnings	General Reserve	
Balance as at 31 March 2018	11,381.66	131.04	6,229.88	1,015.94	18,758.52
Profit for the year	-	-	1,262.07	-	1,262.07
Other comprehensive income/(loss), net of tax	-	-	(4.47)	-	(4.47)
Total Comprehensive Income	-	-	1,257.60	-	1,257.60
Final dividend at ₹ 1.50 per share	-	-	(410.86)	-	(410.86)
Dividend distribution tax on dividend	-	-	(84.46)	-	(84.46)
Issue of equity shares under ROHL ESOP Scheme, 2014	122.41	-	-	-	122.41
Recognition of share based payment	-	(46.96)	-	-	(46.96)
Balance as at 31 March 2019	11,504.07	84.08	6,992.16	1,015.94	19,596.25

For the year ended 31 March 2018

(₹ in lakhs)

	Reserves and Surplus				Total
	Securities Premium Account	Share based payments Reserve	Retained Earnings	General Reserve	
Balance as at 1 April 2017	11,306.84	82.46	5,132.31	1,015.94	17,537.55
Profit for the year	-	-	1,097.63	-	1,097.63
Other comprehensive income/(loss), net of tax	-	-	(0.06)	-	(0.06)
Total Comprehensive Income	-	-	1,097.57	-	1,097.57
Securities premium on shares allotted during the year	74.82	-	-	-	74.82
Recognition of share based payment	-	48.58	-	-	48.58
Balance as at 31 March 2018	11,381.66	131.04	6,229.88	1,015.94	18,758.52

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No. : F7814

Place : Bengaluru
Date : 29 May 2019

Place : Bengaluru
Date : 29 May 2019

Cash Flow Statement for the year ended 31 March 2019

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
A. Cash flow from operating activities		
Profit for the year	1,262.07	1,097.63
Adjustments for:		
Income tax expense recognised in profit or loss	559.71	450.90
Depreciation and amortisation	402.26	438.51
Loss on fixed assets sold /written off	25.75	12.28
Interest expense, net	424.97	500.57
Interest adjustment on account of present value	26.72	23.54
Provision for doubtful trade receivables	28.46	51.13
Unrealised exchange (gain)	(7.27)	(2.15)
Share based payments to employees	(4.62)	26.45
Interest income	(232.04)	(296.65)
Dividend income	(151.79)	(194.28)
Liability no longer required, written back	(128.23)	(25.95)
Guarantee commission	(45.76)	(52.99)
Operating profit before working capital changes	2,160.23	2,028.99
Changes in working capital:		
Increase in inventories	(9.44)	(10.76)
(Increase)/Decrease in trade receivables and unbilled revenue	15.54	(157.52)
(Increase)/Decrease in other current and non-current assets	75.75	(141.93)
Increase in provisions	1.72	50.09
Increase in trade payables	265.75	137.57
Increase/(Decrease) in other current and non-current liabilities	(254.38)	37.56
Cash generated from operations	2,255.17	1,944.00
Direct taxes paid (net)	263.42	180.03
Net cash generated from operating activities	1,991.75	1,763.97
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)	(170.21)	(232.75)
Proceeds from sale of fixed assets	-	0.87
Interest received	55.94	39.94
Amount received towards shares bought back by a subsidiary	-	41.29
Dividend income	151.79	194.28
Loans given to subsidiaries	(333.80)	(171.27)
Change in other bank balances	(470.22)	153.93
Net cash (used in)/generated from investing activities	(766.50)	26.29



Cash Flow Statement for the year ended 31 March 2019 *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
C. Cash flows from financing activities		
Interest paid	(425.30)	(521.61)
Proceeds from borrowings	3,900.00	18.00
Repayment of secured borrowings	(3,838.87)	(499.14)
Change in unclaimed dividend account	(1.45)	0.95
Proceeds from allotment of shares	85.19	54.24
Dividend paid	(409.50)	-
Dividend distribution tax on dividend	(84.46)	(7.85)
Net cash used in financing activities	(774.39)	(955.41)
Net increase in cash and cash equivalents (A+B+C)	450.86	834.85
Cash and cash equivalents at the beginning of the year	1,402.32	567.47
Cash and cash equivalents at the end of the year (Note 11)	1,853.18	1,402.32

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place : Bengaluru
Date : 29 May 2019

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee
Managing Director
DIN: 00081844

Amit Jaiswal
Chief Financial Officer

Place : Bengaluru
Date : 29 May 2019

Sunita Baljee
Director
DIN: 00080737

Dr. Ranabir Sanyal
Company Secretary &
Compliance Officer
Mem. No. : F7814

Notes to the financial statements

1 Corporate Information

Royal Orchid Hotels Limited ('the Company') is a public company and is domiciled in India. The Company was incorporated in 1986. The shares of the Company are listed on Bombay and National stock exchange in India. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, through its portfolio of hotel properties across the country.

2 Summary of significant accounting policies

a) Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and issued thereafter.

b) Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing account standard required a change to the accounting policy hitherto to in use.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

c) Use of estimates

The preparation of the standalone financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of standalone financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.



Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

c) Use of estimates (cont'd)

Impairment of investments

The Company reviews its carrying value of investments carried at cost or amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Litigation

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

Income taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

d) Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method wherein the standard is applied on contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the Statement of Profit and Loss has not been restated. There was no impact on adoption of Ind AS 115 to the financial statements of the Company.

Performance obligation in contract with customers is met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from operations

Revenues comprise income from the sale of room nights, food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividend income is recognized when the Company's right to receive the amount is established

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

e) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Company is generally liable for specified contributions to a separate entity and has no obligation to pay any further amounts. The Company's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Defined benefit plan

Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Company transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Company has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Leasehold building (including improvements) is amortised on a straight-line basis over the period of the lease.



Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

f) Property, plant and equipment (cont'd)

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

The Company has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

g) Intangible assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use.

Intangible assets are amortised over a period of three years.

h) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

i) Foreign currency translations

The functional currency of the Company is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

i) Foreign currency translations (cont'd)

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

j) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

k) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value.

Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

l) Government grants

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the period in which the associated obligations are fulfilled.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

m) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.



Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

m) Income taxes (cont'd)

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Company will pay normal income tax during the specified period.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expense as per Effective Interest Rate (EIR) and other costs that an entity incurs in connection with the borrowing of funds.

o) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

p) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

q) Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

r) Exceptional items

The Company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments / operations, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

s) Share based payments

The Company has equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged in the business of operating and managing hotels/ resorts and providing related services, which constitutes its single reportable segment.

u) Financial Instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Debt Instruments – The Company classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(a) Financial assets at amortised cost -

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(b) Financial assets at fair value through Other Comprehensive Income (FVOCI) -

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(c) Financial assets at fair value through profit or loss (FVTPL) -

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.



Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

u) Financial instruments (cont'd)

• **Equity Instruments** - The Company subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Company has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

At the date of transition to Ind AS, the Company has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Company recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies (cont'd)

u) Financial instruments (cont'd)

v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs with two decimals as per the requirement of Schedule III, unless otherwise stated.

w) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Company has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual reporting periods beginning April 1, 2019. The Company proposes to use the simplified approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Company will be using certain practical expedients that are available. Currently the operating lease expenses are charged to the statement of Profit and Loss.

The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 12, Income Taxes

- a) On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

- b) On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments, which is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 19, Employee Benefits :

On March 30, 2019, MCA has issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

This amendment requires an entity to:

- (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of application of the new standard on the financial statements.



Notes to the financial statements *(continued)*

3. Property, plant and equipment

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Carrying amounts of:		
Land (Freehold)	24.30	24.30
Leasehold buildings (including improvements)	1,817.11	1,871.84
Plant and equipments	639.74	729.90
Furniture and fixtures	689.40	691.28
Vehicles	74.23	86.50
Office equipments	10.41	9.53
Computer equipments	22.06	12.99
	3,277.25	3,426.34

Cost or deemed cost:

(₹ in lakhs)

Particulars	Land (Freehold)	Leasehold buildings (including improvements)	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block								
Balance as at 01 April 2017	24.30	3,391.62	2,438.36	2,628.79	367.74	178.00	246.31	9,275.12
Additions	-	2.14	23.93	9.68	19.48	2.34	8.37	65.94
Disposals/written off	-	-	20.43	3.00	-	2.57	4.90	30.90
Balance as at 31 March 2018	24.30	3,393.76	2,441.86	2,635.47	387.22	177.77	249.78	9,310.16
Additions	-	48.55	79.54	130.85	3.50	6.01	10.47	278.92
Disposals/written off	-	-	76.41	6.53	-	-	1.42	84.36
Balance as at 31 Mar 2019	24.30	3,442.31	2,444.99	2,759.79	390.72	183.78	258.83	9,504.72
Accumulated depreciation								
Balance as at 01 April 2017	-	1,397.71	1,565.10	1,819.81	286.12	164.98	229.34	5,463.06
Charge for the year	-	124.21	158.77	127.38	14.60	5.81	7.74	438.51
Reversal on disposal/written off	-	-	11.91	3.00	-	2.55	0.29	17.75
Balance as at 31 March 2018	-	1,521.92	1,711.96	1,944.19	300.72	168.24	236.79	5,883.82
Charge for the year	-	103.28	138.75	131.31	15.77	5.13	8.02	402.26
Reversal on disposal/written off	-	-	45.46	5.11	-	-	8.04	58.61
Balance as at 31 March 2019	-	1,625.20	1,805.25	2,070.39	316.49	173.37	236.77	6,227.47
Net block								
Balance as at 31 March 2018	24.30	1,871.84	729.90	691.28	86.50	9.53	12.99	3,426.34
Balance as at 31 March 2019	24.30	1,817.11	639.74	689.40	74.23	10.41	22.06	3,277.25

Note

- Land (freehold) includes ₹ 24.30 lakhs representing the Company's share of undivided land jointly owned with its subsidiaries viz, Royal Orchid Jaipur Private Limited and Royal Orchid South Private Limited and other entities.
- Unless otherwise stated all assets are owned by the Company and none of the assets are given on lease.
- Certain Property, plant and equipment are pledged against secured borrowings, the details relating to which have been described in Note 17 pertaining to Borrowings.

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
3A Capital work-in-progress	-	29.45

Notes to the financial statements *(continued)*

4 Investments

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Investment carried at cost (unquoted)		
A Equity shares of Subsidiary Companies		
Icon Hospitality Private Limited (970,537 (31 March 2018 – 970,537) equity shares of ₹100 each)	2,794.97	2,794.97
Royal Orchid Jaipur Private Limited (1,237,500 (31 March 2018 – 1,237,500) equity shares of ₹10 each)	123.75	123.75
AB Holdings Private Limited (250,000 (31 March 2018 – 250,000) equity shares of ₹10 each)	25.00	25.00
Maruti Comforts & Inn Private Limited (407,636 (31 March 2018 – 407,636) equity shares of ₹100 each)	1,144.39	1,144.39
Multi Hotels Limited (30 (31 March 2018 – 30) equity shares of Tanzanian Shillings 1,000 each)	740.60	740.60
Royal Orchid Maharashtra Private Limited (5,000 (31 March 2018 – 5000) equity shares of ₹100 each)	5.00	5.00
River Shore Developers Private Limited (47,798,100 (31 March 2018 - 47,798,100) equity shares of ₹10 each)	4,066.75	4,066.75
Cosmos Premises Private Limited (202,381 (31 March 2018 – 202,381) equity shares of ₹10 each)	1,700.00	1,700.00
Royal Orchid Hyderabad Private Limited (17,60,200 (31 March 2018 - 17,60,200 ; 01 April 2016 - 17,60,200) equity shares of ₹10 each)	-	-
Royal Orchid South Private Limited (900,000 (31 March 2018 -900,000) equity shares of ₹ 10 each)	-	-
Royal Orchid Shimla Private Limited (5,000 (31 March 2018 - 5,000) equity shares of ₹ 100 each)	-	-
Royal Orchid Goa Private Limited (5,000(31 March 2018 - 5,000) equity shares of ₹ 100 each)	-	-
Royal Orchid Mumbai Private Limited (5,000(31 March 2018 - 5,000) equity shares of ₹ 10 each)	-	-
Rajkamal Buildcon Private Limited (5,000 (31 March 2018 – 5,000) equity shares of ₹ 10 each)	528.20	528.20
Ksheer Sagar Buildcon Private Limited (5,000 (31 March 2018 – 5,000) equity shares of ₹ 10 each)	528.20	528.20
J H Builders Private Limited (5,000 (31 March 2018 – 5,000) equity shares of ₹ 10 each)	528.20	528.20
Ksheer Sagar Developers Private Limited (30,000,000 (31 March 2018 – 30,000,000) equity shares of ₹ 10 each)	3,527.70	3,527.70
B Compulsorily Convertible Debentures of Subsidiary Companies*		
Icon Hospitality Private Limited (301,490 (31 March 2018 - 301,490) 18%, Unsecured, Compulsorily Convertible Debentures of ₹ 100 each)	301.49	301.49
Maruti Comforts & Inn Private Limited (106,650 (31 March 2018 - 106,650) 18%, Unsecured, Compulsorily Convertible Debentures of ₹ 100 each)	106.65	106.65
<i>*entirely equity in nature</i>		



Notes to the financial statements *(continued)*

4 Investments (cont'd)

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
C Deemed investment on account of grant of ESOP to employees of subsidiaries		
Royal Orchid Associated Hotels Private Limited	60.33	55.88
Icon Hospitality Private Limited	11.60	10.59
Maruti Comforts & Inn Private Limited	10.88	10.88
Royal Orchid Jaipur Private Limited	2.06	2.06
Ksheer Sagar Developers Private Limited	11.40	11.40
Cosmos Premises Private Limited	12.35	12.35
D Deemed investment on account of commission on corporate guarantee provided on behalf of subsidiaries		
Icon Hospitality Private Limited	115.14	115.14
Ksheer Sagar Developers Private Limited	216.95	216.95
E Government securities		
National savings certificate	2.25	2.25
	16,563.86	16,558.40

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
5 Loans		
(Unsecured, considered good)		
Loans to subsidiaries (refer note 36 (ii))	2,538.36	2,204.57
	2,538.36	2,204.57

6 Other financial assets		
(Unsecured, considered good)		
Security deposits		
for hotel properties	362.31	410.96
for others	827.87	802.05
Dues from other parties	63.13	36.48
Balances with banks under lien	-	-
for hotel properties	130.00	130.00
for term loan (refer note 17 1(ii))	150.35	-
Interest accrued (refer note 36(ii))	908.00	813.90
Others	-	81.78
	2,441.66	2,275.17
Unsecured, considered doubtful		
Security deposit for others	12.00	12.00
Other advances	35.85	35.85
	47.85	47.85
Less: Allowance for doubtful advances/deposits	(47.85)	(47.85)
	2,441.66	2,275.17

7 Deferred tax assets, net		
Deferred tax assets	431.47	568.34
Deferred tax liabilities	(130.56)	(102.23)
Net deferred tax (liabilities) / assets	300.91	466.11

Notes to the financial statements *(continued)*

Significant components of deferred tax asset / (liability) for the year ended March 31, 2019 are as follows : (₹ in lakhs)

	Opening Balance	Statement of profit or loss	Recognised in other comprehensive income	MAT credit utilised	Closing Balance
(i) Difference between written down value of fixed assets as per books of account and Income Tax Act, 1961.	(102.03)	(5.38)	-	-	(107.41)
(ii) Provision for doubtful receivables and advances	86.11	(14.89)	-	-	71.22
(iii) Re-measurement of defined benefit liability	87.13	(5.37)	1.84	-	83.60
(iv) Disallowance under 40(a)(ia)	-	35.82	-	-	35.82
(v) Valuation of loan under effective interest rate	(0.21)	(22.94)	-	-	(23.15)
(vi) Minimum Alternate Tax (MAT) credit	314.15	-	-	(156.33)	157.82
(vii) Measurement of security deposits at fair value	80.96	2.05	-	-	83.01
Total	466.11	(10.71)	1.84	(156.33)	300.91

Significant components of deferred tax asset / (liability) for the year ended March 31, 2018 are as follows : (₹ in lakhs)

	Opening Balance	Statement of profit or loss	Recognised in other comprehensive income	MAT credit utilised	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(122.34)	20.31	-	-	(102.03)
(ii) Provision for doubtful receivables and advances	80.86	5.25	-	-	86.11
(iii) Re-measurement of defined benefit liability	79.27	7.84	0.02	-	87.13
(iv) Valuation of loan under effective interest rate	(11.92)	11.71	-	-	(0.21)
(v) Minimum Alternate Tax (MAT) credit	476.42	-	-	(162.27)	314.15
(vi) Measurement of security deposits at fair value	89.97	(9.01)	-	-	80.96
Total	592.26	36.10	0.02	(162.27)	466.11

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
8 Other non-current assets		
Balances with Government authorities (Goods and Services Tax)	7.56	0.41
Advance tax, net of provision ₹ 5,539.14 lakhs (as at 31 March 2018: ₹ 4,829.75 lakhs)	299.76	574.69
Capital advances	46.62	126.74
Dues from related parties (refer note 36 (ii))	13.34	24.95
Unamortized portion of security deposit	432.55	398.93
	799.83	1,125.72
9 Inventories		
(At lower of cost or net realisable value)		
Food and beverages	112.89	96.24
Stores and spares	24.98	32.19
	137.87	128.43

Note:

- The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 1,189.22 lakhs (for the year ended March 31, 2018: ₹ 1,056.07 lakhs).
- The mode of valuation of inventories has been stated in note 2 (k).



Notes to the financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
10 Trade receivables		
Unsecured		
- considered good	902.73	1,007.65
- having significant increase in credit risk	-	-
- Credit impaired	196.72	168.26
	1,099.45	1,175.91
Less: Allowance for credit impaired	(196.72)	(168.26)
	902.73	1,007.65
Note:		
No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.		
Trade receivable are non interest bearing and are generally on terms of 30-90 days from the date of invoice.		
11 Cash and cash equivalents		
Balances with banks		
- in current accounts	1,028.44	772.11
- in deposit accounts (with maturity upto 3 months)	793.69	614.40
Cash on hand	31.05	15.81
	1,853.18	1,402.32
12 Bank balances other than cash and cash equivalents		
Balances with banks		
- in deposit accounts earmarked for margin money for bank guarantee	320.00	-
- Unpaid dividend account	2.34	2.47
	322.34	2.47
13 Other financial assets		
Interest accrued on deposits	43.52	5.18
Interest accrued on receivables (refer note 36(ii))	38.88	32.91
Unbilled revenue	173.70	112.78
Others	18.64	12.83
	274.74	163.70
14 Other current assets		
(Unsecured, considered good)		
Advances to suppliers	281.10	284.68
Advances to employees	30.88	32.69
Prepaid expenses	184.43	166.85
	496.41	484.22

Notes to the financial statements *(continued)*

	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
15 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	50,000,000	5,000.00	50,000,000	5,000.00
	50,000,000	5,000.00	50,000,000	5,000.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	27,406,715	2,740.67	27,301,188	2,730.12
	27,406,715	2,740.67	27,301,188	2,730.12
	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
a) Reconciliation of equity share capital				
Balance at the beginning of the year	27,301,188	2,730.12	27,233,965	2,723.40
Add : Issued during the year under ESOP plan (refer note 45)	105,527	10.55	67,223	6.72
Balance at the end of the year	27,406,715	2,740.67	27,301,188	2,730.12
	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares
b) Shareholders holding more than 5% of the shares of the Company				
Equity shares of ₹ 10 each				
Mr. Chander K. Baljee	12,001,060	43.79%	12,001,060	43.96%
Baljees Hotels and Real Estates Private Limited	5,714,689	20.85%	5,714,689	20.93%
	17,715,749	64.64%	17,715,749	64.89%

c) Terms and rights attached to equity shares

The Company has one class of equity shares having a face value of ₹ 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2019. Further, the Company has not issued any shares without payment being received in cash.

e) Shares reserved for issue under options granted under the Company's Employee Stock Option Scheme, 2014 (refer note 45)

Particulars	As at 31 March 2019	As at 31 March 2018
	Number	Number
Ordinary Shares of ₹ 10 each	1,118,698	1,294,475



Notes to the financial statements *(continued)*

16 Other equity

For the year ended 31 March 2019

(₹ in lakhs)

	Reserves and Surplus				Total
	Securities Premium	Share based payments Reserve	Retained Earnings	General Reserve	
Balance as at 31 March 2018	11,381.66	131.04	6,229.88	1,015.94	18,758.52
Profit for the year	-	-	1,262.07	-	1,262.07
Other comprehensive income/(loss), net of tax					
DBO Re-measurement	-	-	(4.47)	-	(4.47)
Total Comprehensive Income	-	-	1,257.60	-	1,257.60
Final dividend at ₹ 1.50 per share	-	-	(410.86)	-	(410.86)
Dividend distribution tax on dividend	-	-	(84.46)	-	(84.46)
Issue of equity shares under ROHL ESOP Scheme	122.41	-	-	-	122.41
Recognition of share based payment	-	(46.96)	-	-	(46.96)
Balance as at 31 March 2019	11,504.07	84.08	6,992.16	1,015.94	19,596.25

For the year ended 31 March 2018

(₹ in lakhs)

	Reserves and Surplus				Total
	Securities Premium	Share based payments Reserve	Retained Earnings	General Reserve	
Balance as at 1 April 2017	11,306.84	82.46	5,132.31	1,015.94	17,537.55
Profit for the year	-	-	1,097.63	-	1,097.63
Other comprehensive income/(loss), net of tax					
DBO Re-measurement	-	-	(0.06)	-	(0.06)
Total comprehensive income	-	-	1,097.57	-	1,097.57
Issue of equity shares under ROHL ESOP Scheme	74.82	-	-	-	74.82
Recognition of share based payment	-	48.58	-	-	48.58
Balance as at 31 March 2018	11,381.66	131.04	6,229.88	1,015.94	18,758.52

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
17 Borrowings		
Secured		
Term loans		
From a bank (refer note (i) below)	3,716.75	-
From a financial institution (refer note (ii) below)	-	3,635.29
Vehicle loans from banks (refer note (iii) below)	22.80	43.13
	3,739.55	3,678.42
Less: Current maturities of long-term debt (refer note (iv) below)	235.69	123.37
	3,503.86	3,555.05
Unsecured (refer note (v) below)		
From related parties (refer note 36 (ii))	105.00	105.00
	3,608.86	3,660.05

* There are no amounts received from the directors during the year.

Notes to the financial statements *(continued)*

Notes:

I) Details of terms of repayment, guarantee and security for term loans from banks

- (i) The Company has availed Indian Rupee term loan (RTL) from ICICI Bank Limited of ₹ 3,900 lakhs towards repayment of existing loan from Tourism Finance Corporation of India Limited (TFCIL) including related transaction expenses.

The loan is secured by exclusive charge by way of equitable mortgage of leasehold rights of the land and equitable mortgage of building of Hotel Royal Orchid Regenta, Bangalore. The loan is further secured by exclusive charge by way of hypothecation of all the moveable fixed assets and current assets of the Company. Also, the loan is secured by lien on fixed deposit held with a bank of ₹ 150.35 lakhs as Debt Service Reserve. Additionally, the loan is secured by an irrevocable and unconditional personal guarantee of Mr. Chander K Baljee, Managing Director.

The term loan is repayable in 44 quarterly instalments commencing from 10 October 2018, which ranges from 1.33% - 3.22% of the loan amount and bearing annual interest rate of MCLR-1Y plus spread of 1.8%. Balance as on March 31, 2019 ₹ 3716.75 lakhs (as on March 31, 2018: ₹ Nil)

- (ii) The Company had availed an Indian Rupee term loan from Tourism Finance Corporation of India Limited (TFCIL) for ₹ 5,000 lakhs during December 2014 towards repayment of existing term loans availed from banks/financial institution and for renovation of Hotel Royal Orchid Regenta, Bangalore ('the hotel building').

The loan was secured by exclusive first charge on all the fixed assets of the hotel and mortgage of leasehold rights of land alongwith the hotel building, both present and future. Further, the loan was secured by a first charge by way of hypothecation of all the movables pertaining to the hotel. Additionally, the loan was secured by a personal guarantee of Mr. Chander K. Baljee, Managing Director.

The term loan was repayable in 36 quarterly instalments commencing from 15 October 2015, which ranging from ₹ 125 lakhs - ₹ 155 lakhs and bearing annual interest rate at TFCIL Base Rate plus 1.25% i.e. 11.80% (31 March 2018: TFCIL Base Rate 10.55% plus 1.25% i.e. 11.80%). The balance loan outstanding of ₹ 3,635.29 lakhs was repaid on April 13, 2018.

- (iii) Vehicle loans are secured by hypothecation of the vehicles concerned and bear interest rate of 10% - 12% p.a. The aforesaid vehicle loans are repayable in monthly installments, commencing from September 2014 till November 2020.
- (iv) The current portion of the long-term loans where instalments are due within one year have been classified as "current maturities of long-term debt" under other financial liabilities. (refer note 23)
- (v) The unsecured loans are repayable in April 2020 and bear an interest rate of 18% per annum.

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
18 Trade Payables (non-current)		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	113.19	113.19
	113.19	113.19
19 Other non-current financial liabilities		
Interest accrued but not due on borrowings (refer note 36(ii))	30.01	19.22
Security deposits received (refer note 36(ii))	30.00	30.00
Payable towards investment in a subsidiary	-	197.94
	60.01	247.16
20 Long-term provisions		
Employee benefits		
Gratuity (refer note 37(b))	137.81	145.47
Compensated absences (refer note 37(c))	27.79	44.58
	165.60	190.05



Notes to the financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
21 Other non-current liabilities		
Uncharged guarantee commission	129.91	173.06
	129.91	173.06
22 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 (refer note (i) below)	2,214.97	2,077.45
	2,214.97	2,077.45
Note : Based on the information available with the Company, there are no outstanding dues in respect of Micro and Small enterprises at the Balance Sheet date. The above disclosure has been determined to the extent such parties have been identified on the basis of information available to the Company. This has been relied upon by the auditors.		
23 Other financial liabilities		
Current maturities of long-term debt (refer note 17)	235.69	123.37
Interest accrued and not due on borrowings	1.05	19.99
Unclaimed dividends (refer note (a) below)	2.34	2.43
Payables on purchase of fixed assets (including retention money payable)	28.73	29.59
Payable towards investment in a subsidiary	224.66	-
Book overdraft	12.64	40.96
Dues to related parties (refer note 36(ii))	70.10	180.49
Others	12.50	159.69
	587.71	556.52
Note:		
(a) The Company has transferred an amount of ₹ 1.43 lakhs (as at 31 March, 2018 : ₹ Nil) to Investor Education and Protection Fund during the year.		
24 Short-term provisions		
Employee benefits		
Gratuity (refer note 37(b))	47.27	15.82
Compensated absences (refer note 37(c))	17.34	16.31
	64.61	32.13
25 Current tax liabilities (net)		
Provision for taxes, net of advance taxes ₹ 544.08 lakhs (as at 31 March 2018: ₹ 342.30 lakhs)	6.84	144.70
	6.84	144.70
26 Other current liabilities		
Statutory dues	253.65	175.80
Advance received from customers	322.79	369.11
Uncharged guarantee commission	44.08	46.69
	620.52	591.60

Notes to the financial statements *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
27 Revenue from operations		
From sale of services at hotels		
- Room nights	6,614.24	6,388.45
- Food and beverages	3,672.65	3,155.56
- Other services	282.25	263.15
From hotel management and consultancy services (refer note 36 (i))	690.45	406.86
	11,259.59	10,214.02
28 Other income		
Interest income		
- from bank deposits	81.61	18.41
- from income tax refund	12.68	-
- on management fee (refer note 36 (i))	5.97	7.17
Interest on Compulsorily Convertible Debentures		
- from subsidiaries (refer note 36 (i))	104.56	242.80
Dividend income from a subsidiary (refer note 36(i))	151.79	194.28
Interest income earned on Financial Assets that are not designated at fair value through Profit or Loss (refer note (i) below)	27.23	28.27
Commission on corporate guarantees provided to subsidiaries	45.76	52.99
Liabilities no longer required, written back	128.23	25.95
Net gain on foreign currency transactions and translations	45.15	4.00
Reimbursement of expenses - Government assistance	94.45	-
Miscellaneous	46.86	25.12
	744.29	598.99
Note:		
(i) Pertains to interest income earned on account of discounting of the rental deposits.		
29 Food and beverages consumed		
Opening stock	96.24	90.78
Add : Purchases during the year	1,205.87	1,061.53
	1,302.11	1,152.31
Less : Closing stock	112.89	96.24
	1,189.22	1,056.07
30 Employee benefits expense		
Salaries and bonus (includes Share based payments to employees ₹ (4.62) lakhs (for the year ended March 31, 2018: ₹ 26.45 lakhs))	1,948.04	1,806.10
Contribution to provident fund (refer note 37(a))	86.27	84.26
Gratuity (refer note 37(b))	43.75	48.59
Staff welfare expenses	202.43	176.72
	2,280.49	2,115.67
31 Finance costs		
Interest expenses		
- on a term loan	393.76	476.34
- on present value accounting of liability towards investment in a subsidiary	26.72	23.54
- on unsecured loans (refer note 36 (i))	18.90	18.90
- on vehicle loans	3.46	4.73
- on delay in payment of statutory remittances (Income tax)	8.85	0.60
	451.69	524.11



Notes to the financial statements *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
32 Depreciation and amortisation		
Depreciation (refer note 3)	402.26	438.51
	402.26	438.51
33 Other expenses		
Guest transportation	112.82	98.64
Linen and room supplies	192.15	173.37
Catering and other kitchen supplies	71.25	68.09
Cablenet charges	21.37	31.61
Uniform washing and laundry	150.14	141.26
Music and entertainment	29.63	20.12
Banquet expenses	503.84	440.36
Power, fuel and water	1,154.97	1,002.40
Garden, landscaping and decoration	44.25	33.86
Security charges	112.88	96.48
Communication	87.13	91.92
Printing and stationery	67.96	61.56
Subscription charges	31.67	36.75
Rent	1,306.43	1,156.70
Repairs and maintenance		
- Buildings	79.60	39.85
- Plant and equipment	135.20	127.82
- Others	150.28	130.99
Insurance	32.07	37.81
Commission and brokerage	468.91	532.67
Rates and taxes	322.92	253.16
Legal and professional	249.28	273.53
Travelling and conveyance	100.04	75.36
Advertisement and business promotion	112.49	123.11
Allowance for doubtful debts (expected credit loss allowance)	28.46	51.13
Bad receivables written off	-	79.58
Less: Write back of provision for doubtful receivables	-	(79.58)
	-	-
Directors' sitting fees and commission	42.78	17.79
Royalty	22.10	39.56
Bank charges	55.50	45.13
Loss on fixed assets sold /written off	25.75	12.28
Expenditure on Corporate Social Responsibility (CSR) (refer note 46)	21.98	21.13
Advances written off	30.01	-
Miscellaneous	94.58	40.68
	5,858.44	5,275.12

Notes to the financial statements *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
34 Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	549.00	487.00
Total current tax	549.00	487.00
Deferred tax		
Deferred tax for the year	10.71	(36.10)
Total deferred tax	10.71	(36.10)
Total	559.71	450.90
B. Amount recognised in other comprehensive income		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
Deferred tax		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	1.84	0.02
Total	1.84	0.02
C. Reconciliation of effective tax rate		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	1,821.78	1,548.53
Income tax expense calculated at 29.12% (2018 - 34.61%)	530.50	535.91
Effect of:		
Income that is exempt from taxation	44.20	67.24
Non-deductible in determining taxable profit	14.99	1.56
Changes in enacted tax rate relevant for deferred tax	-	19.33
	559.71	450.90
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax recognised in profit or loss	559.71	450.90

The tax rate used for the financial year 2017-18 and 2018-19 reconciliations above is the corporate tax rate of 34.61% (30%+ Surcharge at 12% and Education cess at 3%) and 29.12% (25%+ Surcharge at 12% and Cess at 4%) respectively, payable on taxable profits under the Income-tax Act, 1961.

35 Earnings per share

Basic		
Weighted average number of shares outstanding	27,371,812	27,248,715
Net profit after tax attributable to equity shareholders in ₹ lakhs	1,257.60	1,097.57
Basic earnings per share in ₹	4.59	4.03
Nominal value per equity share in ₹	10	10
Diluted		
Weighted average number of shares outstanding	27,601,678	27,406,618
Net profit after tax attributable to equity shareholders in ₹ lakhs	1,257.60	1,097.57
Diluted earnings per share in ₹	4.56	4.00
Nominal value per equity share in ₹	10	10



Notes to the financial statements *(continued)*

36 Related party transactions

i. Parties where control exists

Name of party	Nature of relationship
Icon Hospitality Private Limited	Subsidiary
Cosmos Premises Private Limited	Subsidiary
Maruti Comforts & Inn Private Limited	Subsidiary
River Shore Developers Private Limited	Subsidiary
Royal Orchid Hyderabad Private Limited	Subsidiary
Royal Orchid Jaipur Private Limited	Subsidiary
AB Holdings Private Limited	Subsidiary
Royal Orchid Associated Hotels Private Limited*	Subsidiary (<i>subsidiary of AB Holdings Private Limited</i>)
Royal Orchid South Private Limited	Subsidiary
Royal Orchid Shimla Private Limited	Subsidiary
Royal Orchid Goa Private Limited	Subsidiary
Royal Orchid Mumbai Private Limited	Subsidiary
Royal Orchid Maharashtra Private Limited	Subsidiary
Multi Hotels Limited	Subsidiary
Ksheer Sagar Developers Private Limited	Subsidiary
J.H. Builders Private Limited	Subsidiary
Raj Kamal Buildcon Private Limited	Subsidiary
Ksheer Sagar Buildcon Private Limited	Subsidiary
Mr. Chander K. Baljee	Managing Director and Key Management Personnel

* Formerly Royal Orchid East Private Limited

ii. Key Management Personnel (KMP)

Mr. Chander K. Baljee	Managing Director
-----------------------	-------------------

iii. Relatives of key management personnel

Mrs. Sunita Baljee	Director
Mr Sunil Sikka	Director

iv. Entities controlled by KMP

Baljees Hotels and Real Estate Private Limited
Hotel Staylonger Private Limited

v. Entities significantly influenced by KMP

Presidency College of Hotel Management
--

Notes to the financial statements *(continued)*

36 Related party transactions (cont'd)

i. Transactions with related parties during the year

₹ in lakhs

Nature of Transaction	Subsidiary		Key Management Personnel		Entities controlled by KMP	
	2019	2018	2019	2018	2019	2018
Management and technical fee income (excluding tax)						
Ksheer Sagar Developers Private Limited	106.48	114.11	-	-	-	-
Consultancy charges						
Royal Orchid Associated Hotels Private Limited	508.97	290.23	-	-	-	-
Cosmos Premises Private Limited	60.00	2.52	-	-	-	-
Dividend income						
Cosmos Premises Private Limited	151.79	194.28	-	-	-	-
Interest income						
Icon Hospitality Private Limited	54.27	54.27	-	-	-	-
Maruti Comforts & Inn Private Limited	19.20	19.20	-	-	-	-
River Shore Developers Private Limited	31.09	169.33	-	-	-	-
Ksheer Sagar Developers Private Limited	5.97	7.17	-	-	-	-
Interest expense						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	14.40	14.40
Mr. Chander K. Baljee	-	-	4.50	4.50	-	-
Loans granted / (Repayment received)						
Multi Hotels Limited (including gain/loss on foreign currency translation)	173.81	54.09	-	-	-	-
Ksheer Sagar Developers Private Limited	100.00	-	-	-	-	-
AB Holdings Private Limited	0.21	0.04	-	-	-	-
Royal Orchid Maharashtra Private Limited	0.10	3.22	-	-	-	-
River Shore Developers Private Limited	59.68	113.92	-	-	-	-
Remuneration (refer note (i))						
Mr. Chander K. Baljee	-	-	208.65	210.03	-	-
Directors' commission and sitting fees						
Sunita Baljee	-	-	6.80	2.10	-	-
Sunil Sikka	-	-	7.02	1.55	-	-
Rental expense						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	240.00	240.00
Hotel Staylonger Private Limited	-	-	-	-	60.00	60.00



Notes to the financial statements *(continued)*

36 Related party transactions (cont'd)

ii. Balances (payable to)/receivable from related parties is summarised below:

₹ in lakhs

Nature of transaction	Subsidiary		Key Management Personnel		Entities controlled by KMP	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Loans						
AB Holdings Private Limited	281.55	281.34	-	-	-	-
Multi Hotels Limited	886.99	713.19	-	-	-	-
Royal Orchid Maharashtra Private Limited	254.16	254.06	-	-	-	-
Royal Orchid Associated Hotels Private Limited	224.08	224.08	-	-	-	-
River Shore Developers Private Limited	210.02	150.35	-	-	-	-
Ksheer Sagar Developers Private Limited	636.84	536.84	-	-	-	-
J.H. Builders Private Limited	15.34	15.34	-	-	-	-
Raj Kamal Buildcon Private Limited	14.70	14.70	-	-	-	-
Ksheer Sagar Buildcon Private Limited	14.68	14.68	-	-	-	-
Trade Receivable						
Ksheer Sagar Developers Private Limited	108.58	55.87	-	-	-	-
Royal Orchid Associated Hotels Private Limited	371.18	338.29	-	-	-	-
Borrowings (Unsecured)						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	80.00	80.00
Mr. Chander K. Baljee	-	-	25.00	25.00	-	-
Dues from related parties						
Icon Hospitality Private Limited	-	3.82	-	-	-	-
Maruti Comforts & Inn Private Limited	-	6.66	-	-	-	-
Ksheer Sagar Developers Private Limited	5.05	3.62	-	-	-	-
Royal Orchid Mumbai Private Limited	-	0.66	-	-	-	-
Royal Orchid Goa Private Limited	-	0.53	-	-	-	-
Royal Orchid Hyderabad Private Limited	-	1.97	-	-	-	-
Royal Orchid Shimla Private Limited	-	0.45	-	-	-	-
Royal Orchid South Private Limited	8.29	7.24	-	-	-	-
Dues to related parties						
Icon Hospitality Private Limited	4.94	-	-	-	-	-
Maruti Comforts & Inn Private Limited	3.34	-	-	-	-	-
Royal Orchid Jaipur Private Limited	14.95	16.04	-	-	-	-
Cosmos Premises Private Limited	46.87	164.45	-	-	-	-
Interest receivable						
Icon Hospitality Private Limited	186.35	137.52	-	-	-	-
Maruti Comforts & Inn Private Limited	70.50	53.22	-	-	-	-
River Shore Developers Private Limited	600.80	572.81	-	-	-	-
Ksheer Sagar Developers Private Limited	50.35	50.35	-	-	-	-

Notes to the financial statements *(continued)*

36 Related party transactions (cont'd)

ii. Balances (payable to)/receivable from related parties is summarised below (cont'd):

₹ in lakhs

Nature of transaction	Subsidiary		Key Management Personnel		Entities controlled by KMP	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Interest receivable on outstanding management fee						
Ksheer Sagar Developers Private Limited	38.88	32.91	-	-	-	-
Trade payable						
Baljees Hotels and Real Estates Private Limited	-	-	-	-	207.92	63.72
Hotel Staylonger Private Limited	-	-	-	-	68.42	134.01
Mr. Chander K. Baljee	-	-	61.02	57.00	-	-
Interest payable (net of tax deducted at source)						
Baljees Hotels and Real Estates Private Limited	-	-	-	-	4.76	(1.98)
Mr. Chander K. Baljee	-	-	25.25	21.20	-	-
Security deposit given						
Hotel Staylonger Private Limited	-	-	-	-	100.00	100.00
Mr. Chander K. Baljee	-	-	600.00	600.00	-	-
Security deposit received						
Presidency College of Hotel Management	-	-	-	-	30.00	30.00
Personal guarantee taken outstanding						
Mr. Chander K. Baljee	-	-	4,400.00	4,400.00	-	-
Corporate guarantee issued outstanding						
Ksheer Sagar Developers Private Limited	4,500.00	4,500.00	-	-	-	-
Icon Hospitality Private Limited	2,000.00	2,000.00	-	-	-	-

Note :

- (i) Managerial remuneration excludes provision for gratuity and compensated absences, since a separate actuarial valuation is not available.
- (ii) Advances receivable written off during the year:
 - (a) Royal Orchid Mumbai Private Limited ₹ 0.74 lakhs
 - (b) Royal Orchid Goa Private Limited ₹ 0.55 lakhs
 - (c) Royal Orchid Hyderabad Private Limited ₹ 2.03 lakhs
 - (d) Royal Orchid Shimla Private Limited ₹ 0.49 lakhs



Notes to the financial statements *(continued)*

37 Employee benefit plans

a) Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 86.27 lakhs (Year ended 31 March 2018: ₹ 84.26 lakhs) for Provident Fund contributions, and ₹ 31.78 lakhs (Year ended 31 March 2018: ₹ 30.24 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the said Act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
(i) The amounts recognised in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year		
Current Liability	47.27	15.82
Non-Current Liability	137.81	145.47
Fair value of plan assets as at the end of the year	-	-
Net liability/ (assets) recognized in the Balance Sheet	185.08	161.29
(ii) Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	161.29	135.47
Service cost	31.18	38.50
Interest cost	12.57	10.09
Actuarial losses/(gains) arising from		
- change in demographic assumptions	(40.53)	-
- change in financial assumptions	53.31	(5.91)
- experience variance (i.e. actual experiences vs assumptions)	(6.47)	5.99
Benefits paid	(26.27)	(22.85)
Defined benefit obligation as at the end of the year	185.08	161.29
(iii) Components of net gratuity costs are		
Service cost	31.18	38.50
Net interest cost on the net defined benefit liability	12.57	10.09
Components of defined benefit costs recognised in Statement of Profit and Loss	43.75	48.59
(iv) Other comprehensive income		
Change in financial assumptions	53.31	(5.91)
Experience variance (i.e. actual experience vs assumptions)	(6.47)	5.99
Return on plan assets, excluding amount recognized in net interest expense	-	-
Change in demographic assumptions	(40.53)	-
Components of defined benefit costs recognized in other comprehensive income	6.31	0.08
(v) Assumptions used for actuarial valuation of gratuity and compensated absences		
Discount rate	6.70%	7.80%
Salary escalation rate	8.50%	7.00%
Mortality rates (IAL: Indian Assured Lives Mortality (2006-08))	100% of IAL	100% of IAL

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Notes to the financial statements *(continued)*

37 Employee benefit plans (cont'd)

(vi) Experience adjustments:

Particulars	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Defined Benefit Obligation	185.08	161.29
Fair value of plan assets	-	-
(Surplus)/deficit	185.08	161.29
Experience adjustments on liabilities: gain/(loss)	(6.47)	5.99
Experience adjustments on plan assets: gain/(loss)	-	-

(vii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:

This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:

The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10 lakhs).

f. Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate

g. Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase ₹ in lakhs	Decrease ₹ in lakhs	Increase ₹ in lakhs	Decrease ₹ in lakhs
Discount Rate (- / + 1%)	176.81	194.20	146.09	179.11
Salary Growth Rate (- / + 1%)	192.82	177.84	177.61	146.80
Attrition Rate (- / + 50% of attrition rates)	176.72	199.32	161.34	161.03
Mortality rate (- / + 10%)	185.08	185.08	161.33	161.25

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.



Notes to the financial statements *(continued)*

37 Employee benefit plans (cont'd)

(viii) Maturity analysis of Defined Benefit Obligation

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Weighted average duration (based on discounted cashflows)	5 years	10 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	47.27	15.82
2 to 5 years	98.63	38.29
6 to 10 years	56.29	66.23
More than 10 years	67.61	317.51

c) Actuarial assumptions considered to determine the provision for compensated absence is same as gratuity provision.

38 Segment information

The Managing Director of the Company has been identified as the CODM as defined by Ind AS 108 – Operating Segments. The Company's business comprises operation of hotels and allied services. The Company has evaluated its Operating segments in accordance with Ind AS 108 and concluded that it operates in a single primary reportable segment viz. Hospitality business.

Further, the Company derives its entire revenues from services rendered in India and does not have any non-current assets (other than financial instruments) located outside India. Consequently, the disclosure of secondary reportable segment viz. geographic segment is not applicable to the Company.

39 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, other financial liabilities, less cash.

(₹ in lakhs)

Particulars	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Long term borrowings	3,844.55	3,783.42
Less: Cash and cash equivalents	(1,853.18)	(1,402.32)
Less: Bank balances other than cash and cash equivalents	(322.34)	(2.47)
Net debt	1,669.03	2,378.63
Equity	2,740.67	2,730.12
Other Equity	19,596.25	18,758.52
Total capital	22,336.92	21,488.64
Capital and net debt	24,005.95	23,867.27
Gearing ratio	7%	10%

Notes to the financial statements *(continued)*

40 Operating leases

The Company has taken various hotel properties and offices on cancellable and non-cancellable leases, which have tenures ranging from 11 months to 14 years. Some of these leases have periodical escalation in lease rentals and/or a share of annual revenues from such properties, in excess of pre-agreed limits.

The lease expense for cancellable and non-cancellable operating leases recognised during the year ended 31 March 2019 is ₹ 1,306.43 lakhs (31 March 2018: ₹ 1,156.70 lakhs).

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Payments falling due:		
Within 1 year	178.33	235.83
Later than one year but not later than five years	283.33	461.67
Later than 5 years	-	-
Total	461.66	697.50

Liabilities recognised in respect of non-cancellable leases is ₹ Nil.

41 Commitments and contingencies

a) Litigations

- The Company received tax demand including interest, from the Indian tax authorities for payment of ₹ 426 lakhs (31 March 2018: ₹ 449 lakhs for fiscal years 2009, 2011 and 2012) arising on denial of certain expenditure, upon completion of tax assessment for the fiscal years 2009 and 2011. The Company's appeal against the said demands were allowed partially in favour of the Company. Currently, the matter for these fiscal years are before the Income Tax Appellate Tribunal for hearing.

The Company is contesting the above demands and the management believes that the final outcome of the disputes would be in favour of the Company and will not have any material adverse effect on the financial position and results of operations.

(b) Guarantees

The Company has given guarantees to financial institutions, banks for loans sanctioned to subsidiaries amounting to ₹ 6,500 lakhs (31 March 2018: ₹ 6,500 lakhs).

(c) Capital and other commitments

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	28.16	33.23

42 Payment to auditors

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
for audit fees	40.25	40.25
for other services	0.50	0.50
for reimbursement of expenses	1.38	0.92
	42.13	41.67



Notes to the financial statements *(continued)*

43 Fair value measurements

(i) Financial instruments by category

The carrying value and fair value of financial Instruments by categories are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Financial assets		
a) Measured at amortised cost		
Non-current assets		
(i) Investments	16,563.86	16,558.40
(ii) Loans	2,538.36	2,204.57
(iii) Other non-current financial assets	2,441.66	2,275.17
Current assets		
(i) Trade receivables	902.73	1,007.65
(ii) Cash and cash equivalents	1,853.18	1,402.32
(iii) Bank balances other than cash and cash equivalents	322.34	2.47
(iv) Other financial assets	274.74	163.70
	24,896.87	23,614.28
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial assets	24,896.87	23,614.28
B. Financial liabilities		
a) Measured at amortised cost		
Non-current liabilities		
(i) Borrowings	3,608.86	3,660.05
(ii) Trade Payables	113.19	113.19
(iii) Other financial liabilities	60.01	247.16
Current liabilities		
(i) Trade payables	2,214.97	2,077.45
(ii) Other financial liabilities	587.71	556.52
	6,584.74	6,654.37
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial liabilities	6,584.74	6,654.37

Notes:

- The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.
- The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount.

44 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Company's risk management activity focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed are described below.

Notes to the financial statements *(continued)*

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, resulting in a financial loss. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current financial assets		
(i) Investments	16,563.86	16,558.40
(ii) Loans	2,538.36	2,204.57
(iii) Other non-current financial assets	2,441.66	2,275.17
Current Financial assets		
(i) Trade receivables	902.73	1,007.65
(ii) Cash and cash equivalents	1,853.18	1,402.32
(iii) Bank balances other than cash and cash equivalents	322.34	2.47
(iv) Other financial assets	274.74	163.70
Total financial assets	24,896.87	23,614.28

A1: Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2019 and as at 31 March 2018 is given below:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	168.26	196.71
Impairment loss recognised	28.46	51.13
Impairment loss reversed	-	(79.58)
Balance at the end of the year	196.72	168.26

A2: Cash and cash equivalents

The credit risk for cash and cash equivalents, and bank balances other than cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

Interest accrued on management fees receivable is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom for any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.



Notes to the financial statements *(continued)*

44 Financial risk management (cont'd)

The Company's non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

(₹ in lakhs)

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31 March 2019				
Borrowings	-	1,305.78	2,303.08	3,608.86
Trade payable	2,214.97	113.19	-	2,328.16
Other financial liabilities	587.71	60.01	-	647.72
Total	2,802.68	1,478.98	2,303.08	6,584.74
As at 31 March 2018				
Borrowings	-	1,135.68	2,524.37	3,660.05
Trade payable	2,077.45	113.19	-	2,190.64
Other financial liabilities	556.52	247.16	-	803.68
Total	2,633.97	1,496.03	2,524.37	6,654.37

(C) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk

The predominant currency of the Company's revenues and operating cash flows is Indian Rupees (INR). The Company is exposed to foreign exchange risk on account of advances given to its wholly owned subsidiary in foreign currency. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. There are no forward exchange contracts entered into by the Company as at 31 March 2019 and 31 March 2018. The year end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

(₹ in lakhs)

Particulars	Currency	As at 31 March 2019	As at 31 March 2018
Non-current assets			
Financial assets	USD	12.65	10.78
(i) Loans	INR	874.68	700.87
Conversion rates	USD	69.17	65.04

Sensitivity:

The following table details the Company's sensitivity to a 1% increase and decrease in the ₹ against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where ₹ strengthens 1% against the relevant currency. For a 1% weakening of ₹ against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in lakhs)

Particulars	Increase 31 March 2019	Decrease 31 March 2019	Increase 31 March 2018	Decrease 31 March 2018
Sensitivity				
INR/USD	8.75	8.75	7.01	7.01

(ii) Interest rate risk

a) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on bank/financial institution financing. As at 31 March 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits pay fixed interest rates.

Notes to the financial statements *(continued)*

44 Financial risk management (cont'd)

(C) Market risk

(ii) Interest rate risk (cont'd)

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate borrowing	3,716.75	3,635.29
Fixed rate borrowing	22.80	43.13
Total borrowings	3,739.55	3,678.42
Amount disclosed under other current financial liabilities	235.69	123.37
Amount disclosed under borrowings	3,503.86	3,555.05

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	37.17	36.35
Interest rates – decrease by 100 basis points (100 bps)	37.17	36.35

b) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

45 Information in respect of Options granted under the Company's Employee Stock Option Scheme, 2014

Sl. No.	Particulars	ROHL Employee Stock Option Scheme, 2014 ('the ESOP Scheme 2014')
1	Date of Shareholders' approval	29 September 2014
2	Total number of Options approved under the Plan	Options equivalent to 1,361,698 Ordinary Shares of ₹ 10 each.
3	Vesting Schedule	The vesting period for conversion of Options is as follows: - 1/3rd vests on completion of 12 months from the date of grant of the Options. - 1/3rd vests on completion of 24 months from the date of grant of the Options. - 1/3rd vests on completion of 36 months from the date of grant of the Options.
4	Pricing Formula	The Pricing Formula, as approved by the Shareholders of the Company, is at such price, as determined by the Board of Directors ('the Board'), which is no lower than closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the date of grant and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price or the 'Market Price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Options have been granted at 'market price' as defined from time to time under the aforesaid Guidelines/Regulations.
5	Maximum term of Options granted	One year from the date of vesting (previously five years from the date of vesting).
6	Source of Shares	Primary



Notes to the financial statements *(continued)*

45 Information in respect of Options granted under the Company's Employee Stock Option Scheme, 2014 (cont'd)

Sl. No.	Particulars	ROHL Employee Stock Option Scheme, 2014 ('the ESOP Scheme 2014')
7	Variation in terms of Options	None
8	Method used for accounting of share-based payment plans	The employee benefit expense pertaining to share-based payments has been calculated using the fair value method of accounting for Options issued under the Company's ESOP scheme 2014. The employee benefit expense as per the fair value method for the financial year 2018-19 is a reversal of ₹ 4.62 lakhs (2017-18: ₹ 26.45 lakhs).
9	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price per Option: ₹ 84.34 (31 March 2018: ₹ 84.34) Weighted average fair value per Option: ₹ 35.03 (31 March 2018: ₹ 42.31)

10 Details of Employee Stock Option granted during the financial year, but not vested as on 31 March 2019:

Date of grant	Number	Financial year of vesting	Exercise price in ₹	Fair value at grant date in ₹
NIL				

Details of Employee Stock Option granted during the financial year, but not vested as on 31 March 2018:

Date of grant	Number	Financial year of vesting	Exercise price in ₹	Fair value at grant date in ₹
12 October 2017	39,000	2018-19, 2019-20 and 2020-21	127.05	45.95

11 Fair value on the grant date

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

The model inputs for options granted during the year ended 31 March 2019 are as follows:

- Weighted average exercise price ₹ Nil (31 March 2018: ₹ 127.05)
- Grant date: Nil (31 March 2018: 12 October 2017)
- Vesting year: Nil (31 March 2018: 2018-19 to 2020-21)
- Share price at grant date: ₹ Nil (31 March 2018: ₹ 127.05 at 12 October 2017)
- Expected price volatility of Company's share: Nil (31 March 2018: 48.50%)
- Expected dividend yield: Nil (31 March 2018: 0.00%)
- Risk free interest rate: Nil (31 March 2018: 7.00%)

The expected price volatility is based on the historic volatility (based on remaining life of the options).

12 Summary of status of Options

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Options	Weighted Average Exercise Prices in ₹	No. of Options	Weighted Average Exercise Prices in ₹
Outstanding at the beginning of the year	430,777	80.71	459,000	80.71
Add: Granted during the year	-	-	39,000	127.05
Less: Lapsed during the year	70,250	-	-	-
Less: Exercised during the year	105,527	80.73	67,223	80.69
Outstanding at the end of the year	255,000	80.71	430,777	80.71
Options exercisable at the end of the year	38,065	100.60	85,777	80.73

Notes to the financial statements *(continued)*

45 Information in respect of Options granted under the Company's Employee Stock Option Scheme, 2014 (cont'd)

13 Share Option Exercised during the year:

Option Series	Number of shares exercised	Exercise Date	Share Price at exercise date NSE
Series I - Granted as on 30 May 2016	61,974	07-Jun-18	171.41
Series I - Granted as on 30 May 2016	21,052	16-Aug-18	141.03
Series I - Granted as on 30 May 2016	3,000	21-Dec-18	129.85
Series I - Granted as on 30 May 2016	4,501	01-Mar-19	111.29
Series II - Granted as on 04 February 2017	6,000	07-Jun-18	171.41
Series II - Granted as on 04 February 2017	9,000	01-Mar-19	111.29

46. Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year is ₹ 21.94 lakhs (Previous Year - ₹ 17.60 lakhs). Against this sum, the Company has spent ₹ 16.98 lakhs (Previous Year - ₹ 21.13 lakhs) on projects other than construction/ acquisition of assets and ₹ 5.50 lakhs (Previous year - ₹ Nil) on acquisition of assets aggregating ₹ 21.94 lakhs (Previous Year - ₹ 17.60 lakhs).

47. Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of the Companies Act, 2013

Amount of loans / advances in nature of loans outstanding from subsidiaries as at 31 March 2019, on a standalone basis.

(₹ in lakhs)

Particulars	2018-19		2017-18	
	Maximum amount outstanding during the year	Balance outstanding as on 31 March 2019	Maximum amount outstanding during the year	Balance outstanding as on 31 March 2018
Subsidiaries				
AB Holdings Private Limited	281.55	281.55	281.34	281.34
Multi Hotels Limited	886.99	886.99	713.19	713.19
Royal Orchid Maharashtra Private Limited	254.16	254.16	254.06	254.06
Royal Orchid Associated Hotels Private Limited	224.08	224.08	224.08	224.08
River Shore Developers Private Limited	210.02	210.02	150.35	150.35
Ksheer Sagar Developers Private Limited	636.84	636.84	536.84	536.84
J.H. Builders Private Limited	15.34	15.34	15.34	15.34
Raj Kamal Buildcon Private Limited	14.70	14.70	14.70	14.70
Ksheer Sagar Buildcon Private Limited	14.68	14.68	14.68	14.68

48. a) The Company has been named as a defendant in a suit filed in mid 2008 by Kamat Hotels (India) Limited ('the plaintiff' or "Kamat Hotels") with Bombay High Court restraining the alleged use of the trademark of the Company and a relief of a permanent injunction restraining the Company from using the trademark 'Orchid'. The Company had filed an application seeking an interim injunction while the above proceedings are pending. The Bombay High Court vide its interim order dated 05 April 2011, has allowed the Company to continue to operate its current hotels as on that date but has restrained the Company from opening new hotels under the said brand. However, the Division bench of the Bombay High Court vide its order dated 06 May 2011 has partially stayed operation of the said Order and allowed opening of one of Company's proposed hotels in Vadodara under the 'Royal Orchid' brand.

During the year ended 31 March 2014, the Company has obtained two favourable rulings from the Intellectual Property Appellate Board ("IPAB"). Kamat Hotels had preferred to appeal the ruling of IPAB in Madras High Court. The Madras High Court has passed orders cancelling the registration in Class 42 of Trademarks Act and the Company has filed a Special Leave Petition "SLP" with the Honorable Supreme Court in 2015. Reply to SLP was filed by Kamat Hotels in the form of Counter affidavit and the Company has filed a Rejoinder in the form of an affidavit. The matter was partly heard by the Honorable Supreme Court in April and May of 2017 and has advised Kamat Hotels to consider the options for settlement by displaying the disclaimers on the Websites regarding the disassociation between the two brands. On 13 February 2018, the Supreme Court dismissed the SLP filed by the Company and consequently, the Company has filed a Chamber Appeal against the said Order which was listed on August 3, 2018. The Chamber accepted the clarification filed by the Company. Therefore, the management believes that the outcome of SLP affects only the registration of the trademarks in Class 42 and does not in any way affect the use of marks by the Company.

The management believes that the case will be settled in its favour and will not affect its current and future operations.



Notes to the financial statements *(continued)*

(b) The Company has been named as a defendant in two civil suits on a portion of land taken on lease from the Karnataka State Tourism Development Corporation ("KSTDC") for the operation of the Hotel Royal Orchid Regenta, Bangalore, which is adjacent to the hotel premises. One of the civil suit has been settled in favour of the Company, against which an appeal before the High Court of Karnataka, is pending and in the other matter the Company has an injunction against the other party. Management believes that these cases are not material and will not adversely affect its operations.

49. During the year ended 31 March 2018, the Company has recorded an exceptional income of ₹ 145 lakhs towards settlement on account of termination of the Hotel Operation Agreement of a hotel at Chandigarh.

50. The Board of Directors of the Company in their meeting held on 29 May 2019 have proposed a final dividend of ₹ 2 per equity share in respect of the year ended 31 March 2019, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 660.80 lakhs (including dividend distribution tax).

51. Approval of Financial Statements

The standalone financial statements were approved for issue by the board of directors on 29 May 2019.

For and on behalf of the Board of Directors

Chander K. Baljee

Managing Director

DIN: 00081844

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary & Compliance Officer

Mem. No. : F7814

Amit Jaiswal

Chief Financial Officer

Place : Bengaluru

Date : 29 May 2019

Independent Auditor's Report

To The Members of Royal Orchid Hotels Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Royal Orchid Hotels Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Impairment of Assets of a Subsidiary Impairment evaluation carried out by Management for Property Plant and Equipment (hereinafter referred to as "Assets") relating to one of the subsidiaries viz. Ksheer Sagar Developers Private Limited due to recurring losses incurred by the subsidiary.	Principal audit procedures performed: a. Evaluated the design and implementation of relevant controls and the operating effectiveness of such internal controls which <i>inter-alia</i> includes reasonableness of the input data

Key Audit Matter	Auditor's Response
The Consolidated Balance Sheet includes Rs. 7,367.32 lakhs of Assets relating to the subsidiary.	considered, assumptions made in determining the fair value of the assets.
Impairment of the Assets of the subsidiary has been identified as a key audit matter due to:	b. Obtained the impairment assessment prepared by the Management and performed the following procedures:
• The significance of the exposure; and	i. Conducted discussions with the Parent/Subsidiary personnel to identify if factors that, in our professional judgement, should have been taken into account in the analysis, were considered.
• The assessment of the carrying value of these Assets involves exercising significant judgement in determining the fair value.	ii. Reviewed the source data used for determining the fair value of the assets.
	iii. Verified if the valuation of the assets considered for the assessment of impairment is as per that reviewed and approved by the Board of Directors of the Parent and the subsidiary.
	iv. Assessed the competence, independence and objectivity of the management's expert involved in determining fair value of the assets.
	v. Consulted with valuation specialists to review key assumptions considered in the fair valuation.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent Auditor's Report *(continued)*

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, 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 management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 SAs 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 these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 financial 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 Parent has adequate internal financial controls system 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. 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 consolidated financial statements 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings,

Independent Auditor's Report *(continued)*

including any significant deficiencies in internal control that we identify during our audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of fifteen subsidiaries whose financial statements reflect total assets of Rs. 19,716.05 lakhs as at March 31, 2019, total revenues of Rs.4,790.87 lakhs and net cash inflows amounting to Rs. 147.08 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh
Partner
(Membership No. 47840)

Bengaluru
May 29, 2019
MP/SS/MSK/2019



Independent Auditor's Report *(continued)*

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Royal Orchid Hotels Limited (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of the Company and its subsidiaries which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to fourteen subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Monisha Parikh

Partner
(Membership No. 47840)

Bengaluru
May 29, 2019
MP/SS/MSK/2019

Consolidated Balance Sheet as at 31 March 2019

	Notes	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	24,634.67	25,469.23
(b) Capital Work in progress	3A	2,093.08	2,149.26
(c) Goodwill	3B	1,774.70	1,774.70
(d) Other intangible assets	3C	-	-
(e) Financial assets			
(i) Investments	4	2.25	2.25
(ii) Other financial assets	5	2,154.72	2,012.37
(f) Deferred tax assets (net)	6	392.63	559.74
(g) Other non-current assets	7	2,027.52	2,013.33
		33,079.57	33,980.88
Current assets			
(a) Inventories	8	237.69	227.74
(b) Financial assets			
(i) Trade receivables	9	1,857.39	2,329.00
(ii) Cash and cash equivalents	10	3,452.18	2,108.57
(iii) Bank balances other than cash and cash equivalents	11	698.99	531.01
(iv) Other financial assets	12	317.35	305.31
(c) Current tax assets (net)	13	13.23	108.18
(d) Other current assets	14	694.81	619.95
		7,271.64	6,229.76
TOTAL ASSETS		40,351.21	40,210.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	2,740.67	2,730.12
(b) Other equity	16	15,007.06	14,183.51
Equity attributable to owners of the Company		17,747.73	16,913.63
Non-controlling interests		4,417.09	4,478.47
		22,164.82	21,392.10
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	8,866.53	9,606.36
(ii) Trade payables	18	113.19	113.19
(iii) Other non-current financial liabilities	19	60.01	247.16
(b) Provisions	20	340.70	376.14
(c) Deferred Tax Liabilities (net)	21	21.33	46.34
(d) Other non-current liabilities	22	46.01	69.21
		9,447.77	10,458.40
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	267.64	330.53
(ii) Trade payables	24	3,524.61	3,184.36
(iii) Other financial liabilities	25	2,960.66	2,504.98
(b) Provisions	26	109.08	59.17
(c) Current Tax Liabilities (net)	27	29.93	187.50
(d) Other current liabilities	28	1,846.70	2,093.60
		8,738.62	8,360.14
TOTAL EQUITY AND LIABILITIES		40,351.21	40,210.64

See accompanying notes forming part of these financial statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee
Managing Director
DIN: 00081844

Amit Jaiswal
Chief Financial Officer

Sunita Baljee
Director
DIN: 00080737

Dr. Ranabir Sanyal
Company Secretary &
Compliance Officer
Mem. No. : F7814

Place : Bengaluru
Date : 29 May 2019

Place : Bengaluru
Date : 29 May 2019



Consolidated Statement of Profit and Loss for the year ended 31 March 2019

	Notes	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
Revenue			
Revenue from operations	29	20,383.28	18,945.35
Other income	30	1,521.56	893.16
Total revenue		21,904.84	19,838.51
Expenses			
Food and beverages consumed	31	2,199.00	2,026.85
Employee benefits expense	32	5,009.16	4,668.43
Finance costs	33	1,321.11	1,469.42
Depreciation and amortisation	34	1,432.19	1,581.79
Other expenses	35	9,814.92	9,314.55
Total expenses		19,776.38	19,061.04
Profit before exceptional item and tax		2,128.46	777.47
Exceptional item	49	-	145.00
Profit before tax		2,128.46	922.47
Tax expense			
Current tax		830.95	713.04
Deferred tax credit		(13.54)	(31.79)
		817.41	681.25
Profit for the year		1,311.05	241.22
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
a) Remeasurement (losses)/gains in defined benefit plans		11.07	7.05
Income tax effect		(1.05)	(2.32)
Net of items that will not be reclassified to profit or loss		10.02	4.73
Other comprehensive income/(loss), net of tax		10.02	4.73
Total comprehensive income/(loss) for the year		1,321.07	245.95
Profit/(loss) for the year			
Attributable to:			
Owners of the parent		1,194.32	335.28
Non-controlling interests		116.73	(94.06)
Other comprehensive income/(loss) for the year			
Attributable to:			
Owners of the parent		5.15	3.74
Non-controlling interests		4.87	1.00
Total comprehensive income/(loss) for the year			
Attributable to:			
Owners of the parent		1,199.47	339.02
Non-controlling interests		121.60	(93.06)
Earnings per equity share of ₹ 10 each	36		
Basic		4.83	0.90
Diluted		4.79	0.89

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No.: F7814

Place : Bengaluru
Date : 29 May 2019

Place : Bengaluru
Date : 29 May 2019

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

Equity shares of ₹ 10 each, fully paid-up	Equity shares	
	Number	Amount (₹ in lakhs)
As at 1 April 2017	27,233,965	2,723.40
Add: Issued and subscribed during the year	67,223	6.72
As at 31 March 2018	27,301,188	2,730.12
Add: Issued and subscribed during the year	105,527	10.55
As at 31 March 2019	27,406,715	2,740.67

B. Other equity

For the year ended 31 March 2019

(₹ in lakhs)

	Securities Premium	Reserves and Surplus Share based payments Reserve	Retained Earnings	Capital Reserve	General Reserve	Foreign Currency Translation Reserve	Total Other equity	Equity attributable to owners of the Company	Non controlling interest	Total Equity
Balance as at 31 March 2018	11,381.66	131.02	784.88	899.32	1,020.66	(34.03)	14,183.51	16,913.63	4,478.47	21,392.10
Profit for the period	-	-	1,194.32	-	-	-	1,194.32	1,194.32	116.73	1,311.05
Other comprehensive income/(loss), net of tax	-	-	5.15	-	-	-	5.15	5.15	4.87	10.02
Total Comprehensive Income	-	-	1,199.47	-	-	-	1,199.47	1,199.47	121.60	1,321.07
Movements during the year	-	-	-	21.07	-	66.86	87.93	87.93	0.01	87.94
Issue of equity shares	-	-	-	-	-	-	-	10.55	-	10.55
Securities premium on shares allotted during the year	122.41	-	-	-	-	-	122.41	122.41	-	122.41
Dividend	-	-	(410.85)	-	-	-	(410.85)	(410.85)	(151.79)	(562.64)
Tax on dividend	-	-	(115.65)	-	-	-	(115.65)	(115.65)	(31.20)	(146.85)
Recognition of share based payment	(12.79)	(46.97)	-	-	-	-	(59.76)	(59.76)	-	(59.76)
Balance as at 31 March 2019	11,491.28	84.05	1,457.85	920.39	1,020.66	32.83	15,007.06	17,747.73	4,417.09	22,164.82

For the year ended 31 March 2018

(₹ in lakhs)

	Securities Premium	Reserves and Surplus Share based payments Reserve	Retained Earnings	Capital Reserve	General Reserve	Foreign Currency Translation Reserve	Total Other equity	Equity attributable to owners of the Company	Non controlling interest	Total Equity
Balance as at 1 April 2017	11,306.84	82.45	501.65	884.16	1,020.66	116.30	13,912.06	16,635.46	4,803.56	21,439.02
Profit for the year	-	-	335.28	-	-	-	335.28	335.28	(94.06)	241.22
Other comprehensive income/(loss), net of tax	-	-	3.74	-	-	-	3.74	3.74	0.99	4.73
Total comprehensive income	-	-	339.02	-	-	-	339.02	339.02	(93.07)	245.95
Movements during the year	-	-	(16.24)	15.16	-	(150.33)	(151.41)	(151.41)	1.82	(149.59)
Issue of equity shares	-	-	-	-	-	-	-	6.72	-	6.72
Securities premium on shares allotted during the year	74.82	-	-	-	-	-	74.82	74.82	-	74.82
Dividend	-	-	-	-	-	-	-	-	(194.29)	(194.29)
Tax on dividend	-	-	(39.55)	-	-	-	(39.55)	(39.55)	(39.55)	(79.10)
Recognition of share based payment	-	48.57	-	-	-	-	48.57	48.57	-	48.57
Balance as at 31 March 2018	11,381.66	131.02	784.88	899.32	1,020.66	(34.03)	14,183.51	16,913.63	4,478.47	21,392.10

See accompanying notes to Financial Statements.

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No. : F7814

Place : Bengaluru
Date : 29 May 2019

Place : Bengaluru
Date : 29 May 2019



Consolidated Cash Flow Statement for the year ended 31 March 2019

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
A. Cash flow from operating activities		
Profit for the year	1,311.05	241.22
Adjustments for:		
Income tax expense recognised in profit or loss	817.41	681.25
Depreciation and amortisation	1,432.19	1,581.79
Loss on sale/write off of assets	59.23	118.09
Advances/Deposits written off	57.06	14.15
Interest expense, net	1,291.79	1,438.75
Interest adjustment on account of present value	26.72	23.54
Interest on delayed payment of taxes	2.60	7.13
Allowance for doubtful receivables (expected credit loss allowance)	5.58	84.80
Bad receivables/advances written off	24.84	-
Share based payments to employees	(11.95)	75.88
Revenue arising from Government grant related to assets	(23.20)	(23.30)
Interest income	(186.03)	(79.98)
Liability no longer required, written back	(205.98)	(55.38)
Interest income on present value accounting of security deposits	(27.23)	(28.27)
(Gain)/loss from foreign currency transactions and translations, net	(45.49)	15.44
Operating profit before working capital changes	4,528.59	4,095.10
Changes in working capital:		
(Increase)/Decrease in inventories	(9.95)	(14.92)
(Increase) /Decrease in trade receivables and unbilled revenue	441.18	(530.79)
Increase in other current and non-current assets	(87.46)	(58.11)
Increase in provisions	25.54	78.68
Increase/(decrease) in trade payables and other liabilities	544.47	(347.06)
Increase/(Decrease) in other current and non-current liabilities	(618.61)	(141.19)
Cash generated from operations	4,823.76	3,081.70
Direct taxes paid (net)	747.36	587.22
Net cash generated from operating activities	4,076.40	2,494.48
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)	(429.14)	(346.34)
Proceeds from sale of fixed assets	-	0.86
Interest received	140.75	82.96
Change in other bank balances	(167.98)	192.43
Net cash used in investing activities	(456.37)	(70.09)
C. Cash flows from financing activities		
Interest paid	(1,195.83)	(1,341.28)
Proceeds from borrowings	5,923.00	18.00
Repayment of secured borrowings	(6,186.32)	(661.85)
Change in unsecured loans, net	(192.89)	130.03
Change in unclaimed dividend account	(1.45)	0.95
Proceeds from allotment of shares	85.19	54.24
Dividend paid (including interim dividend)	(561.27)	-
Dividend distribution tax on dividend (including interim dividend)	(146.85)	(47.40)
Net cash used in financing activities	(2,276.42)	(1,847.31)
Net increase in cash and cash equivalents (A+B+C)	1,343.61	577.08
Cash and cash equivalents at the beginning of the year	2,108.57	1,531.49
Cash and cash equivalents at the end of the year	3,452.18	2,108.57

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Monisha Parikh

Partner

**For and on behalf of the Board of Directors of
Royal Orchid Hotels Limited**

Chander K. Baljee

Managing Director

DIN: 00081844

Amit Jaiswal

Chief Financial Officer

Sunita Baljee

Director

DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary &

Compliance Officer

Mem. No.: F7814

Place : Bengaluru
Date : 29 May 2019

Place : Bengaluru
Date : 29 May 2019

Notes to the Consolidated financial statements

1. Corporate Information

Royal Orchid Hotels Limited ('the Holding Company') is a public company and is domiciled in India. The Holding Company was incorporated in 1986. The shares of the Holding Company are listed on Bombay and National stock exchange in India. The Holding Company and its Subsidiaries (collectively referred to as the 'Group') are engaged in the business of operating and managing hotels/ resorts and providing related services, through its portfolio of hotel properties across the country.

1A. Operational outlook

The current liabilities of the Group exceed its current assets by ₹ 1,466.98 lakhs as at March 31, 2019. In view of the group's plans for improving operational cash flows through cost synergies, exploring avenues of enhancing revenues, disposing off certain investments, plans to restructure its borrowings etc., the management is confident of further improving and maintaining sustainable operating cash flows and accordingly the financial statements are prepared and presented on a going concern basis, which contemplates realization of asset and settlement of liabilities in the normal course of business.

2. Summary of significant accounting policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") and the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and issued thereafter.

b) Basis of preparation and presentation

'The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

'Historical cost is generally based on the fair value of the consideration given in exchange for services.

'Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair valued, such as value in use quantification as per Ind AS 36.

'In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

'Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

'Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

'Level 3 inputs are unobservable inputs for the asset or liability.

c) Principles of Consolidation

'The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries. Control is achieved when the Company has power of the investee, it is exposed or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date the Company ceases to control the subsidiary. Profit or loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

c) Principles of Consolidation (cont'd)

The subsidiaries which are included in the consolidation and the Holding Company's holdings therein are as under:-

Particulars	Country of incorporation	Percent-age of ownership interest as at 31 March 2019	Percent-age of ownership interest as at 31 March 2018
Domestic			
Icon Hospitality Private Limited	India	51.07%	51.07%
Maruti Comforts & Inn Private Limited	India	65.22%	65.22%
Royal Orchid Hyderabad Private Limited	India	100.00%	100.00%
AB Holdings Private Limited	India	100.00%	100.00%
Royal Orchid Jaipur Private Limited	India	100.00%	100.00%
Royal Orchid South Private Limited	India	100.00%	100.00%
Royal Orchid Associated Hotels Private Limited *	India	100.00%	100.00%
Royal Orchid Shimla Private Limited	India	100.00%	100.00%
Royal Orchid Goa Private Limited	India	100.00%	100.00%
Royal Orchid Maharashtra Private Limited	India	100.00%	100.00%
River Shore Developers Private Limited \$	India	100.00%	100.00%
Royal Orchid Mumbai Private Limited	India	100.00%	100.00%
Cosmos Premises Private Limited #	India	50.00%	50.00%
Ksheer Sagar Buildcon Private Limited #	India	50.00%	50.00%
Ksheer Sagar Developers Private Limited #	India	50.00%	50.00%
Raj Kamal Buildcon Private Limited #	India	50.00%	50.00%
J.H. Builders Private Limited #	India	50.00%	50.00%
Overseas			
Multi Hotels Limited	Tanzania	100.00%	100.00%

* Subsidiary of AB Holdings Private Limited.

\$ Formerly Amartara Hospitality Private Limited.

considered as subsidiary pursuant to control assessment made under Ind AS 110.

Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit and Loss.

d) Use of estimates

The preparation of the consolidated financial statements in conformity with the recognition and measurement principals of Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosure relating to contingent liabilities as at the date of consolidated financial statements and the reported amounts of income and expenditure during the reported year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

d) Use of estimates (cont'd)

Litigation

From time to time, the Group is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

Income taxes

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Group estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss. Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

e) Revenue recognition

Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method wherein the standard is applied on contracts that were not completed as of April 1, 2018. Accordingly, the comparative information in the Statement of Profit and Loss has not been restated. There was no impact on adoption of Ind AS 115 to the financial statements of the Group.

Performance obligation in contract with customers is met throughout the stay of guest in the hotel or on rendering of services and sale of goods.

Revenue from contracts with customers is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognized.

Income from operations

Revenues comprise income from the sale of room nights, food and beverages and allied services during a guest's stay at the hotel. Room revenue is recognised based on occupation and revenue from sale of food, beverages and other allied services, as the respective services are rendered with reasonable certainty of ultimate collection. Other revenues are recognised as and when the services are performed or the right to receive claim is established, with reasonable certainty for ultimate collection. Rebates and discounts granted to customers are reduced from revenue.

Income from management and technical services are recognised as the services are rendered based on the terms of the contract.

Unbilled revenues represent revenues recognised on services rendered, for which amounts are to be billed in subsequent periods.

Interest income

Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss.

Dividend

Dividend income is recognized when the Group's right to receive the amount is established.



Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

f) Employee benefits

Employee benefits include provident fund, employee state insurance scheme, labour welfare fund, gratuity and compensated absences. Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind AS 19, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund and employee state insurance scheme is a defined contribution scheme. The Group is generally liable for specified contributions to a separate entity and has no obligation to pay any further amounts. The Group's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service

Defined benefit plan

Gratuity

The liability recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Gains and losses through re-measurements of the defined benefit plans are recognized in other comprehensive income, which are not reclassified to profit or loss in a subsequent period. Further, as required under Ind AS compliant Schedule III, the Group transfers those amounts recognized in other comprehensive income to retained earnings in the statement of changes in equity and in the balance sheet.

Short-term employee benefits

The costs of all short-term employee benefits (that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service) are recognised during the period in which the employee renders the related services. The accruals for employee entitlements of benefits such as salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of the employees' services and the obligation can be measured reliably. The accruals have been calculated at undiscounted amounts based on current salary levels at the Balance Sheet date.

g) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation (other than freehold land) and impairment losses, if any.

All property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, including duties and non-refundable taxes, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs. Initial estimate of costs of dismantling and removing the item and restoring the site on which it is located is also included if there is an obligation to restore it.

Subsequent expenditure relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Group and the cost of the item can be measured reliably.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation is charged to Statement of Profit and Loss so as to expense the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

g) Property, plant and equipment (cont'd)

Asset Category	Useful lives (in years)
Buildings	30
Plant and equipment	15
Furniture and fixtures	8
Vehicles	6
Office equipment	5
Computer equipment	3

The Group has evaluated the applicability of component accounting as prescribed under Ind AS 16 and Schedule II of the Companies Act, 2013, the management has not identified any significant component having different useful lives.

Depreciation methods, useful lives and residual values are reviewed periodically and updated as required, including at each financial year end.

Capital work in progress represents projects under which the property, plant and equipment are not yet ready for their intended use and are carried at cost determined as aforesaid.

h) Intangible Assets

Intangible assets include cost of acquired software. Intangible assets are initially measured at acquisition cost including directly attributable costs of preparing the asset for its intended use. Intangible assets are amortised over a period of three years.

i) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in Statement of Profit and Loss.

j) Foreign currency translations

The functional currency of the Group is Indian rupee (₹).

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried at historical cost and denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value denominated in a foreign currency are retranslated at the rates prevailing at the date when the fair value was determined.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Translation of financial statements of foreign operations

Assets and liabilities of foreign entities are translated into Indian Rupees on the basis of the closing exchange rates as at the end of the period. Income and expenditure and cash flow are generally translated using average exchange rates for the period unless those rates do not approximate the actual exchange rates at the dates of specific transactions, in which case the exchange rates as at the dates of transaction are used. All resulting exchange differences are recognised in Other Comprehensive Income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit and Loss, as a part of gain or loss on sale.



Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

k) Assets taken on lease:

Operating Lease

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Group is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

l) Government grants

The Group may receive government grants that require compliance with certain conditions related to the Group's operating activities or are provided to the Group by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received, and the Group will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the period in which the associated obligations are fulfilled.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

m) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current tax:

Current tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made for the tax liability payable on taxable income after considering tax allowances, deductions and exemptions determined in accordance with the applicable tax rates and the prevailing tax laws.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

(ii) Deferred tax :

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill, an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are generally recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax liabilities and assets are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Minimum Alternative Tax ("MAT") credit forming part of Deferred tax assets is recognized as an asset only when and to the extent there is reasonable certainty that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the Group will pay normal income tax during the specified period.

Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

n) Inventories

Inventory comprises food, beverages, stores and spare parts and are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the goods to their present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion to make the sale.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p) Provisions and contingencies

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised.

q) Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

r) Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including potential equity shares on compulsory convertible debentures. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

s) Exceptional items

The Group discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying trading performance of the group and provides consistency with the group's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the Group. Exceptional items can include, but are not restricted to, gains and losses on the disposal of assets/ investments/ operations, impairment charges, exchange gain/ loss on long term borrowings/ assets and changes in fair value of derivative contracts.

t) Share based payments

The Holding Company has equity-settled share-based remuneration plans for the employees of the Group. None of the plans are cash-settled. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.



Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group is engaged in the business of operating and managing hotels/resorts and providing related services, which constitutes its single reportable segment. Further, the Group derives its entire revenue from services rendered in India. Geographical segments of the Group are Tanzania and India.

v) Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss directly attributable transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Classification

- Cash and Cash Equivalents – Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Debt Instruments - The Group classifies its debt instruments as subsequently measured at amortised cost, fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(a) Financial assets at amortised cost -

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

(b) Financial assets at fair value through Other Comprehensive Income (FVOCI) -

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Group's income in the Statement of Profit and Loss using the effective interest rate method.

(c) Financial assets at fair value through profit or loss (FVTPL) -

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

Equity Instruments - The Group subsequently measures all equity investments (other than the investment in subsidiaries, joint ventures and associates which are measured at cost) at fair value. Where the Group has elected to present fair value gains and losses on equity investments in Other Comprehensive Income ("FVOCI"), there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Group's right to receive payment is established.

At the date of transition to Ind AS, the Group has made an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of equity investments that are not held for trading.

When the equity investment is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Retained Earnings directly.

De-recognition

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

v) Financial Instruments (cont'd)

(c) Financial assets at fair value through profit or loss (FVTPL) - (cont'd)

Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. During the years reported, no hedge relationship was designated.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(iii) Impairment of financial assets

The Group assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired. Ind AS-109 on Financial Instruments, requires expected credit losses to be measured through a loss allowance. For trade receivables only, the Group recognises expected lifetime losses using the simplified approach permitted by Ind AS-109, from initial recognition of the receivables. For other financial assets (not being equity instruments or debt instruments measured subsequently at FVTPL) the expected credit losses are measured at the 12 month expected credit losses or an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

w) Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement



Notes to the Consolidated financial statements *(continued)*

2. Summary of significant accounting policies (cont'd)

w) Business Combination (cont'd)

basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS. Business combinations arising from transfer of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

x) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs which the Group has not early adopted.

Ind AS 116, Leases:

On March 30, 2019, MCA has notified Ind AS 116, Leases which will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosures of leases for both lessors and lessees. It introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. The standard also contains enhanced disclosure requirements for leases. It substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual reporting periods beginning April 1, 2019. The Group proposes to use the simplified approach for transitioning to Ind AS 116 and take the cumulative adjustment to retained earnings, on the date of initial application, i.e., April 1, 2019. Accordingly, the comparatives of the year ended March 31, 2019 will not be restated. On transition, the Group will be using certain practical expedients that are available. Currently the operating lease expenses are charged to the statement of Profit and Loss.

The Group is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 12, Income Taxes:

a) On March 30, 2019, MCA issued amendments to the guidance in Ind AS 12,

Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

- b) On March 30, 2019, MCA has notified Ind AS 12 Appendix C, Uncertainty over Income Tax treatments, which is to be applied to the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2019. The Group is in the process of evaluating the impact of application of the new standard on the financial statements.

Ind AS 19, Employee Benefits :

On March 30, 2019, MCA has issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

This amendment requires an entity to:

- (i) use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- (ii) recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is in the process of evaluating the impact of application of the new standard on the financial statements.

Notes to the Consolidated financial statements *(continued)*

3. Property, plant and equipment

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Land (Freehold)	11,285.83	11,278.86
Buildings	2,087.90	2,194.18
Leasehold improvements	6,594.37	6,808.35
Plant and equipments	3,580.00	4,142.20
Furniture and fixtures	933.57	896.57
Vehicles	77.69	97.73
Office equipments	31.50	20.91
Computer equipments	43.81	30.43
	24,634.67	25,469.23

Cost or deemed cost:

(₹ in lakhs)

Particulars	Land (Freehold)	Buildings	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer equipments	Total
Gross Block									
Balance as at 31 March 2017	11,728.49	3,497.84	10,105.46	10,268.13	4,858.28	755.13	929.48	603.13	42,745.94
Additions	-	16.03	25.71	138.99	104.05	19.48	3.41	21.21	328.88
Disposals/written off	-	69.39	-	160.14	31.00	-	2.57	11.51	274.61
Foreign currency translation reserve adjustments	8.00	-	-	-	-	-	-	-	8.00
Balance as at 31 March 2018	11,720.49	3,444.48	10,131.17	10,246.98	4,931.33	774.61	930.32	612.83	42,792.21
Additions	-	12.35	102.82	193.96	247.18	3.50	18.11	28.77	606.69
Disposals/written off	-	2.65	-	166.63	124.12	14.68	-	35.53	343.61
Foreign currency translation reserve adjustments	(50.17)	-	-	-	-	-	-	-	(50.17)
Balance as at 31 Mar 2019	11,770.66	3,454.18	10,233.99	10,274.31	5,054.39	763.43	948.43	606.07	43,105.46

Accumulated depreciation

Balance as at 31 March 2017	398.43	1,164.97	2,986.37	5,501.30	3,755.62	618.31	902.42	570.31	15,897.73
Charge for the year	43.20	113.98	336.45	692.18	308.19	58.57	9.54	18.80	1,580.91
Disposal/Written off	-	28.65	-	88.70	29.05	-	2.55	6.71	155.66
Balance as at 31 March 2018	441.63	1,250.30	3,322.82	6,104.78	4,034.76	676.88	909.41	582.40	17,322.98
Charge for the year	43.20	117.09	316.80	693.80	208.23	23.54	11.24	18.29	1,432.19
Disposal/Written off	-	1.11	-	104.27	122.17	14.68	3.72	38.43	284.38
Balance as at 31 March 2019	484.83	1,366.28	3,639.62	6,694.31	4,120.82	685.74	916.93	562.26	18,470.79

Net block

Balance as at 31 March 2018	11,278.86	2,194.18	6,808.35	4,142.20	896.57	97.73	20.91	30.43	25,469.23
Balance as at 31 March 2019	11,285.83	2,087.90	6,594.37	3,580.00	933.57	77.69	31.50	43.81	24,634.67

Note

- Land (freehold) includes ₹ 305.62 lakhs (31 March 2018: ₹ 305.62 lakhs) representing the Group's share of undivided land jointly owned by the Holding Company with its subsidiaries viz, Royal Orchid Jaipur Private Limited, Royal Orchid Maharashtra Private Limited and Royal Orchid South Private Limited and other entities.
- Unless otherwise stated all assets are owned by the Group and none of the assets are given on lease.
- Certain Property, plant and equipment are pledged against secured borrowings, the details relating to which have been described in Note 17 pertaining to Borrowings.



Notes to the Consolidated financial statements (continued)

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
3A Capital work-in-progress	2,093.08	2,149.26
3B Goodwill		
Cost or deemed cost	1,774.70	1,774.70
3C Other intangible assets		
Carrying amounts of:		
Softwares	-	-
	-	-
Cost or deemed cost:		₹ in lakhs
Particulars	Softwares	Total
Gross block		
Balance as at 31 March 2017	42.00	42.00
Additions	-	-
Balance as at 31 March 2018	42.00	42.00
Additions	-	-
Balance as at 31 March 2019	42.00	42.00
Accumulated depreciation		
Balance as at 31 March 2017	41.12	41.12
Charge for the year	0.88	0.88
Balance as at 31 March 2018	42.00	42.00
Additions	-	-
Balance as at 31 March 2019	42.00	42.00
Net block		
Balance as at 31 March 2018	-	-
Balance as at 31 March 2019	-	-
	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
4 Investments		
Government securities (unquoted) carried at cost		
National savings certificate	2.25	2.25
	2.25	2.25
5 Other financial assets		
(Unsecured, considered good)		
Balances with banks		
a) Fixed Deposits under lien		
- for hotel properties	130.00	130.00
- for term loan (refer note 17 1(i))	150.35	-
- for others	338.17	315.94
b) Fixed Deposits (maturities more than twelve months)	103.38	68.48
Security deposits		
- for hotel properties	362.31	1,213.01
- for others	1,001.79	165.06
Other financial assets	68.72	119.88
	2,154.72	2,012.37
Unsecured, considered doubtful		
Security deposits	12.00	12.00
Other advances	78.92	78.92
	90.92	90.92
Less: Allowances for doubtful advances/deposits	(90.92)	(90.92)
	-	-
	2,154.72	2,012.37

Notes to the Consolidated financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
6 Deferred tax asset (net)		
Deferred tax assets	587.40	663.08
Deferred tax liabilities	(194.77)	(103.34)
Net deferred tax assets	392.63	559.74

Significant components of deferred tax asset / (liability) for the year ended 31 March 2019 are as follows :

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT credit utilised	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(103.13)	(68.49)	-	-	(171.62)
(ii) Provision for doubtful receivables and advances	86.11	(8.36)	-	-	77.75
(iii) Re-measurement of defined benefit liability	109.98	6.08	0.88	-	116.94
(iv) Valuation of loan under effective interest rate	(0.21)	(22.94)	-	-	(23.15)
(v) Minimum Alternate Tax (MAT) Credit	386.01	44.06	-	(156.69)	273.38
(vi) Measurement of security deposits at fair value	80.98	2.05	-	-	83.03
(vii) Disallowance under 40(a)(ia)	-	36.30	-	-	36.30
Total	559.74	(11.30)	0.88	(156.69)	392.63

Significant components of deferred tax asset / (liability) for the year ended 31 March 2018 are as follows :

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT credit utilised	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961.	(123.44)	20.31	-	-	(103.13)
(ii) Provision for doubtful receivables and advances	80.86	5.25	-	-	86.11
(iii) Re-measurement of defined benefit liability	97.77	13.07	(0.86)	-	109.98
(iv) Valuation of loan under effective interest rate	(11.92)	11.71	-	-	(0.21)
(v) Minimum Alternate Tax (MAT) Credit	524.57	23.71	-	(162.27)	386.01
(vi) Measurement of security deposits at fair value	89.97	(8.99)	-	-	80.98
Total	657.81	65.06	(0.86)	(162.27)	559.74

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
7 Other non-current assets		
Unamortised portion of security deposits	677.74	657.58
Capital advances	167.30	131.27
Balances with Government authorities (Good and Service Tax)	8.56	1.41
Advance taxes, net of provision	971.25	1,007.43
Others	202.67	215.64
	2,027.52	2,013.33
Unsecured, considered doubtful		
Capital advances	-	2.00
Less: Provision for doubtful advances	-	(2.00)
	-	-
	2,027.52	2,013.33



Notes to the Consolidated financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
8 Inventories		
(At lower of cost or net realisable value)		
Food and beverages	186.14	176.70
Stores and spares	51.55	51.04
	237.69	227.74

Note:

- a) The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 2,199 lakhs (for the year ended March 31, 2018: ₹ 2,026.85 lakhs).
- b) The mode of valuation of inventories has been stated in note 2 (n).

9 Trade receivables

Unsecured, considered good	1,857.39	2,329.00
Balances having significant increase in credit risk	-	-
Credit impaired	389.95	384.37
	2,247.34	2,713.37
Less: Allowance for credit impaired	(389.95)	(384.37)
	1,857.39	2,329.00

Note:

No trade or other receivables are due from directors or other officers of the Company, either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

10 Cash and cash equivalents

Balances with banks		
- in current accounts	2,440.96	1,252.40
- in deposit accounts (with maturity upto 3 months)	959.97	819.77
Cash on hand	51.25	36.40
	3,452.18	2,108.57

11 Bank balances other than cash and cash equivalents

Balances with banks		
- in deposit accounts (with maturity more than 3 months but less than 12 months)	376.65	528.54
- in deposit accounts earmarked for margin money for bank guarantee	320.00	-
- Unpaid dividend account	2.34	2.47
	698.99	531.01

12 Other financial assets

Interest accrued on bank deposits	85.45	40.17
Security deposits	8.49	-
Unbilled revenue	21.21	26.79
Other receivables		
- Unsecured, considered good	202.20	238.35
- Unsecured, considered doubtful	1.85	1.85
	319.20	307.16
Less: Allowances for other receivables	1.85	1.85
	317.35	305.31

13 Current tax assets (net)

Advance tax, net of provision	13.23	108.18
	13.23	108.18

Notes to the Consolidated financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
14 Other current assets		
(Unsecured, considered good)		
Advances to suppliers	305.10	303.14
Prepaid expenses	270.65	238.33
Advances to employees	45.30	45.13
Balances with Government authorities (Good and Service Tax)	21.00	25.28
Others	52.82	8.07
	694.87	619.95

	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
15 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	27,406,715	2,740.67	2,73,01,188	2,730.12
	27,406,715	2,740.67	2,73,01,188	2,730.12

	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts ₹ in lakhs	Number	Amounts ₹ in lakhs
a) Reconciliation of equity share capital				
Balance at the beginning of the year	27,301,188	2,730.12	2,72,33,965	2,723.40
Add : Issued during the year under ESOP plan (refer note 46)	105,527	10.55	67,223	6.72
Balance at the end of the year	27,406,715	2,740.67	2,73,01,188	2,730.12
	Number of shares held	% holding in class of shares	Number of shares held	% holding in class of shares

b) Shareholders holding more than 5% of the shares of the Company

Equity shares of ₹ 10 each				
Mr. Chander K. Baljee	12,001,060	43.79%	1,20,01,060	43.96%
Baljees Hotels and Real Estates Private Limited	5,714,689	20.85%	57,14,689	20.93%
	17,715,749	64.64%	1,77,15,749	64.89%

c) Terms and rights attached to equity shares

The Company has one class of equity shares having a face value of ₹ 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Notes to the Consolidated financial statements *(continued)*

15 Share capital (cont'd)

d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has not issued any bonus shares nor has there been any buy back of shares during five years immediately preceding 31 March 2019. Further, the Company has not issued any shares without payment being received in cash.

e) Shares reserved for issue under options granted under the Company's Employee Stock Option Scheme, 2014 (refer note 46)

Particulars	As at 31 March 2019 Number	As at 31 March 2018 Number
Ordinary Shares of ₹ 10 each	1,118,698	1,294,475

16 Other equity

For the year ended 31 March 2019

(₹ in lakhs)

	Securities Premium	Share based payments Reserve	Reserves and Surplus		General Reserve	Foreign Currency Translation Reserve	Total Other equity
			Retained Earnings	Capital Reserve			
Balance as at 31 March 2018	11,381.66	131.02	784.88	899.32	1,020.66	(34.03)	14,183.51
Profit for the period	-	-	1,194.32	-	-	-	1,194.32
Other comprehensive income/(loss), net of tax	-	-	5.15	-	-	-	5.15
Total Comprehensive Income	-	-	1,199.47	-	-	-	1,199.47
Movements during the year	-	-	-	21.07	-	66.86	87.93
Securities premium on shares allotted during the year	122.41	-	-	-	-	-	122.41
Dividend	-	-	(410.85)	-	-	-	(410.85)
Tax on dividend	-	-	(115.65)	-	-	-	(115.65)
Recognition of share based payment	(12.79)	(46.96)	-	-	-	-	(59.75)
Balance as at 31 March 2019	11,491.28	84.07	1,457.85	920.39	1,020.66	32.83	15,007.06

For the year ended 31 March 2018

(₹ in lakhs)

	Securities Premium	Share based payments Reserve	Reserves and Surplus		General Reserve	Foreign Currency Translation Reserve	Total Other equity
			Retained Earnings	Capital Reserve			
Balance as at 1 April 2017	11,306.84	82.45	501.65	884.16	1,020.66	116.30	13,912.06
Profit for the year	-	-	335.28	-	-	-	335.28
Other comprehensive income/(loss), net of tax	-	-	3.74	-	-	-	3.74
Total comprehensive income	-	-	339.02	-	-	-	339.02
Movements during the year	-	-	(16.24)	15.16	-	(150.33)	(151.41)
Securities premium on shares allotted during the year	74.82	-	-	-	-	-	74.82
Dividend	-	-	-	-	-	-	-
Tax on dividend	-	-	(39.55)	-	-	-	(39.55)
Recognition of share based payment	-	48.57	-	-	-	-	48.57
Balance as at 31 March 2018	11,381.66	131.02	784.88	899.32	1,020.66	(34.03)	14,183.51

Notes to the Consolidated financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 01 April 2018 ₹ in lakhs
17 Borrowings		
Secured		
Term loans		
from Banks (refer note (A (i) below)	3,716.75	-
from financial institutions (refer note B below)	5,548.14	9,523.94
from others (refer note C below)	500.00	500.00
Vehicle loans from banks (refer note A (ii) below)	42.28	46.55
	9,807.17	10,070.49
Less: Current maturities of long-term debt (refer note (D) below)	1,045.64	699.13
	8,761.53	9,371.36
Unsecured (refer note E below)		
from related parties (refer note 37 (iii))	105.00	235.00
	8,866.53	9,606.36

Notes:

A) Details of terms of repayment, guarantee and security for term loans from banks

- i) The Holding Company has availed Indian Rupee term loan (RTL) from ICICI Bank Limited of ₹ 3,900 lakhs towards repayment of existing loan from Tourism Finance Corporation of India Limited (TFCIL) including related transaction expenses.

The loan is secured by exclusive charge by way of equitable mortgage of leasehold rights of the land and equitable mortgage of building of Hotel Royal Orchid Regenta, Bangalore. The loan is further secured by exclusive charge by way of hypothecation of all the moveable fixed assets and current assets of the Holding Company. Also, the loan is secured by lien on fixed deposit held with a bank of ₹ 150.35 lakhs as Debt Service Reserve. Additionally, the loan is secured by an irrevocable and unconditional personal guarantee of Mr. Chander K Baljee, Managing Director.

The term loan is repayable in 44 quarterly instalments commencing from October 10, 2018, which ranges from 1.33% - 3.22% of the loan amount and bearing annual interest rate of MCLR-1Y plus spread of 1.8%. The outstanding balance of such loan as at March 31, 2019 is ₹ 3716.75 (March 31, 2018 ₹ Nil)

- ii) The Holding Company and two of its subsidiaries had availed vehicle loans which are secured by the hypothecation of the vehicles concerned and bear interest rate of 10-12% per annum. These vehicle loans are repayable in monthly installments, commencing from July 2010 till November 2020. The outstanding balance of such vehicle loans as at March 31, 2019 is ₹ 42.28 lakhs (March 31, 2018: ₹ 46.54 lakhs).

B) Details of terms of repayment, guarantee and security for term loans from financial institution

- i) The Holding Company had availed an Indian Rupee term loan from Tourism Finance Corporation of India Limited (TFCIL) for ₹ 5,000 lakhs during December 2014 towards repayment of existing term loans availed from banks/financial institution and for renovation of Hotel Royal Orchid Regenta, Bangalore ('the hotel').

The loan was secured by exclusive first charge on all the fixed assets of the hotel and mortgage of leasehold rights of land alongwith the hotel building, both present and future. Further, the loan is secured by a first charge by way of hypothecation of all the movables pertaining to the hotel. Additionally, the loan is secured by a personal guarantee of Mr. Chander K. Baljee, Managing Director.

The term loan was repayable in 36 quarterly instalments commencing from October 15, 2015, which ranges from ₹ 1,250 lakhs - ₹ 1,550 lakhs and bear annual interest rate at Nil (March 31, 2018 :TFCIL Base Rate plus 1.25% i.e. 11.80%). The balance loan outstanding as on March 31, 2018 of ₹ 3,635.29 lakhs was repaid on April 13, 2018.

- ii) During the year ended March 31, 2019, Icon Hospitality Private Limited ("Icon") has entered in to an agreement with Tourism Finance Corporation of India Ltd (TFCL) for availing term loan of ₹ 2000.00 lakhs towards repayment of term loan from SREI.

The loan is repayable in 141 monthly instalments commencing from July 15, 2018 and bears an interest rate of 11.50% (MCLR) + premium of 0.70%. The loan is secured by way of mortgage of the hotel property and exclusive charge by way of hypothecation of all movable assets, current assets, loans and advances, long term and short term investments of the Company, both present and future. Further, the loan is secured by way of exclusive charge by way of pledge of 100% of fully paid-up equity shares of the Company and by Corporate Guarantee of the Holding Company and the personal guarantee of a Director of the Company.

The term loan balance outstanding as at March 31, 2019 is ₹ 1,883.00 lakhs (March 31, 2018: ₹ 1,764.98 lakhs)

- iii) During the year ended March 31, 2017, Ksheer Sagar Developers Private Limited has availed an Indian rupee term loan ('the loan') from Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO) for ₹ 4,500.00 lakhs towards swapping of term loan



Notes to the Consolidated financial statements *(continued)*

17 Borrowings (cont'd)

of ₹ 4,000.00 lakhs and overdraft limit of ₹ 500.00 lakhs extended by IDBI Bank for setting up of Royal Orchid Hotel, Jaipur ('the hotel'). The loan is secured by exclusive first charge on the entire existing fixed assets acquired and fixed assets to be acquired for the hotel project. Additionally, the loan is secured by Corporate Guarantee of Royal Orchid Hotels Limited ('the Joint Venturer') and the personal guarantees of Mr. Jagdish Prasad Tambi (Director) and Mr. Chander K. Baljee (Director of the Joint Venturer). The loan is repayable in 31 quarterly instalments ranging from ₹ 45.00 lakhs - ₹ 220.00 lakhs commencing from May 15, 2016 and bear an interest rate of 13.25% p.a. on quarterly compounding basis for first three years and thereafter at prevailing lending rate subject to satisfactory repayment behaviour for first three years."

The term loan balance outstanding as at March 31, 2019 is ₹ 3,665.14 lakhs (March 31, 2018: ₹ 4,123.67 lakhs)

C) Details of terms of repayment, guarantee and security for secured loans from others

Rivershore Developers Private Limited (formerly Amartara Hospitality Private Limited), a subsidiary company, has obtained a term loan from Baljies Hotels and Real Estate Private Limited which is secured by way of first charge on the fixed assets and current assets of, both present and future. The loan bears interest rate of 18% p.a. The balance outstanding as at March 31, 2019 is ₹ 500.00 lakhs (March 31, 2018: ₹ 500.00 lakhs)

D) The current portion of the long-term loans where instalments are due within one year have been classified as "current maturities of long-term debt" under other financial liabilities. (refer note 25).

E) The unsecured loans bear an interest rate of 18% per annum (March 31, 2018 - 18% per annum except Rs 130.00 lakhs loan from directors which are interest free)

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
18 Trade Payables (non-current)		
Acceptances	-	-
Other than acceptances	113.19	113.19
	113.19	113.19
19 Other Financial Liabilities		
Interest accrued but not due on borrowings	30.01	19.22
Security deposits received	30.00	30.00
Payable towards investment in a subsidiary	-	197.94
	60.01	247.16
20 Long-term provisions		
Employee benefits		
Gratuity (refer note 38(b))	266.00	270.62
Compensated absences (refer note 38(c))	74.71	105.51
	340.70	376.14
21 Deferred tax liability (net)		
Deferred tax liabilities	249.37	387.76
Deferred tax assets	(228.04)	(341.42)
Net Deferred tax liabilities	21.33	46.34

Significant components of deferred tax asset / (liability) for the year ended 31 March 2019 are as follows :

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	387.76	(138.39)	-	249.37
(ii) Provision for doubtful receivables	(13.43)	7.18	-	(6.25)
(iii) Re-measurement of defined benefit liability	(17.32)	8.31	(0.17)	(9.18)
(iv) Unabsorbed depreciation losses and other timing difference items	(310.25)	98.12	-	(212.13)
(v) Measurement of security deposits at fair value	(0.42)	(0.06)	-	(0.48)
Total	46.34	(24.84)	(0.17)	21.33

Notes to the Consolidated financial statements *(continued)*

21 Deferred tax liability (net) (cont'd)

Significant components of deferred tax asset / (liability) for the year ended 31 March 2018 are as follows :

	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing Balance
(i) Difference between written down value of fixed assets as per books of accounts and Income Tax Act, 1961	464.55	(76.79)	-	387.76
(ii) Provision for doubtful receivables	(20.34)	6.91	-	(13.43)
(iii) Re-measurement of defined benefit liability	(6.57)	(11.03)	0.28	(17.32)
(iv) Unabsorbed depreciation losses and other timing difference items	(425.62)	115.37	-	(310.25)
(v) Measurement of security deposits at fair value	(0.41)	(0.01)	-	(0.42)
Total	11.61	34.45	0.28	46.34

22 Other non-current liabilities

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Deferred revenue arising from Government grant related to assets	3.51	26.71
Retention money payable	42.50	42.50
	46.01	69.21

23 Short-term borrowings

Unsecured

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Loans repayable on demand		
availed by subsidiary companies from its directors (refer note (i))	116.57	179.46
availed by subsidiary company from its shareholders (refer note (ii))	151.07	151.07
	267.64	330.53

Note:

- Loans aggregating ₹ 82.49 lakhs (March 31, 2018: ₹ 82.49 lakhs) carry interest rates ranging from 14% to 18% per annum. Loans aggregating ₹ 34.08 lakhs (March 31, 2018: ₹ 96.97 lakhs) are interest-free.
- Loans are interest-free and repayable on demand.

24 Trade payables

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Acceptances	-	-
Other than acceptances	3,524.61	3,184.36
	3,524.61	3,184.36

25 Other financial liabilities

Current maturities of long-term debt (refer note 17)	1,045.64	699.13
Interest accrued and due on borrowings	1,333.71	1,228.71
Interest accrued and not due on borrowings	123.64	143.46
Unclaimed dividends [refer note (a) below]	2.34	2.43
Payables on purchase of Property, Plant and Equipment (including retention money payable)	343.04	185.63
Book overdrafts	37.21	51.38
Others	75.08	194.24
	2,960.66	2,504.98

Note:

- The Holding company has transferred an amount of ₹ 1.43 lakhs (31 March 2018: ₹ Nil) to Investor Education and Protection Fund during the year.



Notes to the Consolidated financial statements *(continued)*

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
26 Short-term provisions		
Employee benefits		
Gratuity (refer note 38(b))	69.77	21.49
Compensated absences (refer note 38(c))	39.31	37.68
	109.08	59.17
27 Current tax liabilities (net)		
Provision for taxes (net of advance taxes)	29.93	187.50
	29.93	187.50
28 Other current liabilities		
Statutory dues	419.61	405.82
Advance received from customers	700.04	965.81
Retention money payable	455.04	455.04
Others	272.01	266.93
	1,846.70	2,093.60
	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
29 Revenue from operations		
From sale of services at hotels		
- Room nights	11,767.49	11,571.84
- Food and beverages	6,906.22	5,920.94
- Other services	600.15	529.26
From hotel management and consultancy services	1,109.42	923.31
	20,383.28	18,945.35
30 Other income		
Interest income		
- on deposits with banks	161.84	76.39
- on income tax refund	14.11	2.67
- on others	10.09	0.93
License Fee income	27.36	30.67
Income under Government Incentive Scheme	94.45	-
Revenue arising from Government grant related to assets	23.20	23.30
Interest income earned on Financial Assets that are not designated at fair value through Profit or Loss (refer note (i))	27.23	28.27
Gain from foreign currency transactions and translations, net	45.49	-
Provisions no longer required, written back	205.98	55.38
Recovery from managed properties	836.74	611.78
Miscellaneous	75.06	63.77
	1,521.56	893.16

Note:

- (i) Pertains to interest income earned on account of discounting of the rental deposits.

Notes to the Consolidated financial statements *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
31 Food and beverages consumed		
Opening stock	176.70	165.03
Add : Purchases during the year	2,208.44	2,038.52
	2,385.14	2,203.55
Less : Closing stock	186.14	176.70
Consumption	2,199.00	2,026.85
32 Employee benefits expense		
Salaries and wages (includes Share based payments to employees ₹ (9.28) lakhs (for the year ending March 31, 2018: ₹ 75.88 lakhs)	4,372.12	4,069.19
Contribution to provident fund (refer note 38(a))	156.16	158.93
Gratuity expense (refer note 38(b))	94.00	92.31
Staff welfare expenses	386.88	348.01
	5,009.16	4,668.43
33 Finance costs		
Interest expenses		
- on term loan	1,226.50	1,377.55
- on present value accounting of liability towards investment in a subsidiary	26.72	23.54
- on unsecured loan	51.60	51.60
- on Interest on delayed/deferred payment of advance tax	2.60	7.13
- on vehicle loans	3.69	5.14
- on others	10.00	4.46
	1,321.11	1,469.42
34 Depreciation and amortisation		
Depreciation on tangible assets (refer note 3)	1,432.19	1,580.91
Amortisation on intangible assets (refer note 3C)	-	0.88
	1,432.19	1,581.79



Notes to the Consolidated financial statements *(continued)*

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
35 Other expenses		
Guest transportation	137.62	134.47
Linen and room supplies	341.34	334.16
Catering and other kitchen supplies	159.39	142.94
Cablenet charges	34.85	43.13
Uniform washing and laundry	250.96	226.05
Music and entertainment	64.61	43.38
Banquet expenses	786.78	674.06
Power, fuel and water	1,845.89	1,684.64
Spa expense	18.22	20.92
Garden, landscaping and decoration	55.97	49.64
Security charges	193.92	174.57
Communication	154.11	174.91
Printing and stationery	133.06	114.75
Subscription charges	105.15	69.18
Rent	1,494.28	1,363.73
Repairs and maintenance		
- Buildings	146.92	151.17
- Plant and equipment	317.68	240.19
- Others	257.00	221.66
Insurance	105.05	61.27
Commission and brokerage	887.78	906.00
Rates and taxes	537.99	578.28
Legal and professional	656.35	677.30
Travelling and conveyance	213.32	244.80
Advertisement and business promotion	427.66	390.62
Allowance for doubtful receivables (expected credit loss allowance)	5.58	84.80
Bad receivables/advances written off	26.84	127.72
Less: Write back of provision for doubtful receivables/ advances	(2.00)	(127.72)
	24.84	-
Directors' commission & sitting fees	46.63	20.47
Royalty	22.10	39.56
Foreign exchange fluctuation loss	-	15.44
Bank charges	66.08	103.88
Loss on sale/write off of assets	59.23	118.09
Advances/Deposits written off	57.06	14.15
Miscellaneous	207.51	196.34
	9,814.93	9,314.55

Notes to the Consolidated financial statements *(continued)*

(₹ in lakhs)

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
36 Earnings per share		
Basic		
Weighted average number of shares outstanding	27,371,812	27,248,715
Net profit after tax attributable to equity shareholders in ₹ lakhs	1,321.07	245.95
Basic earnings per share in ₹	4.83	0.90
Nominal value per equity share in ₹	10	10
Diluted		
Weighted average number of shares outstanding	27,601,678	27,429,720
Net profit after tax attributable to equity shareholders in ₹ lakhs	1,321.07	245.95
Diluted earnings per share in ₹	4.79	0.89
Nominal value per equity share in ₹	10	10

37 Related parties

Key Management Personnel (KMP)

Mr. Chander K. Baljee

Relatives of KMP

Mrs. Sunita Baljee

Mr. Sunil Sikka

Entities controlled by KMP

Baljees Hotels and Real Estate Private Limited

Hotel Staylonger Private Limited

Entities significantly influenced by KMP

Presidency College of Hotel Management

i. The transactions with related parties for the year are summarised below:

(₹ in lakhs)

Nature of transaction	Key Management Personnel		Relatives of KMP		Entity controlled by KMP	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on loans taken						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	104.40	104.40
Mr. Chander K. Baljee	4.50	4.50	-	-	-	-
Remuneration*						
Mr. Chander K. Baljee	208.65	210.03	-	-	-	-
Rental expense						
Baljees Hotel and Real Estates Private Limited	-	-	-	-	240.00	240.00
Hotel Staylonger Private Limited	-	-	-	-	60.00	60.00
Directors commission and sitting fees						
Mr. Sunil Sikka	-	-	7.02	1.55	-	-
Mrs. Sunita Baljee	-	-	6.80	2.10	-	-



Notes to the Consolidated financial statements *(continued)*

37 Related parties (cont'd)

ii. Balances payable to/receivable from related parties are summarised below:

(₹ in lakhs)

Nature of transaction	Key Management Personnel		Relatives of KMP		Entity controlled by KMP	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Borrowings						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	580.00	580.00
Mr. Chander K. Baljee	25.00	25.00	-	-	-	-
Interest accrued and due on borrowings						
Baljees Hotels and Real Estate Private Limited	-	-	-	-	326.23	238.48
Mr. Chander K. Baljee	25.25	21.20	-	-	-	-
Trade Payable						
Mr. Chander K. Baljee*	61.02	57.00	-	-	-	-
Baljees Hotel and Real Estates Private Limited	-	-	-	-	207.92	63.72
Hotel Staylonger Private Limited	-	-	-	-	68.42	134.01
Security deposit given						
Hotel Staylonger Private Limited	-	-	-	-	100.00	100.00
Mr. Chander K. Baljee	600.00	600.00	-	-	-	-
Security deposit payable						
Presidency college of Hotel Management	-	-	-	-	30.00	30.00
Personal guarantee taken outstanding						
Mr. Chander K. Baljee	8,900.00	8,900.00	-	-	-	-

* Managerial remuneration excludes provision for gratuity and compensated absences, since a sepearte actuarial valuation is not available

38 Employee benefit plans

a) Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 156.16 lakhs (Year ended 31 March 2018: ₹ 158.93 lakhs) for Provident Fund contributions, and ₹ 59.60 lakhs (Year ended 31 March 2018: ₹ 56.20 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

The Company offers gratuity benefit scheme to its employees in India as per 'The Payment of Gratuity Act, 1972'. Under the act, employee who has completed five years of service is entitled to gratuity benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The following table sets out the status of the gratuity plan as required under Indian Accounting Standard (Ind AS) - 19 - Employee benefits:

Notes to the Consolidated financial statements *(continued)*

38 Employee benefit plans (cont'd)

	Year ended 31 March 2019 ₹ in lakhs	Year ended 31 March 2018 ₹ in lakhs
(i) The amounts recognised in the Balance Sheet are as follows:		
Present value of the obligation as at the end of the year		
Current Liability	69.77	21.49
Non-Current Liability	266.00	270.62
Fair value of plan assets as at the end of the year	-	-
Net liability/ (assets) recognized in the Balance Sheet	335.77	292.11
(ii) Changes in the present value of defined benefit obligation		
Defined benefit obligation as at beginning of the year	292.11	240.01
Service cost	71.48	74.67
Interest cost	22.52	17.64
Actuarial losses/(gains) arising from		
- change in demographic assumptions	(62.94)	-
- change in financial assumptions	75.62	(11.07)
- experience variance (i.e. Actual experiences assumptions)	(23.75)	4.02
Benefits paid	(39.27)	(33.16)
Defined benefit obligation as at the end of the year	335.77	292.11
(iii) Components of net gratuity costs are		
Service cost	71.48	74.67
Net interest cost on the net defined benefit liability	22.52	17.64
Components of defined benefit costs recognised in Statement of Profit and Loss	94.00	92.31
(iv) Other comprehensive income		
Change in financial assumptions	75.62	(11.07)
Experience variance (i.e. actual experience vs assumptions)	(23.75)	4.02
Return on plan assets, excluding amount recognized in net interest expense	-	-
Change in demographic assumptions	(62.94)	-
Components of defined benefit costs recognized in other comprehensive income	(11.07)	(7.05)
(v) Assumptions used for actuarial valuation of gratuity and compensated absences		
Discount rate	6.70%	7.80%
Salary escalation rate	8.50%	7.00%
Mortality rates (IAL: Indian Assured Lives Mortality (2006-08))	100% of IAL	100% of IAL
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.		
(vi) Experience adjustments:		
Particulars	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Defined Benefit Obligation	335.77	292.11
Fair value of plan assets	-	-
(Surplus)/deficit	335.77	292.11
Experience adjustments on liabilities: gain/(loss)	(23.75)	4.02
Experience adjustments on plan assets: gain/(loss)	-	-



Notes to the Consolidated financial statements *(continued)*

38 Employee benefit plans (cont'd)

vii) Sensitivity analysis

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

a. Interest Rate Risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of liability (as shown in financial statements).

b. Liquidity Risk:

This is the risk that the Company is not able to meet the short term benefit payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

c. Salary Escalation Risk:

The present value of the above benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase in salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

d. Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

e. Regulatory Risk:

Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (for example, increase in the maximum liability on gratuity of ₹ 10,00,000).

f. Asset Liability Mismatching or Market Risk:

The duration of the liability is longer compared to duration of assets exposing the company to market risks for volatilities/fall in interest rate.

g. Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	Year ended 31 March 2019		Year ended 31 March 2018	
	Increase ₹ in lakhs	Decrease ₹ in lakhs	Increase ₹ in lakhs	Decrease ₹ in lakhs
Discount Rate (- / + 1%)	313.95	353.71	260.53	322.37
Salary Growth Rate (- / + 1%)	352.22	314.90	320.83	261.03
Mortality rate (- / + 10%)	332.65	332.61	289.04	288.90

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation for the prior period.

viii) Maturity analysis of Defined Benefit Obligation

Particulars	As at 31 March 2019	As at 31 March 2018
Weighted average duration (based on discounted cashflows)	7 years	11.50 years
Expected cash flows over the next (valued on undiscounted basis):		
1 year	69.77	21.49
2 to 5 years	162.29	69.30
6 to 10 years	105.73	121.60
More than 10 years	237.87	595.27

c) Actuarial assumptions considered to determine the provision for compensated absence is same as gratuity provision.

Notes to the Consolidated financial statements *(continued)*

39 Segment information

The Managing Director of the Holding Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Group's business comprises of operation of hotels and allied services, which represents one business segment as they are subject to risks and returns that are similar to each other. Consequently, the disclosure of business segment-wise information is not applicable to the Group. Further, the Group derives its entire revenue from services rendered in India.

Geographical segments of the Group are Tanzania and India. The carrying value of segment assets outside India is ₹ 1,953.49 lakhs (31 March 2018 : ₹ 1,783.49 lakhs) and all other assets of the Group are situated in India. Additions to Capital work in progress during the year outside India is ₹ 19.17 lakhs (for the year ended 31 March 2018: ₹ 0.50 lakhs)

40 Capital management

For the purpose of the Company's capital management, capital includes issued capital, additional paid in capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade payables, less cash.

<i>(₹ in lakhs)</i>		
Particulars	As at 31 March 2019	As at 31 March 2018
Long term borrowings	8,866.53	9,606.36
Short term borrowings	267.64	330.53
Less: Cash and cash equivalents	(3,452.18)	(2,108.57)
Less: Bank balances other than cash and cash equivalents	(698.99)	(531.01)
Net debt	4,983.00	7,297.31
Equity	2,740.67	2,730.12
Other Equity	15,007.06	14,183.51
Total capital	17,747.73	16,913.63
Capital and net debt	22,730.73	24,210.94
Gearing ratio	22%	30%



Notes to the Consolidated financial statements *(continued)*

41 Operating leases

The Group has taken various hotel properties and offices on cancellable and non-cancellable leases, which have tenures ranging from 11 months to 15 years. Some of these leases have periodical escalation in lease rentals and/or a share of annual revenues from such properties, in excess of pre-agreed limits.

The lease expense for cancellable and non-cancellable operating leases recognised during the year ended 31 March 2019 is ₹ 1,494.28 lakhs (31 March 2018: ₹ 1,363.73 lakhs).

The details of lease commitments in terms of minimum lease payments within the non-cancellable period are as follows:

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Payments falling due:		
Within 1 year	254.34	302.52
Later than one year but not later than five years	612.84	766.95
Later than 5 years	1,850.53	1,808.31
Total	2,717.71	2,877.78

42 Commitments and contingencies

a) Litigations

- During the prior years, a Subsidiary Company had received an Order from Office of the Commissioner of Customs (Export) imposing differential duties and penalties amounting to ₹ 323.36 lakhs plus applicable interests for certain alleged violations of the Export Promotion Capital Goods Scheme. The Subsidiary Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai and an unconditional stay in the matter is granted till the disposal of the appeal. Based on a detailed evaluation and independent advice obtained, the management believes that the case will be settled in its favour. Accordingly, these financial statements do not include adjustments, if any, on the above account.
- The Holding Company received tax demand including interest, from the Indian tax authorities for payment of ₹ 426 lakhs (31 March 2018: ₹ 449 lakhs for fiscal year 2009, 2011 and 2012) arising on denial of certain expenditure, upon completion of tax assessment for the fiscal years 2009 and 2011. The Holding Company appeal against the said demands were allowed partially in favour of the Company. Currently, the matter for these fiscal years are before the Income Tax Appellate Tribunal for hearing.

The Holding Company is contesting the above demands and the management believes that the final outcome of the disputes would be in favour of the Holding Company and will not have any material adverse effect on the financial position and results of operations.

b) Capital and other commitments

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for	53.34	33.23

43 Payment to auditors

	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
For audit fees		
- to auditors of the Holding Company	40.25	40.25
- to auditors of Subsidiary Companies	26.60	26.60
For other services	0.50	0.50
For reimbursement of expenses	1.38	1.34
	68.73	68.69

Notes to the Consolidated financial statements *(continued)*

44 Fair value measurements

(i) Financial instruments by category

The following table presents the fair value of assets and liabilities measured at fair value on a recurring basis and measured at amortised cost basis:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
A. Financial assets		
a) Measured at amortised cost		
Non-current assets		
(i) Investments	2.25	2.25
(ii) Other non-current financial assets	2,154.72	2,012.37
Current assets		
(i) Trade receivables	1,857.39	2,329.00
(ii) Cash and cash equivalents	3,452.18	2,108.57
(iii) Bank balances other than cash and cash equivalents	698.99	531.01
(iv) Other financial assets	317.35	305.31
	8,482.88	7,288.51
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial assets	8,482.88	7,288.51
B. Financial liabilities		
a) Measured at amortised cost		
Non-current liabilities		
(i) Borrowings	8,866.53	9,606.36
(ii) Trade Payables	113.19	113.19
(iii) Other non-current financial liabilities	60.01	247.16
Current liabilities		
(i) Borrowings	267.64	330.53
(ii) Trade payables	3,524.61	3,184.36
(iii) Other financial liabilities	2,960.66	2,504.98
	15,792.64	15,986.58
b) Measured at fair value through OCI	-	-
c) Measured at fair value through profit or loss	-	-
Total financial liabilities	15,792.64	15,986.58

Notes:

- The fair value of trade receivables, trade payables and other Current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short – term nature.
- The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The management assessed that for amortised cost instruments, the fair value approximates largely to the carrying amount

45 Financial risk management

The Group activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on it's financial performance. The Group exposure to credit risk is influenced mainly by the individual characteristic of each customer.

The Group risk management activity focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.



Notes to the Consolidated financial statements *(continued)*

(A) Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group, resulting in a financial loss. The Group is exposed to this risk for various financial instruments. The Group maximum exposure to credit risk is limited to the carrying amount of financial assets, as summarised below:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets		
(i) Investments	2.25	2.25
(ii) Other non-current financial assets	2,154.72	2,012.37
Current assets		
(i) Trade receivables	1,857.39	2,329.00
(ii) Cash and cash equivalents	3,452.18	2,108.57
(iii) Bank balances other than cash and cash equivalents	698.99	531.01
(iv) Other financial assets	317.35	305.31
Total financial assets	8,482.88	7,288.51

A1: Trade and other receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Group historical experience for customers.

The allowance/reversal for life time expected credit loss on customer balances for the year ended 31 March 2019 and as at 31 March 2018 is given below:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	384.37	427.29
Impairment loss recognised	5.58	84.80
Impairment loss reversed	(24.84)	(127.72)
Balance at the end of the year	365.12	384.37

A2: Cash and cash equivalents

The credit risk for cash and cash equivalents, and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, advances recoverable, loans and advances to employees, security deposit and other financial assets are neither past due nor impaired.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired.

(B) Liquidity risk

Liquidity risk is that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, usually on a month on month basis. Long-term liquidity needs for a 360-day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Notes to the Consolidated financial statements *(continued)*

45 Financial risk management (cont'd)

The Group non-derivative financial liabilities that have contractual maturities (including interest payments where applicable) are summarised below:

Maturities of financial liabilities

(₹ in lakhs)

As at 31 March 2019	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	267.64	5,507.88	3,358.64	9,134.16
Trade payable	3,524.61	113.19	-	3,637.80
Other financial liabilities	2,960.66	60.01	-	3,020.67
Total	6,752.91	5,681.08	3,358.64	15,792.63
As at 31 March 2018				
Borrowings	330.53	5,579.98	4,026.38	9,936.89
Trade payable	3,184.36	113.19	-	3,297.55
Other financial liabilities	2,442.97	247.16	-	2,690.13
Total	5,957.86	5,940.33	4,026.38	15,924.57

(C) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

(i) Foreign currency risk

The predominant currency of the Group revenues and operating cash flows is Indian Rupees (INR). The Group is exposed to foreign exchange risk on account of advances given to its wholly owned subsidiary in foreign currency. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

The predominant currency of the Group revenues and operating cash flows is Indian Rupees (INR). The Group does not have foreign currency denominated financial assets and liabilities which expose the Group to currency risk.

(ii) Interest rate risk

a) Liabilities

The Group policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31 March 2019, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Variable rate borrowing	9,067.66	9,652.82
Fixed rate borrowing	1,112.15	983.20
Total borrowings	10,179.81	10,636.03
Amount disclosed under other current financial liabilities	1,045.64	699.13
Amount disclosed under borrowings	9,134.17	9,936.89

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	90.68	96.53
Interest rates – decrease by 100 basis points (100 bps)	90.68	96.53



Notes to the Consolidated financial statements *(continued)*

45 Financial risk management (cont'd)

(ii.b) Assets

The Group fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

46 Information in respect of Options granted under the Company's Employee Stock Option Scheme, 2014

Sl. No.	Particulars	ROHL Employee Stock Option Scheme, 2014 ('the ESOP Scheme 2014')
1	Date of Shareholders' approval	29 September 2014
2	Total number of Options approved under the Plan	Options equivalent to 1,361,698 Ordinary Shares of ₹ 10 each.
3	Vesting Schedule	The vesting period for conversion of Options is as follows: - 1/3rd vests on completion of 12 months from the date of grant of the Options. - 1/3rd vests on completion of 24 months from the date of grant of the Options. - 1/3rd vests on completion of 36 months from the date of grant of the Options.
4	Pricing Formula	The Pricing Formula, as approved by the Shareholders of the Company, is at such price, as determined by the Board of Directors ('the Board'), which is no lower than closing price on a recognized stock exchange on which the shares of the Company are listed on the date immediately prior to the date of grant and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price or the 'Market Price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Options have been granted at 'market price' as defined from time to time under the aforesaid Guidelines/Regulations.
5	Maximum term of Options granted	One year from the date of vesting (previously five years from the date of vesting).
6	Source of Shares	Primary
7	Variation in terms of Options	None
8	Method used for accounting of share-based payment plans	The employee benefit expense pertaining to share-based payments has been calculated using the fair value method of accounting for Options issued under the Company's ESOP scheme 2014. The employee benefit expense as per the fair value method for the financial year 2018-19 is a reversal of ₹ 9.28 lakhs (2017-18: ₹ 75.88 lakhs).
9	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price per Option: ₹ 84.34 (31 March 2018: ₹ 84.34) Weighted average fair value per Option: ₹ 35.03 (31 March 2018: ₹ 42.31)

10 Details of Employee Stock Option granted during the financial year, but not vested as on 31 March 2019:

Date of grant	Number	Financial year of vesting	Exercise price in ₹	Fair value at grant date in ₹
NIL				

Details of Employee Stock Option granted during the financial year, but not vested as on 31 March 2018:

Date of grant	Number	Financial year of vesting	Exercise price in ₹	Fair value at grant date in ₹
12 October 2017	39,000	2018-19, 2019-20 and 2020-21	127.05	45.95

Notes to the Consolidated financial statements *(continued)*

46 Information in respect of Options granted under the Company's Employee Stock Option Scheme, 2014 (cont'd)

11 Fair value on the grant date

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2019 are as follows:

- Weighted average exercise price ₹ Nil (31 March 2018: ₹ 127.05)
- Grant date: Nil (31 March 2018: 12 October 2017)
- Vesting year: Nil (31 March 2018: 2018-19 to 2020-21)
- Share price at grant date: ₹ Nil (31 March 2018: ₹ 127.05 at 12 October 2017)
- Expected price volatility of Company's share: Nil (31 March 2018: 48.50%)
- Expected dividend yield: Nil (31 March 2018: 0.00%)
- Risk free interest rate: Nil (31 March 2018: 7.00%)

The expected price volatility is based on the historic volatility (based on remaining life of the options).

12 Summary of status of Options

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Options	Weighted Average Exercise Prices in ₹	No. of Options	Weighted Average Exercise Prices in ₹
Outstanding at the beginning of the year	430,777	80.71	459,000	80.71
Add: Granted during the year	-	-	39,000	127.05
Less: Lapsed during the year	70,250	-	-	-
Less: Exercised during the year	105,527	80.73	67,223	80.69
Outstanding at the end of the year	255,000	80.71	430,777	80.71
Options exercisable at the end of the year	38,065	100.60	85,777	80.73

13 Share Option Exercised during the year:

Option Series	Number of shares exercised	Exercise Date	Share Price at exercise date NSE
Series I - Granted as on 30 May 2016	61,974	07-Jun-18	171.41
Series I - Granted as on 30 May 2016	21,052	16-Aug-18	141.03
Series I - Granted as on 30 May 2016	3,000	21-Dec-18	129.85
Series I - Granted as on 30 May 2016	4,501	01-Mar-19	111.29
Series II - Granted as on 04 February 2017	6,000	07-Jun-18	171.41
Series II - Granted as on 04 February 2017	9,000	01-Mar-19	111.29

47 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in lakhs)

Name of the entity	Net Assets as at 31 March 2019		Share in Profit/(Loss) for year ended 31 March 2019		Share in Other Comprehensive Income for year ended 31 March 2019		Share in Total Comprehensive Income for year ended 31 March 2019	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated profit/(loss)	Amount
Parent								
Royal Orchid Hotels Limited	9.21%	2,041.20	21.54%	282.34	(44.51%)	(4.46)	21.03%	277.88



Notes to the Consolidated financial statements *(continued)*

Name of the entity	Net Assets as at 31 March 2019		Share in Profit/(Loss) for year ended 31 March 2019		Share in Other Comprehensive Income for year ended 31 March 2019		Share in Total Comprehensive Income for year ended 31 March 2019	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated profit/(loss)	Amount
Indian subsidiaries								
1 River Shore Developers Private Limited *	17.93%	3,973.65	(8.81%)	(115.44)	0.00%	-	(8.74%)	(115.44)
2 Icon Hospitality Private Limited	9.70%	2,150.02	6.40%	83.86	22.36%	2.24	6.52%	86.10
3 Cosmos Premises Private Limited	9.13%	2,024.60	34.16%	447.81	(3.99%)	(0.40)	33.87%	447.41
4 Maruti Comforts & Inn Private Limited	8.34%	1,847.77	29.48%	386.44	22.36%	2.24	29.42%	388.68
5 Ksheer Sagar Developers Private Limited	5.22%	1,157.11	2.50%	32.78	19.36%	1.94	2.63%	34.72
6 Raj Kamal Buildcon Private Limited	2.16%	477.68	(0.42%)	(5.51)	0.00%	-	(0.42%)	(5.51)
7 JH Builders Private Limited	2.16%	477.84	(0.42%)	(5.51)	0.00%	-	(0.42%)	(5.51)
8 Ksheer Sagar Buildcon Private Limited	2.16%	477.68	(0.42%)	(5.51)	0.00%	-	(0.42%)	(5.51)
9 Royal Orchid Associated Hotels Private Limited	3.42%	759.02	10.48%	137.37	35.83%	3.59	10.67%	140.96
10 Royal Orchid Maharashtra Private Limited	1.05%	232.25	(0.02%)	(0.29)	0.00%	-	(0.02%)	(0.29)
11 Royal Orchid Hyderabad Private Limited	0.68%	150.59	(0.02%)	(0.24)	0.00%	-	(0.02%)	(0.24)
12 Royal Orchid Jaipur Private Limited	0.50%	111.68	(2.57%)	(33.72)	0.00%	-	(2.55%)	(33.72)
13 AB Holdings Private Limited	0.04%	7.86	(0.03%)	(0.39)	0.00%	-	(0.03%)	(0.39)
14 Royal Orchid Goa Private Limited	0.02%	4.68	(0.02%)	(0.20)	0.00%	-	(0.02%)	(0.20)
15 Royal Orchid Shimla Private Limited	0.02%	4.66	(0.02%)	(0.22)	0.00%	-	(0.02%)	(0.22)
16 Royal Orchid Mumbai Private Limited	(0.00%)	(0.07)	(0.02%)	(0.25)	0.00%	-	(0.02%)	(0.25)
17 Royal Orchid South Private Limited	(0.02%)	(4.32)	(0.09%)	(1.14)	0.00%	-	(0.09%)	(1.14)
Foreign subsidiary								
1 Multi Hotels Limited	8.36%	1,853.83	(0.60%)	(7.86)	0.00%	-	(0.59%)	(7.86)
Non-controlling interests in all subsidiaries	19.93%	4,417.09	8.90%	116.73	48.60%	4.87	9.20%	121.60
Total	100.00%	22,164.82	100.00%	1,311.05	100.00%	10.02	100.00%	1,321.07

*Formerly Amartara Hospitality Private Limited

Notes to the Consolidated financial statements *(continued)*

47 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (cont'd)

(₹ in lakhs)

Name of the entity	Net Assets as at 31 March 2018		Share in Profit/(Loss) for year ended 31 March 2018		Share in Other Comprehensive Income for year ended 31 March 2018		Share in Total Comprehensive Income for year ended 31 March 2018	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit/(loss)	Amount	As a % of consolidated profit/(loss)	Amount
Parent								
Royal Orchid Hotels Limited	9.77%	2,089.64	78.97%	190.49	(1.06%)	(0.05)	77.43%	190.44
Indian subsidiaries								
1 River Shore Developers Private Limited *	18.85%	4,032.52	(85.81%)	(206.98)	0.00%	-	(84.16%)	(206.98)
2 Icon Hospitality Private Limited	10.71%	2,290.91	(36.76%)	(88.67)	(88.37%)	(4.18)	(37.75%)	(92.85)
3 Cosmos Premises Private Limited	8.53%	1,824.74	135.61%	327.13	15.22%	0.72	133.30%	327.85
4 Maruti Comforts & Inn Private Limited	7.85%	1,680.27	75.72%	182.66	31.08%	1.47	74.86%	184.13
5 Ksheer Sagar Developers Private Limited	4.99%	1,067.76	19.35%	46.67	74.00%	3.50	20.40%	50.17
6 Raj Kamal Buildcon Private Limited	2.26%	483.16	(2.26%)	(5.46)	0.00%	-	(2.22%)	(5.46)
7 JH Builders Private Limited	2.26%	483.32	(2.26%)	(5.46)	0.00%	-	(2.22%)	(5.46)
8 Ksheer Sagar Buildcon Private Limited	2.26%	483.16	(2.26%)	(5.46)	0.00%	-	(2.22%)	(5.46)
9 Royal Orchid Associated Hotels Private Limited	1.66%	354.05	10.17%	24.54	48.20%	2.28	10.90%	26.82
10 Royal Orchid Jaipur Private Limited	0.61%	131.14	(41.26%)	(99.53)	0.00%	-	(40.47%)	(99.53)
11 Royal Orchid Maharashtra Private Limited	1.09%	232.43	(1.41%)	(3.41)	0.00%	-	(1.39%)	(3.41)
12 Royal Orchid Hyderabad Private Limited	0.70%	148.74	(0.08%)	(0.20)	0.00%	-	(0.08%)	(0.20)
13 AB Holdings Private Limited	0.04%	8.04	(0.09%)	(0.22)	0.00%	-	(0.09%)	(0.22)
14 Royal Orchid Goa Private Limited	0.02%	4.32	(0.12%)	(0.29)	0.00%	-	(0.12%)	(0.29)
15 Royal Orchid Shimla Private Limited	0.02%	4.35	(0.08%)	(0.20)	0.00%	-	(0.08%)	(0.20)
16 Royal Orchid Mumbai Private Limited	(0.00%)	(0.64)	(0.08%)	(0.20)	0.00%	-	(0.08%)	(0.20)
17 Royal Orchid South Private Limited	(0.02%)	(4.23)	(0.45%)	(1.09)	0.00%	-	(0.44%)	(1.09)
Foreign subsidiary								
1 Multi Hotels Limited	7.48%	1,599.95	(7.89%)	(19.04)	0.00%	-	(7.74%)	(19.04)
Non-controlling interests in all subsidiaries	20.94%	4,478.47	(38.99%)	(94.06)	20.93%	0.99	(37.84%)	(93.07)
Total	100.00%	21,392.10	100.00%	241.22	100.00%	4.73	100.00%	245.95

*Formerly Amartara Hospitality Private Limited

48. (a) The Holding Company has been named as a defendant in a suit filed in mid 2008 by Kamat Hotels (India) Limited ('the plaintiff' or "Kamat Hotels") with Bombay High Court restraining the alleged use of the trademark of the Holding Company and a relief of a permanent injunction restraining the Holding Company from using the trademark 'Orchid'. The Holding Company had filed an application seeking an interim injunction while the above proceedings are pending. The Bombay High Court vide its interim order dated 05 April 2011, has allowed the Holding Company to continue to operate its current hotels as on that date but has restrained the Holding Company from opening new hotels under the said brand. However, the Division bench of the Bombay High Court vide its order dated 06 May 2011 has partially stayed operation of the said Order and allowed opening of one of Holding Company proposed hotels in Vadodara under the 'Royal Orchid' brand.

During the year ended 31 March 2014, the Holding Company has obtained two favourable rulings from the Intellectual Property Appellate Board ("IPAB"). Kamat Hotels had preferred to appeal the ruling of IPAB in Madras High Court. The Madras High Court has passed orders cancelling the registration in Class 42 of Trademarks Act and the Holding Company has filed an Special Leave Petition "SLP" with the Honorable Supreme Court in 2015. Reply to SLP was filed by Kamat Hotels in the form of Counter affidavit and the Holding Company has filed a Rejoinder in the form of an affidavit. The matter was partly heard by the Honorable Supreme Court in April and May of 2017 and has advised Kamat Hotels to consider the options for settlement by displaying the disclaimers on the Websites regarding the disassociation between the two



Notes to the Consolidated financial statements *(continued)*

brands. On 13 February 2018, the Supreme Court dismissed the SLP filed by the Holding Company and consequently, the Holding Company has filed a Chamber Appeal against the said Order which was listed on August 3, 2018. The Chamber accepted the clarification filed by the Holding Company. Therefore, the management believes that the outcome of SLP affects only the registration of the trademarks in Class 42 and does not in any way affect the use of marks by the Holding Company.

The management believes that the case will be settled in its favour and will not affect its current and future operations.

- b) The Holding Company has been named as a defendant in two civil suits on a portion of land taken on lease from the Karnataka State Tourism Development Corporation ("KSTDC") for the operation of the Hotel Royal Orchid Regenta, Bangalore, which is adjacent to the hotel premises. One of the civil suit has been settled in favour of the Holding Company, against which an appeal before the High Court of Karnataka, is pending and in the other matter the Holding Company has an injunction against the other party. Management believes that these cases are not material and will not adversely affect its operations

49. During the year ended 31 March 2018, the Holding Company has recorded an exceptional income of ₹ 145.00 lakhs towards settlement on account of termination of the Hotel Operation Agreement of a hotel at Chandigarh.

50. The Board of Directors of the Holding Company in their meeting held on 29 May 2019 have proposed a final dividend of ₹ 2 per equity share in respect of the year ended 31 March 2019, subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 660.80 lakhs (including dividend distribution tax).

51. Approval of Financial Statements

The Consolidated financial statements were approved for issue by the board of directors on 29 May 2019.

For and on behalf of the Board of Directors of Royal Orchid Hotels Limited

Chander K. Baljee

Managing Director
DIN: 00081844

Sunita Baljee

Director
DIN: 00080737

Dr. Ranabir Sanyal

Company Secretary & Compliance Officer
Mem.No.: F7814
Place : Bengaluru
Date : 29 May 2019

Amit Jaiswal

Chief Financial Officer



ROYAL ORCHID HOTELS LIMITED

Notice

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Royal Orchid Hotels Limited will be held on Monday, the 23rd Day of September, 2019 at Hotel Royal Orchid Regenta, No.1 Golf Avenue, Adjoining KGA Golf Course, Bangalore -560008, Karnataka at 11:30 A.M to transact the following businesses:

ORDINARY BUSINESSES:

1. To consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for Financial Year ended March 31, 2019, together with reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statement of the Company for the Financial year ended March 31, 2019, together with reports of the Auditors thereon.
2. To appoint a Director in place of Mrs. Sunita Baljee (DIN: 00080737), who retires by rotation and being eligible, offers herself for re-appointment.
3. To declare a dividend of ₹ 2/- per Equity Share of ₹ 10/- each for the Financial Year ended March 31, 2019.

SPECIAL BUSINESSES:

4. To Alter the Memorandum of Association of the Company.

To consider and if thought fit, pass with or without modification(s), following resolution as a **"SPECIAL RESOLUTION"**:

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company, by inserting following new clause "19A" under heading "The Objects Incidental or Ancillary to the Attainment of the Main Objects"

"19A. Imparting training to persons including but not restricted to skill development and entering into MOU's or any form of agreements with any type of legal entity and/ or regulatory authority for imparting training of any type."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

5. To Alter the Articles of Association of the Company.

To consider and if thought fit, pass with or without modification(s), following resolution as a **"SPECIAL RESOLUTION"**:

"RESOLVED THAT pursuant to the provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory

modification(s) or re-enactment(s) thereof, for the time being in force) approval of the members be and is hereby accorded for alteration of the Articles of Association of the Company by inserting the following new Article and Heading after existing Article 72:

Chairperson

"73. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

6. To Re-appoint Mr. Chander K. Baljee (DIN: 00081844) as a Managing Director of the Company and Approval of the remuneration.

To consider and if thought fit, pass with or without modification(s), following resolution as a **"SPECIAL RESOLUTION"**:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Chander K. Baljee (DIN: 00081844) as a Managing Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from April 01, 2020 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed be and between the Board/ Nomination and Remuneration Committee and Mr. Chander K. Baljee."

"RESOLVED FURTHER THAT the remuneration for the financial year 2018-19 be paid to Mr. Chander K. Baljee (DIN: 00081844) as per the details in explanatory statement annexed to the Notice."

"RESOLVED FURTHER THAT the Board or any Committee thereof, be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

7. Reappointment of Mr. Naveen Jain (DIN: 00051183) as an Independent Director of the Company

To consider and if thought fit, pass with or without modification(s), following resolution as a **"SPECIAL RESOLUTION"**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules,



Notice (continued)

2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members be and is hereby accorded to re-appoint Mr. Naveen Jain (DIN: 00051183), as an Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act & Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of three consecutive years with effect from October 25, 2019 to October 24, 2022 and whose office shall not be liable to retire by rotation."

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company, be and are hereby severally authorized to submit/file the prescribed e-form(s) along with all the prescribed paper(s), document(s) deed(s) etc., as may be necessary and to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto."

8. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013:

To consider and if thought fit, pass with or without modification(s), following resolution as a **"SPECIAL RESOLUTION"**:

"RESOLVED THAT pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of Rs.200 cr.(Rupees Two Hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution the Board of Directors of the Company be and is hereby authorized, to approve, decide, vary or modify the terms and conditions applicable for the aforesaid loan, Investment, Corporate Guarantee and to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

For and on behalf of the Board of Royal Orchid Hotels Limited

Ranabir Sanyal

Company Secretary & Compliance Officer

FCS: 7814

Date: August 09, 2019

Place: Bengaluru

Registered Office: No.1, Golf Avenue,
Adjoining KGA Golf Course, Kodihalli,
HAL Airport Road, Bengaluru - 560 008, Karnataka
CIN: L55101KA1986PLC007392
E-mail: investors@royalorchidhotels.com

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF ITSELF AND THE PROXY NEED NOT BE A MEMBER.

The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered office of the Company not less than **48 (FORTY-EIGHT) HOURS** before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A person can act as a proxy on behalf of Members not exceeding **50 (Fifty)** and holding in the aggregate not more than **10 (Ten)** percent of the total share capital of the Company carrying voting rights. A member holding more than **10 (Ten)** percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the business under Item No. 2 & 6 set out above and details as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard - 2 on 'General Meeting' issued by the Institute of Company Secretaries of India with respect to Directors seeking appointment/reappointment at this Annual General Meeting are annexed hereto as **ANNEXURE - 1**.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **September 14, 2019 to September 23, 2019 (both days inclusive)** for payment of dividend, if approved at the Annual General Meeting.
4. The Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after September 25, 2019 to the Members whose names appear on the Company's Register of Members on September 13, 2019 after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before September 13, 2019. As regards shares held in electronic form, the dividend will be payable to the 'beneficial

Notice *(continued)*

owners' of the shares whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') as at the close of business hours on September 13, 2019.

5. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.. The shares in respect of such unclaimed dividend are also liable to be transferred to the Demat Account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The details of the unpaid dividend are available at the website of the Company at the following link: <http://www.royalorchidhotels.com/investors>.
6. The Company has sent notice to all the Members whose Dividends are lying unclaimed against their name for seven consecutive years or more. Members are requested to immediately claim the unclaimed dividend amount due. In case the dividends are not claimed by the Members, necessary action will be initiated by the Company to transfer such shares to IEPF in the prescribed manner.
7. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. Members can file only one consolidated claim in a financial year as per the IEPF Rules. For details, please refer to Corporate Governance Report which is a part of this Annual Report.
8. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).
9. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with the Company or with the Depository or with Company's Registrar and Share Transfer Agent ("RTA"), Integrated Registry Management Services Private Limited.

Members holding shares in physical form are requested to advise any change of address and are also requested to submit their specimen signatures duly attested by their Bank immediately to the Company. Members holding shares electronically in dematerialized form must advise any change of address to their respective DPs.

10. In respect of Members whose e-mail ids are registered with the Company/the Depositories the Annual Report is sent in electronic mode. The Members who have not registered their e-mail ID are requested to register the same with Company's Registrars and Transfer Agents/Depositories. The Members who are desirous

of receiving the full Annual Report may write to the Company's Registrar for a copy of the same.

11. Members, who are holding Company's shares in physical form and have not registered/updated their e-mail addresses, addresses and bank mandates with the Company, are requested to submit their requests to Company's RTA for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members, who are holding Company's shares in Demat form, are requested to register/update the same with their Depository Participant(s) directly.

As per the provisions of Section 72 of the Act, facility for making nomination is available to the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he/ she may submit the same in Form No. SH-14. Members holding shares in physical form are requested to submit the forms to the Company. Members holding shares in dematerialised form are requested to submit their forms to their DPs.

Members holding shares in physical form are requested to share their PAN and specimen signature card with the Company / RTA Agent for due compliance of the applicable regulations.

12. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 29, 2015 from the conclusion of 29th AGM until the conclusion of 34th AGM to be held in the year 2020.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
14. As an austerity measure, members/proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
15. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting authorizing such person to attend and vote on its behalf at the meeting.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Relevant documents referred to in the accompanying Notice and the Statement, are open for inspection by the members at the



Notice *(continued)*

Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

18. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
19. Members may also note that Notice calling the Meeting will be available on Company's website viz., www.royalorchidhotels.com.
20. Mr. G. Shanker Prasad (ACS 6357), Company Secretary in whole time practice has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.
21. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members, the facility for transacting all the businesses set out in this Notice, through electronic voting system (to cast their vote electronically from a place other than the venue of Annual General Meeting) by using the electronic voting facility provided by Central Depository Services Limited ("CDSL").
22. The members, who are not able to attend the Annual General Meeting, can exercise their vote through poll / ballot form attached to the notice and send the same to Scrutinizer, Mr. G. Shanker Prasad, Practicing Company Secretary at No. 10, AGs Colony, Anand Nagar, Bengaluru - 560 024, so as to reach him on or before September 22, 2019 at 17:00 Hrs.

The facility for voting through ballot paper, will also be made available at the Annual General Meeting (AGM) and the members attending the AGM who have not cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Friday, the September 20, 2019 at 09:00 A.M.** and ends on **Sunday, the September 22, 2019 at 05:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, the September 13, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly

Notice *(continued)*

recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **ROYAL ORCHID HOTELS LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the App from the Apps Store and Windows phone stores respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the

Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or send email to Company at inverstor@royalorchidhotels.com or contact the Company or Registrar & Share Transfer Agent.
- (xxi) The result of voting shall be declared by the Chairman of the meeting on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.royalorchidhotels.com and will be communicated to the NSE Ltd. and BSE Ltd.

Other Instructions

The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on Cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the Meeting through ballot.

The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, would count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favor of the resolutions.

The results of voting declared along with Scrutinizer's Report(s) will be published on the website of the Company (www.bseindia.com) and on the website of CDSL e-Voting www.evotingindia.com within 48 hours from the conclusion of the AGM and the same shall also be simultaneously communicated to the Stock Exchanges where the Company is listed.

Restriction on transfer of physical shares & Procedure for demat of shares Amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to mandatory dematerialization for transfer of securities.

The amendment to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated June 8, 2018 has mandated that transfer of securities would be carried out in dematerialized form only. According to the Circular, request for effecting transfer of securities shall not be processed unless the securities are held in the Dematerialized form with the depository with effect from 5th December, 2018.



Notice *(continued)*

Therefore Registrars and Transfer Agent and Company will not be accepting any request for transfer of shares in physical form with effect from 5th December, 2018.

This restriction shall not be applicable to the request received for transmission or transposition of physical shares. Shareholders are accordingly requested to get in touch with any Depository Participant having registration with SEBI to open a Demat account.

You may also visit web site of depositories viz. NSDL or CDSL for further understanding about the demat procedure: NSDL website: <https://nsdl.co.in/faqs/faq.php> (dematerialization) CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>.

ANNEXURE - A

EXPLANATORY STATEMENT IN PURSUANCE OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Statements with respect to items under Special Business covered in the Notice of Meeting are given below:

Item No. 4

It is proposed to amend the "Object Incidental or Ancillary to the Attainment of the Main Objects" of the Memorandum of Association of the Company.

Accordingly, The Board at its meeting held on August 09, 2019 has approved the alteration of Memorandum of Association of the Company subject to the approval of shareholders by inserting clause 19A under the heading Object Incidental or Ancillary to the Attainment of the Main Objects as follows:

"19A Imparting training to persons including but not restricted to skill development and entering into MOU's or any form of agreements with any type of legal entity and/or regulatory authority for imparting training of any type."

The Management is intended to use its infra structure and resources to impart training to persons including but not limited to Skill Development of persons.

In terms of Section 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for Alteration of Memorandum of Association of the Company.

The draft Memorandum of Association are available for inspection by the Members at the registered office of the Company on all working days (except Sundays and Public Holidays) between 09:30 AM to 6:30 PM. up to the date of this Annual General Meeting and the same is also available on the Company website i.e. <http://www.royalorchidhotels.com/investors>.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

Your Board recommends the said resolution, as special resolution, for your approval.

Item No. 5

The current Articles of Association of Company were framed at the time of formation of the Company in the year 1986, as per the provisions of the erstwhile Companies Act, 1956. The Articles have been amended from time to time depending upon the need for changes in line with the regulatory / administrative requirements.

With the enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and some new provisions have been added.

As per the provision of Section 203(1) of the Companies Act, 2013 a Chairperson & Managing Director cannot be the same person unless the Articles of Association specifically provide.

The current Articles of Association is silent on Chairperson & Managing Director being the same person. In view of the same the existing Articles of Association of the Company need to be altered and felt that it is expedient to insert the following new Article and Heading after existing Article 72:

Chairperson

"73. The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company."

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for Alteration of Articles of Association of the Company.

The draft Articles of Association are available for inspection by the Members at the registered office of the Company on all working days (except Sundays and Public Holidays) between 09:30 AM to 6:30 PM. up to the date of this Annual General Meeting and the same is also available on the Company website i.e. <http://www.royalorchidhotels.com/investors>.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

Your Board recommends the said resolution, as special resolution, for your approval.

Item No. 6

The period of appointment of Mr. Chander K. Baljee (DIN: 00081844) as the "Managing Director" expires on March 31st, 2020 by efflux of time.

The Board of Directors of the Company ("the Board") at its meeting held on May 28, 2019 has, subject to approval of members, reappointed Mr. Chander K. Baljee (DIN: 00081844) as a Managing Director, for a further period of 5 (five) years from the expiry of his present term, that is, April 01st, 2020, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NRC' Committee) of the Board and approved by the Board.

Section 196 (3) of the Act read with Part-1 of Schedule V provides that no Company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who has attained

Notice *(continued)*

the age of 70 years unless it is approved by the Shareholders as a Special Resolution. Mr. Chander K. Baljee will be attaining the age of 70 years on February 21, 2021 during his tenure as a Managing Director.

Keeping in view that Mr. Chander K. Baljee is a well known "Hotelier", has rich and varied experience in the Hotel Industry, guided the Company through almost Four decades of diversification and growth to emerge as one of the leading Hotel Brand, it would be in the interest of the Company to continue the employment of Mr. Chander K. Baljee as Managing Director of the Company.

The following remuneration has been recommended by the Nomination and Remuneration Committee and proposed by the Board

	Financial Year	Amount in ₹
Salary	2020-21	₹ 26,61,947/- per month ₹ 3,19,43,369/- p.a.
	2021-22	₹ 30,61,240/- per month, ₹ 3,67,34,875/- p.a.
	2022-23	₹ 35,20,426/- per month, ₹ 4,22,45,106/- p.a.
Perquisites & Allowances		
Leave Encashment		Upto 2 months' salary
Reimbursement of Entertainment Expense for business purpose		10,000/-
Leave Travel Concession		Upto 2 months' salary
Gratuity		Half months' salary for each completed year of service

As per the provisions of Section 197 read with Schedule V of the Companies Act 2013 approval of members is required for payment of remuneration in case of inadequate profits. Thus, it is proposed to seek members' approval for the re-appointment and remuneration payable to Mr. Chander K. Baljee as a Managing Director of the Company.

Your Board recommends the said resolution, as special resolution, for your approval.

No Directors and Key Managerial Personnel of the Company are concerned or interested, financial or otherwise other than Mr. C K Baljee (along with his respective relatives), who is interested in or concerned in the aforesaid Resolution

Information pursuant to Section II of Schedule V of the Companies Act 2013

I. General Information:

- (1) Nature of industry: Hospitality Industry
- (2) Date of commencement of commercial production: February 3, 1986
- (3) Financial performance based on given indicators: Details are given under the Directors report under the heading financial performance.

- (4) Foreign investments or collaborations – The Company has invested in one subsidiary abroad.

II. Information about the appointee:

- (1) Background details: An MBA from IIM, Ahmedabad, Mr. Chander K. Baljee is the Founder and Managing Director of Royal Orchid Hotels Limited. He has over three decades of experience in hospitality industry.
- (2) Past remuneration of Mr. Chander K. Baljee for 3 preceding Financial Years

	Amount in (₹)
Salary	
2017-18	₹ 17,50,274/- per month, ₹ 2,10,03,284/- p.a.
2018-19*	₹ 20,12,815/- per month, ₹ 2,41,53,777/- p.a.
2019-20	₹ 23,14,737/- per month, ₹ 2,77,76,844/- p.a.
Perquisites & Allowances	
Leave Encashment	Upto 2 months' salary
Reimbursement of Entertainment Expense for business purpose	10,000/-
Leave Travel Concession	Upto 2 months' salary
Gratuity	Half months' salary for each completed year of service

*Remuneration of ₹ 33 lacs is not paid although approved by shareholders as Ministry of Corporate Affairs vide notification dated September 12, 2018 has amended Section 197 of Companies Act, 2013 relating to Managerial Remuneration payable to executives. In addition, the Ministry has also come up with corresponding amendments in Schedule V of the Companies Act, 2013 and issued Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018 which has ended Central Government approval and Managing Director was paid based on the paid up capital of the Company i.e. Rs. 14 lacs per month

Hence, members are also requested to give the approval for payment of aforesaid Managerial Remuneration of Rs. 33 lacs

- (3) Recognition or awards: Mr. C K Baljee has been featured in the IIM Ahmedabad book "Stay Hungry Stay Foolish" which chronicles the rise of 25 entrepreneurs. He is an active member of the All India Management Association, the Greater Mysore Chamber of Commerce and Industry, and the Confederation of Indian Industry. He is a certified Hotel Administrator from American Hotel and Lodging Association (AH & LA). Mr. C K Baljee was facilitated as the "Hero of Bengaluru" at Bengaluru Management Association's 61st Anniversary Awards 2014 where Royal Orchid Hotels was recognized as one of the strongest pillars of Bengaluru's Business World.
- (4) Job profile and his suitability: The position of Managing Director of a Company is entrusted with substantial powers of management



Notice *(continued)*

having total control on general conduct and management of the business affairs of the Company. Mr. C K Baljee being an MBA from IIM, Ahmedabad, and is the Founder & Managing Director of the Company from its inception. Moreover, he possesses over three decades of experience in hospitality industry.

(5) The said remuneration comparable with respect to industry, size of the Company, profile of the position and person.

(6) Notice period: One Year

III. Other information:

Sr. No.	Particulars
1	Reasons of loss or inadequate profits The hospitality business has seen significant downturn due to global recession. This has resulted in inadequacy in profits. Currently, the hospitality business is in the course of recovery.
2	Steps taken or proposed to be taken for improvement The Company plans to improve operating cash flows through cost synergies and exploring avenues of enhancing revenues.
3	Expected increase in productivity and profit in measurable terms The overall productivity and profits are expected to increase as per the business outlook provided in the Management Discussion and Analysis Report.

Item No. 7

The Members at the 31st Annual General Meeting held on 27th September, 2017 approved the appointment of Mr. Naveen Jain as an Independent Non-Executive Director of the Company for a period of three (3) years with effect from October 25, 2016 to October 24, 2019. Mr. Naveen Jain will complete his present term on 24th October, 2019.

After Considering the performance evaluation of Mr. Naveen Jain the Board of Directors of the Company ('the Board') at the meeting held on 09th August, 2019, on the recommendation of the Nomination & Remuneration Committee, recommended for the approval of the Members, the re- appointment of Mr. Naveen Jain as an Independent Non-Executive Director of the Company with effect from 25th October, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that the continued association of Mr. Naveen Jain would benefit the Company, given the knowledge, experience and performance of Mr. Naveen Jain, and contribution to Board processes by him. Declaration has been received from Mr. Naveen Jain that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors)

Rules, 2014 and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'). In the opinion of the Board, Mr. Naveen Jain fulfils the conditions specified in the Act and the Rules framed there under for re-appointment as Independent Non-Executive Director of the company. Mr. Naveen Jain has also submitted, a declaration in prescribed Form DIR-8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act, consent to act as Director in prescribed Form DIR-2 and disclosure of interest in prescribed Form MBP-1.

Consent of the Members is required for re-appointment of Mr. Naveen Jain as Independent Non-Executive Director, in terms of Section 149 of the Act & Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Naveen Jain is deemed to be interested in the resolution set out respectively at Item No. 07 of this Notice with regard to his respective appointment.

Except Mr. Naveen Jain, none of the Director(s) and/or Key Managerial Personnel(s) and their relative(s) are either directly or indirectly concerned or interested, financially or otherwise in the aforesaid resolution.

Your Board recommends the said resolution, as Special resolution, for your approval.

Item No. 8

Pursuant to the provisions of Section 186 of the Companies Act, 2013 ('Act'), the shareholders of the Company on 27th September, 2017, at 31st Annual General Meeting, accorded approval to give loans or to give guarantee(ies) or to provide security(ies) or to make investment(s) upto an aggregate amount not exceeding Rs. 350 crore (Rupees Three Fifty Crore Only).

Vide Companies (Amendment) Act, 2017, Section 185 of the Act has been amended and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018. In terms of the amended Section 185 of the Act, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to the condition that approval of the shareholders of the Company is obtained by way of Special Resolution and requisite disclosures are made in the Explanatory Statement.

The Company's subsidiary(ies) / associates / JV Companies explore various options to raise funds through loan / issuance of debentures / bonds etc. which may be backed by corporate guarantee of the Company. The proceeds raised by the subsidiary(ies) / associates / JV Companies of the Company would be utilized for their principal business activities.

In view of the above; and in line with the approval of the shareholders accorded under section 186 of the Act & as an abundant caution, the Board at its meeting held on May 28, 2019 decided to seek approval of the shareholders pursuant to the amended provisions of Section 185 of the Act to advance any loan including any loan represented by book

Notice *(continued)*

debt, or give guarantee or provide any security in connection with any loans / debentures / bonds etc. raised by any subsidiary company(ies) (Indian or overseas) / associates / JV Companies / body corporates in whom any of the Director of the Company is interested up to an aggregate amount not exceeding Rs. 200 cr. (Rupees Two Hundred Crores Only) or in other currency for an equivalent amount. This will also enable the Company to provide the requisite corporate guarantee or security in relation to raising of loans / debentures / bonds etc. by the

said subsidiary(ies) / associates / JV Companies body corporates, as and when it is raised.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested in the said resolution.

Your Board recommends the said resolution, as special resolution, for your approval.

ANNEXURE - 1

Details of the Directors seeking appointment / re-appointment / alter in their tenure at the forthcoming Annual General Meeting of the Company (Pursuant to Para 1.2.5 of Secretarial Standard 2, and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director and DIN	Mrs. Sunita Baljee (DIN: 00080737)
Date of Birth and Age	31/08/1954 (65 Years)
Current Position	Mrs Sunita Baljee is a Non-Executive Director on the Board of Royal Orchid Hotels. She is also on Board of other Subsidiaries and Associated Companies of Royal Orchid Hotels
Qualification	Master in Business Administration from the University of Raipur.
Experience	Mrs Baljee is a co-promoter of Royal Orchid Hotels Limited. She was a Director of the Company from September 1999 till July 2005 and re-appointed on April 2015 and continuing till date. She has vast experience in Hospitality Industry.
Shareholding in the Company	2,26,260 equity shares of ₹ 10/- each
Terms and conditions of Appointment / re-appointment	Non-Executive Director Liable to retire by rotation
Name of the Director and DIN	Mr. Naveen Jain (DIN: 00051183)
Date of Birth and Age	04/06/1958 (61 Years)
Current Position	Managing Director of Nouvelle Knowledge Services
Qualification	Mr. Jain is a Fellow Member of the Institute of Chartered Accountants of India
Experience	Prior to joining Duet, Mr. Jain has worked with leading hotel Companies in India, namely, The Oberoi Group, and The Leela Hotels Group, leading several functions including hotel investments, treasury, corporate finance, operational finance, project execution and general management. Mr. Jain has more than 3 decades of experience
Shareholding in the Company	Nil
Terms and conditions of Appointment / re-appointment	Independent Director not Liable to retire by rotation

Note: Details of No of meetings attended, Directorships, Membership and Chairmanship in Committees of Other Indian public companies are given in Corporate Governance Report.

**ROYAL ORCHID HOTELS LIMITED**

Corporate Identity Number (CIN): L55101KA1986PLC007392

Registered Office: No -1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008
Telephone: +91 080 41783000, Website: www.royalorchidhotels.com Email: investors@royalorchidhotels.com**THIRTY THIRD ANNUAL GENERAL MEETING – SEPTEMBER 23, 2019****ATTENDANCE SLIP**

DPID* / Folio No. :

Client ID* :

No. of Shares :

Name and address of the Shareholder :

I/We hereby record my/our presence at the THIRTYTHIRD ANNUAL GENERAL MEETING of the Company held on Monday, the 23rd Day of September, 2019 at 11:30 A.M at Hotel Royal Orchid Regenta, No.1 Golf Avenue, Adjoining KGA Golf Course, Bangalore -560008, Karnataka..

Signature of the Shareholder/Proxy present:

* Applicable for investors holding Shares in Electronic Form.

THIRTY THIRD ANNUAL GENERAL MEETING – SEPTEMBER 23, 2019**FORM NO. MGT - 11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

ROYAL ORCHID HOTELS LIMITED

Corporate Identity Number (CIN): L55101KA1986PLC007392

Registered Office: No -1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bengaluru, Karnataka- 560 008
Telephone: +91 080 41783000, Website: www.royalorchidhotels.com Email: investors@royalorchidhotels.com

I/we being the member(s) of.....shares of the above named company, hereby appoint:

Name:.....Address:.....

E-mail Id:.....Signature:..... or failing him;

Name:.....Address:.....

E-mail Id:.....Signature:..... or failing him;

Name:.....Address:.....

E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **THIRTYTHIRD ANNUAL GENERAL MEETING** of the Company held on Monday, the 23rd Day of September, 2019 at 11:30 A.M at Hotel Royal Orchid Regenta, No.1 Golf Avenue, Adjoining KGA Golf Course, Bangalore -560008, Karnataka or at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	Resolution Type	For	Against
1	To consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company along with the Report of the Board and Auditor's thereon for the Financial year ended March 31, 2019	Ordinary		
2	To appoint a Director in place of Mrs. Sunita Baljee (DIN: 00080737) who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
3	To declare a dividend of ₹ 2/- per Equity Share of ₹ 10/- each for the Financial Year ended March 31, 2019.	Ordinary		
4	To alter the Memorandum of Association of the Company	Special		
5	To alter the Articles of Association of the Company	Special		
6	To re-appoint Mr. Chander K. Baljee (DIN: 00081844) as a Managing Director of the Company and approval of the remuneration	Special		
7	Re-appointment of Mr. Naveen Jain (DIN: 00051183) as an Independent Director of the Company	Special		
8	Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.	Special		

Signed thisday of2019.

Signature of the Shareholder:

Signature of Proxy Holder(s):

Affix
Revenue
Stamp**Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**



THIRTY THIRD ANNUAL GENERAL MEETING – SEPTEMBER 23, 2019

ROYAL ORCHID HOTELS LIMITED

Corporate Identity Number (CIN): L55101KA1986PLC007392

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

Telephone: +91 080 41783000, Website: www.royalorchidhotels.com Email: investors@royalorchidhotels.com

Form No. MGT-12

POLL/BALLOT PAPER

[Pursuant to section 109(5) of The Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

(The members who are not able to attend the Annual General Meeting, can send their assent or dissent in writing in respect of the resolutions as set out in the Notice by sending the duly filled and signed Ballot/Form to the Scrutiniser, Mr. G. Shanker Prasad, Practicing Company Secretary at No. 10, AGs Colony, Anand Nagar, Bengaluru - 560 024, so as to reach him on or before September 22, 2019)

S No	Particulars	Details
1.	Name of the first named Shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No. / *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following :

S. No.	Resolutions	Resolution Type	For	Against
1	To consider and adopt the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of the Company along with the Report of the Board and Auditor's thereon for the Financial year ended March 31, 2019	Ordinary		
2	To appoint a Director in place of Mrs. Sunita Baljee (DIN: 00080737) who retires by rotation and being eligible, offers herself for re-appointment.	Ordinary		
3	To declare a dividend of ₹ 2/- per Equity Share of ₹ 10/- each for the Financial Year ended March 31, 2019.	Ordinary		
4	To alter the Memorandum of Association of the Company	Special		
5	To alter the Articles of Association of the Company	Special		
6	To re-appoint Mr. Chander K. Baljee (DIN: 00081844) as a Managing Director of the Company and approval of the remuneration	Special		
7	Re-appointment of Mr. Naveen Jain (DIN: 00051183) as an Independent Director of the Company	Special		
8	Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013.	Special		

Place:

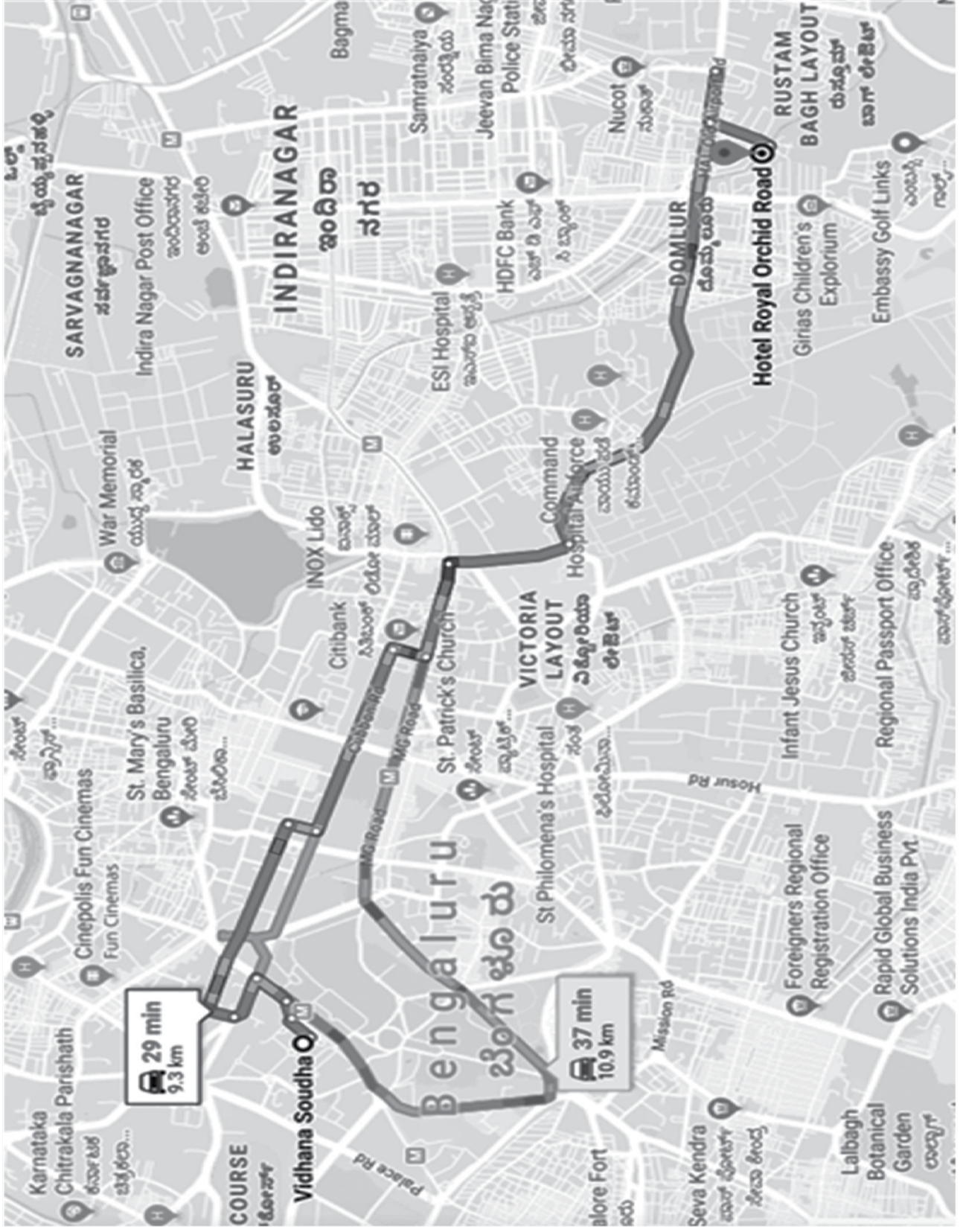
Date:

(Signature of the shareholder*)

(*as per Company records)

ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING

Venue: Hotel Royal Orchid Regenta, No.1 Golf Avenue, Adjoining KGA Golf Course, Bangalore -560008, Karnataka.





Looking Ahead, Looking Strong.

Annual Report
2018 - 2019

Royal Orchid Hotels Limited

No.1, Golf Avenue, Adjoining KGA Golf Course, HAL Airport Road, Bangalore 560 008, India
T: +91 80 40612345 | www.royalorchidhotels.com