



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: November 14, 2024

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

To,
The Manager,
Department of Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Scrip Symbol: ROHLTD

Dear Sir/Madam,

Sub: Outcome of the Board Meeting and Submission of Unaudited Standalone & Consolidated Financial Results for Second Quarter and Half Yearly ended 30.09.2024

Pursuant to Para A of Part A of Schedule III, read with, Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the Board, in its Meeting held today i.e. November 14, 2024, approved the Un-audited Financial Results (Standalone & Consolidated) for the Second Quarter (Q2) and Half Yearly ended on September 30, 2024.

A copy of Un-audited Financial Results (Standalone & Consolidated) for the Second Quarter (Q2) and Half Yearly ended on September 30, 2024, as approved by the Board is enclosed for your information and record. Further, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are also enclosing herewith a copy of the 'Limited Review Report' received from Statutory Auditors, on the Standalone & Consolidated Un-audited financial results.

The Board meeting commenced at 12:06 PM and concluded at 12:33 PM.

You are requested to take the above on record.

Thanking you,

Yours Sincerely,

For ROYAL ORCHID HOTELS LIMITED

Ranabir Sanyal
Company Secretary & Compliance Officer
Encl: As above

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

5th Floor, No.65/2, Block "A",
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
Bengaluru
560093

T +91 80 4243 0700

F +91 80 4126 1228

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

To the Board of Directors of Royal Orchid Hotels Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Royal Orchid Hotels Limited ('the Company') for the quarter ended 30 September 2024 and the year to date results for the period 1 April 2024 to 30 September 2024, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. As described in Note 8 to the accompanying Statement, certain shareholders of Ksheer Sagar Developers Private Limited ('KSDPL'), an associate of the Company, together holding 50% of voting power in such investee company, had filed a petition before the Hon'ble National Company Law Tribunal ('NCLT') under Sections 241 and 242 of the Act, with respect to certain allegations against the Group as detailed in the said note. Further, as described in the said note, Management in the previous year in its response to NCLT has considered KSDPL as a 'private company', hitherto being considered as 'deemed public company' for assessing applicability of the compliance requirements under the Act.

Considering the aforesaid ongoing litigation between the shareholders of KSDPL in respect of the allegations raised in the said petition, the outcome of which is presently unascertainable, and inconsistent legal assessment with respect to status of KSDPL under the Act, we are unable to comment upon the legal compliance by KSDPL with respect to applicable provisions of the Act.

5. Based on our review conducted as above, except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Walker Chandiok & Co LLP

6. We draw attention to Note 4 to the accompanying statement, which describes that an 'interim order cum show cause notice' dated 31 March 2023 was issued by the Securities and Exchange Board of India ('SEBI') to the Company, its Managing Director, Director and Chief Financial Officer regarding alleged incorrect accounting of 'loss of control' with respect to an erstwhile subsidiary of the Company, Ksheer Sagar Developers Private Limited ('KSDPL'), in the year ended 31 March 2022. The Company had filed an appeal before the Securities Appellate Tribunal ('SAT') against the interim order which was stayed by the SAT on 17 August 2023. SEBI on 11 October 2024 issued the final order on this matter against which the Company had filed an appeal before the SAT. The SAT on 5 November 2024 has stayed the final order issued by SEBI in respect of the aforesaid matter.

As further described in aforementioned note, the management is of the view that evaluation of 'loss of control' and classification of KSDPL as an associate during the year ended 31 March 2022 is appropriate in accordance with the 'control assessment' principles enunciated under Ind AS 110, Consolidated Financial Statements and accordingly, no adjustments are required to be made in respect of this matter in the accompanying statement. Our conclusion is not modified with respect to this matter.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Hemant Maheshwari

Partner

Membership No. 096537

UDIN: 24096537BKFSEP8335

Bengaluru

14 November 2024

ROYAL ORCHID HOTELS LIMITED

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

INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com

CIN: L55101KA1986PLC007392

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2024	30 June 2024	30 September 2023	30 September 2024	30 September 2023	31 March 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	4,672.96	4,658.82	4,450.89	9,331.78	8,912.20	19,193.62
	(b) Other income	521.16	250.15	98.63	771.31	195.28	635.74
	Total Income	5,194.12	4,908.97	4,549.52	10,103.09	9,107.48	19,829.36
2	Expenses						
	(a) Food and beverages consumed	466.50	485.30	440.59	951.80	907.46	1,948.10
	(b) Employee benefits expense	1,086.88	1,068.25	925.65	2,155.13	1,801.27	3,738.46
	(c) Rent expense	297.44	283.04	271.72	580.48	563.41	1,286.97
	(d) Power and fuel expense	445.76	485.99	424.40	931.75	865.28	1,666.93
	(e) Other expenses	1,295.66	1,224.54	1,085.23	2,520.20	2,200.73	4,884.33
	Expenses before depreciation and amortisation and finance costs	3,592.24	3,547.12	3,147.59	7,139.36	6,338.15	13,524.79
3	Profit before depreciation and amortisation, finance costs and taxes (1-2)	1,601.88	1,361.85	1,401.93	2,963.73	2,769.33	6,304.57
4	Finance costs	362.96	365.33	357.21	728.29	736.68	1,461.87
5	Depreciation and amortisation expense	413.19	417.06	381.78	830.25	753.04	1,550.62
6	Total expenses (2+4+5)	4,368.39	4,329.51	3,886.58	8,697.90	7,827.87	16,537.28
7	Profit before tax (1-6)	825.73	579.46	662.94	1,405.19	1,279.61	3,292.08
8	Tax expense						
	(a) Current tax	242.61	169.94	202.31	412.55	385.21	954.05
	(b) Deferred tax credit	(37.23)	(33.58)	(32.90)	(70.81)	(65.73)	(124.00)
	Total tax expense	205.38	136.36	169.41	341.74	319.48	830.05
9	Profit for the period / year (7-8)	620.35	443.10	493.53	1,063.45	960.13	2,462.03
10	Other Comprehensive Income / (Loss)						
	Items that will not be reclassified to profit or loss	-	-	-	-	-	(15.78)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	3.97
	Total Other Comprehensive Income / (Loss)	-	-	-	-	-	(11.81)
11	Total Comprehensive Income for the period / year (9+10)	620.35	443.10	493.53	1,063.45	960.13	2,450.22
12	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52
13	Other equity	-	-	-	-	-	20,704.84
14	Earnings Per Share of ₹ 10 each: *						
	(a) Basic (₹)	2.26	1.62	1.80	3.88	3.50	8.98
	(b) Diluted (₹)	2.26	1.62	1.80	3.88	3.50	8.98

* not annualised for quarters

See accompanying notes to the standalone financial results.

ROYAL ORCHID HOTELS LIMITED

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

INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com

CIN: L55101KA1986PLC007392

STANDALONE BALANCE SHEET AS AT 30 SEPTEMBER 2024

(₹ in lakhs)

Sl. No.	Particulars	As at 30 September 2024	As at 31 March 2024
		(Unaudited)	(Audited)
	Assets		
(1)	Non-current assets		
	(a) Property, plant and equipment	2,901.60	2,893.16
	(b) Capital work-in-progress	24.18	14.68
	(c) Other intangible assets	5.04	6.03
	(d) Right-of-use assets	10,057.38	11,036.06
	(e) Financial assets		
	(i) Investments	19,037.28	19,112.12
	(ii) Loans	2,813.54	1,231.90
	(iii) Other financial assets	2,527.78	3,446.87
	(f) Deferred tax assets, net	738.17	667.37
	(g) Non current tax assets, net	8.32	536.75
	(h) Other non-current assets	333.93	391.58
	Total non-current assets	38,447.22	39,336.52
(2)	Current assets		
	(a) Inventories	192.09	158.42
	(b) Financial assets		
	(i) Trade receivables	1,788.39	1,788.43
	(ii) Cash and cash equivalents	597.19	722.69
	(iii) Bank balances other than (ii) above	668.51	628.53
	(iv) Loans	1,595.13	1,333.44
	(v) Other financial assets	339.83	312.41
	(c) Other current assets	550.84	268.79
		5,731.98	5,212.71
	Assets held-for-sale	347.77	342.77
	Total current assets	6,079.75	5,555.48
	Total assets	44,526.97	44,892.00
(1)	Equity and Liabilities		
	Equity		
	(a) Equity share capital	2,742.52	2,742.52
	(b) Other equity	21,768.30	20,704.84
	Total equity	24,510.82	23,447.36
(2)	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,310.98	3,508.60
	(ii) Lease liabilities	10,353.01	11,001.91
	(iii) Other financial liabilities	158.88	114.78
	(b) Provisions	154.88	151.19
	(c) Other non-current liabilities	96.97	19.88
	Total non-current liabilities	14,074.72	14,796.36
(3)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	508.61	1,683.04
	(ii) Lease liabilities	1,002.63	971.24
	(iii) Trade Payables		
	(a) total outstanding dues of micro enterprises and small enterprises	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2,316.23	2,427.05
	(iv) Other financial liabilities	1,260.07	914.42
	(b) Other current liabilities	556.13	445.03
	(c) Provisions	158.25	154.71
	(d) Current tax liabilities, net	139.51	52.79
	Total current liabilities	5,941.43	6,648.28
	Total equity and liabilities	44,526.97	44,892.00

See accompanying notes to the standalone financial results.

ROYAL ORCHID HOTELS LIMITED

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

INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com

CIN: L55101KA1986PLC007392

STATEMENT OF STANDALONE CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in lakhs)

Particulars	Half year ended	
	30 September 2024	30 September 2023
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before tax	1,405.19	1,279.61
Adjustments for:		
Depreciation and amortisation expense	830.25	753.04
Interest expense	199.13	281.90
Interest expense on lease liabilities	529.17	454.78
Provision for doubtful trade receivables, advances and security deposits	20.51	(20.24)
Net foreign exchange difference (unrealised)	(6.34)	(10.34)
Interest income	(390.80)	(148.37)
Provisions/ Liabilities no longer required, written back	(304.67)	-
Guarantee commission income	(17.84)	(7.56)
Profit on buy back of shares	(29.90)	-
Operating profit before working capital changes	2,234.70	2,582.82
Changes in working capital:		
Changes in inventories	(33.67)	(21.89)
Changes in trade receivables	(20.47)	(47.09)
Changes in other current and non-current assets	523.37	(883.51)
Changes in provisions	7.23	0.08
Changes in trade payables	193.85	(513.99)
Changes in other current and non-current liabilities	442.52	84.15
Cash generated from operations	3,347.53	1,200.57
Direct taxes refund / (paid), net	344.55	(417.71)
Net cash generated from operating activities (A)	3,692.08	782.86
B. Cash flow from investing activities		
Payments for purchase of property, plant and equipment (including changes in capital work-in-progress, net of project creditors and retention money payable)	(265.44)	(244.30)
Interest received	442.34	94.71
Amount received towards shares bought back by a subsidiary	219.52	-
Loans given to subsidiaries	(1,837.00)	(13.24)
Net investment in bank deposits	(39.98)	409.31
Net cash (used in) / generated from investing activities (B)	(1,480.56)	246.48
C. Cash flow from financing activities		
Interest paid	(155.83)	(479.15)
Repayment of borrowings to related parties	(1,089.20)	-
Repayment of borrowings to banks	(282.85)	(245.64)
Payment of lease liabilities (principal)	(279.97)	(199.52)
Payment of lease liabilities (interest)	(529.17)	(454.78)
Net cash used in financing activities (C)	(2,337.02)	(1,379.09)
Net changes in cash and cash equivalents (A+B+C)	(125.50)	(349.75)
Cash and cash equivalents at the beginning of the period	722.69	1,491.19
Cash and cash equivalents at the end of the period	597.19	1,141.44
Cash and cash equivalents as per Standalone Balance Sheet	597.19	1,141.44

Notes:

- 1 The standalone financial results ('the Statement') for the quarter and half year ended 30 September 2024 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India and is in compliance with presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended).
- 2 The standalone financial results ('the Statement') for the quarter and half year ended 30 September 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 November 2024. The Statutory Auditors of the Company have carried out limited review of the above financial results and have issued a qualified report. The standalone financial results for the quarter and half year ended 30 September 2024 can be viewed on the website of the Company, National Stock Exchange of India Limited ('NSE') and BSE Ltd ('BSE') at www.royalorchidhotels.com, www.nseindia.com and www.bseindia.com respectively.
- 3 The Company has evaluated its operating segments in accordance with Ind AS 108 and has concluded that it is engaged in a single operating segment viz. hospitality business.
- 4 The Securities and Exchange Board of India (SEBI) on 31 March 2023 issued an Interim Order cum Show Cause Notice to the Company, its Managing Director, a Director and its Chief Financial officer (collectively called 'Noticees') for not considering Ksheer Sagar Developers Private Limited ('KSDPL') as a subsidiary of Royal Orchid Hotels Limited and treating it as an associate and thereby overstating the consolidated net profit of the Royal Orchid Group and misrepresenting the consolidated financial statements for the financial year ended 31 March 2022. The Interim Order had directed the Company to restate its consolidated financial statements for the year ended 31 March 2022 and prepare its consolidated financial statements for the year ended 31 March 2023 after considering KSDPL as a subsidiary.

The Interim Order also contained show cause notices to show cause as to why suitable directions/prohibitions under Sections 11 (1), 11 (4) and 11B (1) of SEBI Act should not be issued against the Noticees. The order also contained show cause notices to show cause as to why inquiry should not be held in terms of Rule 4 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed on them under Sections 11 (4A) and 11 B (2) read with Section 15HA and/or 15HB of the SEBI Act, 1992 for the above alleged violations of provisions of the SEBI Act, LODR Regulations and PFUTP Regulations.

The Company, its Board and its Audit Committee had carried out a detailed evaluation of the above order cum show cause notice and on the advice from its legal counsel had filed an appeal with the Securities Appellate Tribunal ('SAT') against the order cum show cause notice issued by SEBI. The SAT on 9 May 2023 had stayed the effect and operation of the order cum show cause notice issued by SEBI till 30 June 2023 which was further extended till 17 August 2023. On 17 August 2023, the Company had requested an opportunity to be heard and respond to the show cause notice issued by SEBI which was granted by the SAT and the stay granted by SAT on 9 May 2023 continued to stay in effect. Consequently, the Company has responded to show cause notice issued by SEBI and the matter was heard by SEBI on 30 October 2023. The Company had been given time till 15 November 2023 to make its additional submissions before SEBI. The Company had submitted its response basis which SEBI issued its final order on 11 October 2024 stating that while the company had classified KSDPL incorrectly as an associate, it could not conclude that this incorrect classification resulted in an illegal gains made by the Noticees. Accordingly, the final order directed the Noticees to:

- (a) File a public disclosure to the stock exchanges containing the directions of the order within 7 days of the receipt of Order.
- (b) Disclose the financial statements and audit report of KSDPL for FY 2021-22, 2022-23 and 2023-24 to the stock exchanges
- (c) File a report detailing the impact on the Consolidated Financial Statements of the Company for FY 2021-22, 2022-23 and 2023-24 had KSDPL been considered a subsidiary of the Company
- (d) Pay monetary penalties of ₹5 lakhs and ₹1 lakh each under Section 15HA and 15HB of the SEBI Act within 45 days of the order.

The Company carried out a detailed evaluation of the final order and on advice from its legal counsel filed an appeal with the SAT. The SAT on 5 November 2024 has admitted the appeal filed by the Company and has stayed the above order with respect to directions listed in points (b) and (c) above till the date of next hearing on 8 January 2025. The final order on the monetary penalties levied has been stayed on the condition that 50% of the penalties imposed are deposited by the Noticees. The Noticees on the date of the SAT stay order have deposited the said amounts. Amounts as considered necessary have been provided for by the Company. The SAT has given the Company four weeks to file its responses from date of its order. The Company has filed a public disclosure to the stock exchanges containing the directions of the final order.

In the year ended 31 March 2022, the management had assessed that due to change in the composition of the Board of Directors of the aforesaid investee company, the Holding Company lost control of the investee company and had accounted for such 'loss of control' in accordance with the 'control assessment' principles enunciated under Ind AS 110, Consolidated Financial Statements and accordingly the management is of the view that SEBI's contention, as included in the aforesaid final order is not tenable.

Based on the Managements evaluation of loss of control and that the above mentioned final order has been stayed by the SAT, no adjustments, as directed by the said order, has been considered in the consolidated financial results of the Company for the period ended 30 September 2024. Accordingly, no adjustments have been considered necessary in respect of classification of the said investment, in these standalone financial results.

- 5 During the year ended 31 March 2022, the Company entered into arbitration in respect of one of its leased hotels in Pune with the lessor. In the current quarter, the Company received the final arbitration award in accordance with which the Company has revised the right-of-use assets asset and lease liability to the extent of such revised rates by ₹337.54 lakhs. Further, the Company has written back excess provision amounting to ₹304.67 lakhs on account of such revised monthly rental. The company is also in the process of filing an appeal on certain aspects of the order due to which the company has not revised right-of-use assets asset and lease liability to such extent.
- 6 On 30 March 2024, Icon Hospitality Private Limited, one of the subsidiary companies, converted 301,490 compulsorily convertible debentures (CCDs) into equity shares worth ₹301.49 lakhs. The interest receivable on the said debentures were not accrued in the books of Royal Orchid Hotels Limited from Q3 of FY22 on account of uncertainty of collection. However, in the current quarter, the subsidiary has paid the entire interest of ₹405.34 lakhs out of which income of ₹ 135.79 lakhs has been recorded under the head 'Other Income'.
- 7 In the board meeting held on 14 August 2024, the Board has approved the sale of Royal Orchid Maharashtra, a wholly owned subsidiary. Accordingly, the investments amounting to ₹ 5 lakhs has been classified as Assets held-for-sale.

Notes (Cont'd):

8 On 22 February 2024, few shareholders comprising of 50% of the shareholding (collectively called as 'the Tambi Group') in Ksheer Sagar Developers Private Limited ('KSDPL') filed a petition with the Hon'ble National Company Law Tribunal ('NCLT') under Sections 241 and 242 of the Act, pertaining to Oppression and Mismanagement in the affairs of KSDPL. The matters raised in the said petition included matters relating to related party transactions, delayed appointment of independent directors, change in status of the KSDPL from subsidiary to associate, wrongful conduct of independent directors, process to appoint independent directors, conduct of chairman of the Board of KSDPL amongst others. Amongst the various reliefs sought, one of the relief sought was to halt the Extra Ordinary General Meeting ('EOGM') on 1 March 2024 from taking place. Royal Orchid Hotels Limited ('ROHL') on 28 February 2024 filed its response to the said petition with the NCLT disputing all the claims made by the Tambi Group.

The NCLT on 29 February 2024 directed all the parties to carry out the EOGM as planned and comply with the provisions of Companies Act 2013.

The EOGM was duly conducted on 1 March 2024 with the independent director as the Chairman. Only one business relating to the appointment of a new independent director was conducted and an ordinary resolution was duly passed. With effect from 2 March 2024, board of KSDPL has only one independent director. Also, ROHL's Administrative Committee has resolved that the current Independent Director shall be the Chairman in the Board and General Meetings of KSDPL.

Subsequent to the EOGM, the Tambi Group filed an Interlocutory Application on 11 March 2024 with the NCLT stating that the appointment of independent director was not in accordance with the Act. A Compliance Affidavit on 16 April 2024 was filed on behalf of KSDPL submitting how the interim order of NCLT dated 29 February 2024 was complied with. On 23 May 2024, the Tambi Group filed another Interlocutory Application requesting the NCLT to halt the approval of the independent director of KSDPL as the Chairman of the Board of KSDPL. The NCLT on 28 May 2024 directed all the parties to carry out the Board Meeting as planned. The matter is currently pending with the NCLT.

In the responses filed with the NCLT, ROHL has stated before the NCLT that relevant provisions of the Act as applicable to a deemed public company are not applicable to KSDPL. ROHL believes that there has been no change in its assessment of control as per 'control assessment' principles enunciated under Ind AS 110 and accordingly continues to disclose KSDPL as an associate in the Standalone Financial Statements.

9 The Board of Directors of the Company, in its meeting held on 30 May 2024, proposed a final dividend of 25% (₹ 2.5 per equity share). The proposal has been approved by the shareholders at the Annual General Meeting held on 30 September 2024 and would result in a cash outflow of ₹ 685.63 lakhs.

Place: Bengaluru
Date: 14 November 2024

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP

5th Floor, No.65/2, Block "A",
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
Bengaluru
560093

T +91 80 4243 0700

F +91 80 4126 1228

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

To the Board of Directors of Royal Orchid Hotels Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Royal Orchid Hotels Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate (refer Annexure 1 for the list of subsidiaries and an associate included in the Statement) for the quarter ended 30 September 2024 and the consolidated year to date results for the period 1 April 2024 to 30 September 2024, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. As described in Note 8 to the accompanying Statement, certain shareholders of Ksheer Sagar Developers Private Limited ('KSDPL'), an associate of the Group, together holding 50% of voting power in such investee company, had filed a petition before the Hon'ble National Company Law Tribunal ('NCLT') under Sections 241 and 242 of the Companies Act, 2013 ('the Act') with respect to certain allegations against the Group as detailed in the said note. Further, as described in the said note, Management in the previous year in its response to NCLT has considered KSDPL as a 'private company', hitherto being considered as 'deemed public company' for assessing applicability of the compliance requirements under the Act. Considering the aforesaid ongoing litigation between the shareholders of KSDPL in respect of the allegations raised in the said petition, the outcome of which is presently unascertainable, and inconsistent legal assessment with respect to status of KSDPL under the Act, we are unable to comment upon the legal compliance by KSDPL with respect to applicable provisions of the Act.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the possible effects of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered
with limited liability with identification
number AAC-2085 and its registered office
at L-41 Connaught Circus, New Delhi,
110001, India

Walker Chandiook & Co LLP

6. We draw attention to Note 4 to the accompanying Statement, which describes that an 'interim order cum show cause notice' dated 31 March 2023 was issued by the Securities and Exchange Board of India ('SEBI') to the Holding Company, its Managing Director, Director and Chief Financial Officer regarding alleged incorrect accounting of 'loss of control' with respect to an erstwhile subsidiary of the Holding Company, Ksheer Sagar Developers Private Limited ('KSDPL'), in the year ended 31 March 2022. The Holding Company had filed an appeal before the Securities Appellate Tribunal ('SAT') against the interim order which was stayed by the SAT on 17 August 2023. SEBI on 11 October 2024 issued the final order on this matter against which the Holding Company had filed an appeal before the SAT. The SAT on 5 November 2024 has stayed the order issued by SEBI in respect of the aforesaid matter.

As further described in aforementioned note, the management is of the view that evaluation of 'loss of control' and classification of KSDPL as an associate during the year ended 31 March 2022 is appropriate in accordance with the 'control assessment' principles enunciated under Ind AS 110, Consolidated Annual Financial Statements and accordingly, no adjustments are required to be made in respect of this matter in the accompanying Statement. Our conclusion is not modified in respect of this matter.

7. We did not review the interim financial results of thirteen subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 14,295.20 lakhs as at 30 September 2024, and total revenues of ₹ 698.46 lakhs and ₹ 1,720.39 lakhs, total net profit/(loss) after tax of ₹ (15.18) lakhs and ₹ 135.65 lakhs, total comprehensive income of ₹ (39.18) lakhs and ₹ 90.53 lakhs, for the quarter and year-to-date period ended on 30 September 2024, respectively, and cash flows (net) of ₹ (376.96) lakhs for the period ended 30 September 2024, as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ 69.68 lakhs and ₹ 89.15 lakhs and total comprehensive income of ₹ 69.68 lakhs and ₹ 89.15 lakhs, for the quarter and year-to-date period ended on 30 September 2024, respectively, as considered in the Statement, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries and associate, one subsidiary is located outside India, whose interim financial results have been prepared in accordance with accounting principles generally accepted in its respective country and which have been reviewed by other auditor under generally accepted auditing standards applicable in its respective country. The Holding Company's management has converted the financial results of such subsidiary from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the balances and affairs of this subsidiary is based on the review report of other auditor and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

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

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

Hemant Maheshwari
Partner
Membership No. 096537
UDIN: 24096537BKFSEQ6155

Bengaluru
14 November 2024

Walker Chandniok & Co LLP

Annexure 1 to the Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

List of entities included in the Statement

Sr. No	Name of the Company	Country of Incorporation	Subsidiary/Associate
1	Icon Hospitality Private Limited	India	Subsidiary
2	Maruti Comforts & Inn Private Limited	India	Subsidiary
3	Cosmos Premises Private Limited	India	Subsidiary
4	Multi Hotels Limited	Tanzania	Subsidiary
5	AB Holdings Private Limited	India	Subsidiary
6	Royal Orchid Maharashtra Private Limited	India	Subsidiary
7	Royal Orchid South Private Limited	India	Subsidiary
8	Royal Orchid Shimla Private Limited	India	Subsidiary
9	Royal Orchid Jaipur Private Limited	India	Subsidiary
10	Royal Orchid Goa Private Limited	India	Subsidiary
11	Royal Orchid Mumbai Private Limited	India	Subsidiary
12	Royal Orchid Hyderabad Private Limited	India	Subsidiary
13	Royal Orchid Associated Hotels Private Limited, Subsidiary of AB Holdings Private limited	India	Subsidiary
14	Raj Kamal Buildcon Private Limited	India	Subsidiary
15	J.H.Builders Private Limited	India	Subsidiary
16	Ksheer Sagar Buildcon Private Limited	India	Subsidiary
17	Ksheer Sagar Developers Private Limited	India	Associate

ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.
INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com
CIN: L55101KA1986PLC007392

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in lakhs except per share data)

Sl. No.	Particulars	Quarter ended			Half Year ended		Year ended
		30 September 2024	30 June 2024	30 September 2023	30 September 2024	30 September 2023	31 March 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	7,041.13	7,300.85	6,660.36	14,341.98	13,549.17	29,361.05
	(b) Other income	790.95	465.08	347.01	1,256.03	829.83	1,908.87
	Total Income	7,832.08	7,765.93	7,007.37	15,598.01	14,379.00	31,269.92
2	Expenses						
	(a) Food and beverages consumed	719.65	718.17	662.46	1,437.82	1,357.33	2,914.77
	(b) Employee benefits expense	2,097.18	2,069.11	1,786.15	4,166.29	3,494.15	7,264.13
	(c) Rent expense	312.81	310.76	286.70	623.57	590.24	1,349.39
	(d) Power and fuel expense	552.64	599.65	541.40	1,152.29	1,096.07	2,125.80
	(e) Other expenses	2,213.43	1,939.12	1,837.02	4,152.55	3,655.38	8,099.83
	Expenses before depreciation and amortisation and finance costs	5,895.71	5,636.81	5,113.73	11,532.52	10,193.17	21,753.92
3	Profit before depreciation and amortisation, finance costs and taxes (1-2)	1,936.37	2,129.12	1,893.64	4,065.49	4,185.83	9,516.00
4	Finance costs	427.89	427.61	452.33	855.50	914.48	1,825.69
5	Depreciation and amortisation expense	526.43	531.33	488.62	1,057.76	964.42	1,986.17
6	Total expenses (2+4+5)	6,850.03	6,595.75	6,054.68	13,445.78	12,072.07	25,565.78
7	Profit before tax (1-6)	982.05	1,170.18	952.69	2,152.23	2,306.93	5,704.14
8	Tax expense						
	(a) Current tax	292.05	313.52	267.37	605.57	598.14	1,567.51
	(b) Deferred tax charge / (credit)	7.96	4.16	(61.40)	12.12	(57.89)	(599.77)
	Total tax expense	300.01	317.68	205.97	617.69	540.25	967.74
9	Profit for the period / year after tax before share of associate (7-8)	682.04	852.50	746.72	1,534.54	1,766.68	4,736.40
10	Share of profit of associate	69.68	19.47	20.16	89.15	73.19	345.95
11	Profit for the period / year (9+10)	751.72	871.97	766.88	1,623.69	1,839.87	5,082.35
12	Other Comprehensive Income / (Loss)						
	Items that will be reclassified subsequently to profit or loss	(25.35)	(20.88)	(46.03)	(46.23)	(49.12)	(75.11)
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss	-	-	-	-	-	(9.53)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	2.49
	Total Other Comprehensive Income / (Loss)	(25.35)	(20.88)	(46.03)	(46.23)	(49.12)	(82.15)
13	Total Comprehensive Income for the period / year (11+12)	726.37	851.09	720.85	1,577.46	1,790.75	5,000.20
14	Total Profit for the period / year attributable to:						
	Owners of the Company	749.96	880.38	681.68	1,630.34	1,651.10	4,849.04
	Non-controlling interest	1.76	(8.41)	85.20	(6.65)	188.77	233.31
		751.72	871.97	766.88	1,623.69	1,839.87	5,082.35
15	Other Comprehensive Income / (Loss) for the period / year attributable to:						
	Owners of the Company	(25.35)	(20.88)	(46.03)	(46.23)	(49.12)	(79.67)
	Non-controlling interest	-	-	-	-	-	(2.48)
		(25.35)	(20.88)	(46.03)	(46.23)	(49.12)	(82.15)
16	Total Comprehensive Income for the period / year attributable to:						
	Owners of the Company	724.61	859.50	635.65	1,584.11	1,601.98	4,769.37
	Non-controlling interest	1.76	(8.41)	85.20	(6.65)	188.77	230.83
		726.37	851.09	720.85	1,577.46	1,790.75	5,000.20
17	Paid-up equity share capital (Face Value ₹ 10/- each)	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52	2,742.52
18	Other equity (including non-controlling interest)						18,067.78
	Earnings Per Share of ₹ 10 each: *						
	(a) Basic (₹)	2.73	3.21	2.49	5.94	6.02	17.68
	(b) Diluted (₹)	2.73	3.21	2.49	5.94	6.02	17.68

* not annualised for quarters

See accompanying notes to the consolidated financial results

ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.
INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com
CIN: L55101KA1986PLC007392

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2024

(₹ in lakhs)

Particulars	As at	As at
	30 September 2024	31 March 2024
	(Unaudited)	(Audited)
Assets		
(1) Non-current assets		
(a) Property, plant and equipment	11,419.95	11,760.03
(b) Capital Work in progress	646.27	35.70
(c) Goodwill	1,763.97	1,763.97
(d) Other intangible assets	6.68	8.87
(e) Right-of-use assets	11,110.04	12,012.59
(f) Investments accounted for using equity method	3,094.11	3,004.96
(g) Financial assets		
(i) Investments	2.25	2.25
(ii) Loans	697.72	697.72
(iii) Other financial assets	7,191.49	3,446.16
(h) Deferred tax assets (net)	1,291.78	1,309.46
(i) Non-current tax assets (net)	472.31	912.04
(i) Other non-current assets	419.84	425.46
Total non-current assets	38,116.41	35,379.21
(2) Current assets		
(a) Inventories	305.72	257.42
(b) Financial assets		
(i) Trade receivables	3,695.03	3,292.40
(ii) Cash and cash equivalents	1,779.36	2,390.59
(iii) Bank balances other than cash and cash equivalents	2,716.19	2,714.33
(iv) Loans	58.40	58.40
(v) Other financial assets	660.48	636.46
(c) Current tax assets (net)	5.74	5.74
(d) Other current assets	1,170.58	728.68
	10,391.50	10,084.02
Assets held-for-sale	1,664.44	1,532.31
Total current assets	12,055.94	11,616.33
Total assets	50,172.35	46,995.54
Equity and Liabilities		
(1) Equity		
(a) Equity share capital	2,742.52	2,742.52
(b) Other equity	17,880.18	16,331.47
	20,622.70	19,073.99
Non-controlling interests	1,593.72	1,736.31
Total equity	22,216.42	20,810.30
Liabilities		
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,256.26	4,670.92
(ii) Lease liabilities	11,664.44	12,204.56
(iii) Other financial liabilities	158.88	114.78
(b) Provisions	294.34	284.85
(c) Deferred tax liabilities (net)	25.30	30.86
Total non-current liabilities	19,399.22	17,305.97
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,094.86	2,042.71
(ii) Lease liabilities	1,052.31	1,042.10
(iii) Trade payables		
(a) Total Outstanding dues of micro & Small enterprises	-	-
(b) Total Outstanding dues of creditors other than micro & Small enterprises	3,207.43	3,271.36
(iv) Other financial liabilities	1,277.41	1,225.28
(b) Other current liabilities	1,470.04	961.98
(c) Provisions	258.15	250.87
(d) Current tax liabilities (net)	196.51	84.97
Total current liabilities	8,556.71	8,879.27
Total equity and liabilities	50,172.35	46,995.54

See accompanying notes to the consolidated financial results.

ROYAL ORCHID HOTELS LIMITED

Registered Office : No.1, Golf Avenue, Adjoining KGA Golf Course, Airport Road, Bengaluru - 560 008.
INDIA. T: +91 80 25205566, F: +91 80 25203366, www.royalorchidhotels.com
CIN: L55101KA1986PLC007392

STATEMENT OF CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30 SEPTEMBER 2024

(₹ in lakhs)

Particulars	Half Year ended	
	30 September 2024	30 September 2023
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before tax	2,152.22	2,306.93
Adjustments for:		
Depreciation and amortisation expense	1,057.76	964.42
Provision for doubtful receivables and advances / receivables and advances written off	20.51	(6.74)
Interest expense	261.73	402.77
Interest expense on lease liabilities	593.76	511.71
Interest income	(297.60)	(219.83)
Provisions / liabilities no longer required, written back	(313.45)	-
Interest income on present value accounting of security deposits	(22.05)	(19.25)
Net foreign exchange difference (unrealised)	54.11	57.57
Guarantee commission income	-	(0.64)
Gain on lease modification	-	(121.30)
Operating profit before working capital changes	3,506.99	3,875.64
Changes in working capital:		
Changes in inventories	(48.30)	(28.06)
Changes in trade receivables	(423.14)	48.48
Changes in other current and non-current assets	(4,085.55)	(1,318.34)
Changes in provisions	16.77	18.01
Changes in trade payables and other financial liabilities	313.09	(356.47)
Changes in other current and non-current liabilities	508.06	(112.38)
Cash generated from operations	(212.08)	2,126.88
Direct taxes refund / (paid), net	87.64	(648.98)
Net cash (used in) / generated from operating activities (A)	(124.44)	1,477.90
B. Cash flows from investing activities		
Payment for purchase of property, plant and equipment (including changes in capital work-in-progress, net of project creditors and retention money payable)	(947.98)	(347.23)
Interest received	126.83	159.78
Net investment in bank deposits	(1.86)	(5.24)
Net cash used in investing activities (B)	(823.01)	(192.69)
C. Cash flows from financing activities		
Interest paid	(218.43)	(602.49)
Repayment of borrowings to related parties	(1,090.08)	-
Proceeds from borrowings from banks	3,200.96	-
Buyback of shares by a subsidiary	(171.32)	-
Repayment of borrowings to banks	(473.39)	(455.38)
Payment of lease liabilities (principal)	(317.76)	(194.00)
Payment of lease liabilities (interest)	(593.76)	(511.71)
Net cash generated from / (used in) financing activities (C)	336.22	(1,763.58)
Net changes in cash and cash equivalents (A+B+C)	(611.23)	(478.37)
Cash and cash equivalents at the beginning of the period	2,390.59	4,034.66
Cash and cash equivalents at the end of the period	1,779.36	3,556.29
Cash and cash equivalents as per Consolidated Balance Sheet	1,779.36	3,556.29

Notes:

- 1 The consolidated financial results ('the Statement') for the quarter and half year ended 30 September 2024 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India and is in compliance with presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (as amended).
- 2 The consolidated financial results ('the Statement') for the quarter and half year ended 30 September 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 November 2024. The Statutory Auditors of the Holding Company have carried out limited review of the above financial results and have issued a qualified report. The consolidated financial results for the quarter and half year ended 30 September 2024 can be viewed on the website of the Holding Company, National Stock Exchange of India Limited ('NSE') and BSE Ltd ('BSE') at www.royalorchidhotels.com, www.nseindia.com and www.bseindia.com respectively.
- 3 The Group has evaluated its Operating segments in accordance with Ind AS 108 and has concluded that it is engaged in a single operating segment viz. hospitality business.
- 4 The Securities and Exchange Board of India (SEBI) on 31 March 2023 issued an Interim Order cum Show Cause Notice to the Holding Company, its Managing Director, a Director and its Chief Financial officer (collectively called 'Noticees') for not considering Ksheer Sagar Developers Private Limited ('KSDPL') as a subsidiary of Royal Orchid Hotels Limited and treating it as an associate and thereby overstating the consolidated net profit of the Royal Orchid Group and misrepresenting the consolidated financial statements for the financial year ended 31 March 2022. The Interim Order had directed the Holding Company to restate its consolidated financial statements for the year ended 31 March 2022 and prepare its consolidated financial statements for the year ended 31 March 2023 after considering KSDPL as a subsidiary.

The Interim Order also contained show cause notices to show cause as to why suitable directions/prohibitions under Sections 11 (1), 11 (4) and 11B (1) of SEBI Act should not be issued against the Noticees. The order also contained show cause notices to show cause as to why inquiry should not be held in terms of Rule 4 of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 and penalty be not imposed on them under Sections 11 (4A) and 11 B (2) read with Section 15HA and/or 15HB of the SEBI Act, 1992 for the above alleged violations of provisions of the SEBI Act, LODR Regulations and PFUTP Regulations.

The Holding Company, its Board and its Audit Committee had carried out a detailed evaluation of the above order cum show cause notice and on the advice from its legal counsel had filed an appeal with the Securities Appellate Tribunal ('SAT') against the order cum show cause notice issued by SEBI. The SAT on 9 May 2023 had stayed the effect and operation of the order cum show cause notice issued by SEBI till 30 June 2023 which was further extended till 17 August 2023. On 17 August 2023, the Holding Company had requested an opportunity to be heard and respond to the show cause notice issued by SEBI which was granted by the SAT and the stay granted by SAT on 9 May 2023 continued to stay in effect. Consequently, the Holding Company has responded to show cause notice issued by SEBI and the matter was heard by SEBI on 30 October 2023. The Holding Company had been given time till 15 November 2023 to make its additional submissions before SEBI. The Holding Company had submitted its response basis which SEBI issued its final order on 11 October 2024 stating that while the company had classified KSDPL incorrectly as an associate, it could not conclude that this incorrect classification resulted in an illegal gains made by the Noticees. Accordingly, the final order directed the Noticees to:

- (a) File a public disclosure to the stock exchanges containing the directions of the order within 7 days of the receipt of Order.
- (b) Disclose the financial statements and audit report of KSDPL for FY 2021-22, 2022-23 and 2023-24 to the stock exchanges
- (c) File a report detailing the impact on the Consolidated Financial Statements of the Company for FY 2021-22, 2022-23 and 2023-24 had KSDPL been considered a subsidiary of the Company
- (d) Pay monetary penalties of ₹5 lakhs and ₹1 lakh each under Section 15HA and 15HB of the SEBI Act within 45 days of the order.

The Holding Company carried out a detailed evaluation of the final order and on advice from its legal counsel filed an appeal with the SAT. The SAT on 5 November 2024 has admitted the appeal filed by the Holding Company and has stayed the above order with respect to directions listed in points (b) and (c) above till the date of next hearing on 8 January 2025. The final order on the monetary penalties levied has been stayed on the condition that 50% of the penalties imposed are deposited by the Noticees. The Noticees on the date of the SAT stay order have deposited the said amounts. Amounts as considered necessary have been provided for by the Holding Company. The SAT has given the Holding Company four weeks to file its responses from date of its order. The Holding Company has filed a public disclosure to the stock exchanges containing the directions of the final order.

In the year ended 31 March 2022, the management had assessed that due to change in the composition of the Board of Directors of the aforesaid investee company, the Holding Company lost control of the investee company and had accounted for such 'loss of control' in accordance with the 'control assessment' principles enunciated under Ind AS 110, Consolidated Financial Statements and accordingly the management is of the view that SEBI's contention, as included in the aforesaid final order is not tenable.

Based on the Managements evaluation of loss of control and that the above mentioned final order has been stayed by the SAT, no adjustments, as directed by the said order, has been considered in the consolidated financial results of the Company for the period ended 30 September 2024.

- 5 During the year ended 31 March 2022, the Royal Orchid Hotels Limited (the 'Company') had entered into arbitration in respect of one of its leased hotels in Pune with the lessor. In the current quarter, the Company received the final arbitration award in accordance with which the Company has revised the right-of-use asset and lease liability to the extent of such revised rates by ₹337.54 lakhs. Further, the Company has written back excess provision amounting to ₹304.67 lakhs on account of such revised monthly rental. The company is also in the process of filing an appeal on certain aspects of the order due to which the company has not revised right-of-use asset and lease liability to such extent.
- 6 On 30 March 2024, Icon Hospitality Private Limited, one of the subsidiary companies, converted 301,490 compulsorily convertible debentures (CCDs) into equity shares worth ₹301.49 lakhs. The interest receivable on the said debentures were not accrued in the books of Royal Orchid Hotels Limited from Q3 of FY22 on account of uncertainty of collection. However, in the current quarter, the subsidiary has paid the entire interest of ₹405.34 lakhs out of which income of ₹ 135.79 lakhs has been recorded under the head 'Other Income'.
- 7 In the board meeting held on 14 August 2024, the Board has approved the sale of Royal Orchid Maharashtra, a wholly owned subsidiary. Accordingly, the Property, Plant and Equipment amounting to ₹ 232.72 lakhs has been classified as Assets held-for-sale.

Notes (Cont'd):

8 On 22 February 2024, few shareholders comprising of 50% of the shareholding (collectively called as 'the Tambi Group') in Ksheer Sagar Developers Private Limited ('KSDPL') filed a petition with the Hon'ble National Company Law Tribunal ('NCLT') under Sections 241 and 242 of the Act pertaining to Oppression and Mismanagement in the affairs of KSDPL. The matters raised in the said petition included matters relating to related party transactions, delayed appointment of independent directors, change in status of the KSDPL from subsidiary to associate, wrongful conduct of independent directors, process to appoint independent directors, conduct of chairman of the Board of KSDPL amongst others. Amongst the various reliefs sought, one of the relief sought was to halt the Extra Ordinary General Meeting ('EOGM') on 1 March 2024 from taking place. Royal Orchid Hotels Limited ('ROHL') on 28 February 2024 filed its response to the said petition with the NCLT disputing all the claims made by the Tambi Group.

The NCLT on 29 February 2024 directed all the parties to carry out the EOGM as planned and comply with the provisions of Companies Act 2013.

The EOGM was duly conducted on 1 March 2024 with the independent director as the Chairman. Only one business relating to the appointment of a new independent director was conducted and an ordinary resolution was duly passed. With effect from 2 March 2024, board of KSDPL has only one independent director. Also, ROHL's Administrative Committee has resolved that the current Independent Director shall be the Chairman in the Board and General Meetings of KSDPL.

Subsequent to the EOGM, the Tambi Group filed an Interlocutory Application on 11 March 2024 with the NCLT stating that the appointment of independent director was not in accordance with the Act. A Compliance Affidavit on 16 April 2024 was filed on behalf of KSDPL submitting how the interim order of NCLT dated 29 February 2024 was complied with. On 23 May 2024, the Tambi Group filed another Interlocutory Application requesting the NCLT to halt the approval of the independent director of KSDPL as the Chairman of the Board of KSDPL. The NCLT on 28 May 2024 directed all the parties to carry out the Board Meeting as planned. The matter is currently pending with the NCLT.

In the responses filed with the NCLT, ROHL has stated before the NCLT that relevant provisions of the Act as applicable to a deemed public company are not applicable to KSDPL. ROHL believes that there has been no change in its assessment of control as per 'control assessment' principles enunciated under Ind AS 110 and accordingly continues to disclose and account for KSDPL as an associate in the Consolidated Financial Statements.

9 The Board of Directors of the Company, in its meeting held on 30 May 2024, proposed a final dividend of 25% (₹ 2.5 per equity share). The proposal has been approved by the shareholders at the Annual General Meeting held on 30 September 2024 and would result in a cash outflow of ₹ 685.63 lakhs.

Place: Bengaluru
Date: 14 November 2024

For Royal Orchid Hotels Limited

C K Baljee
Managing Director
DIN: 00081844