



HOTEL LEEAVENTURE LIMITED

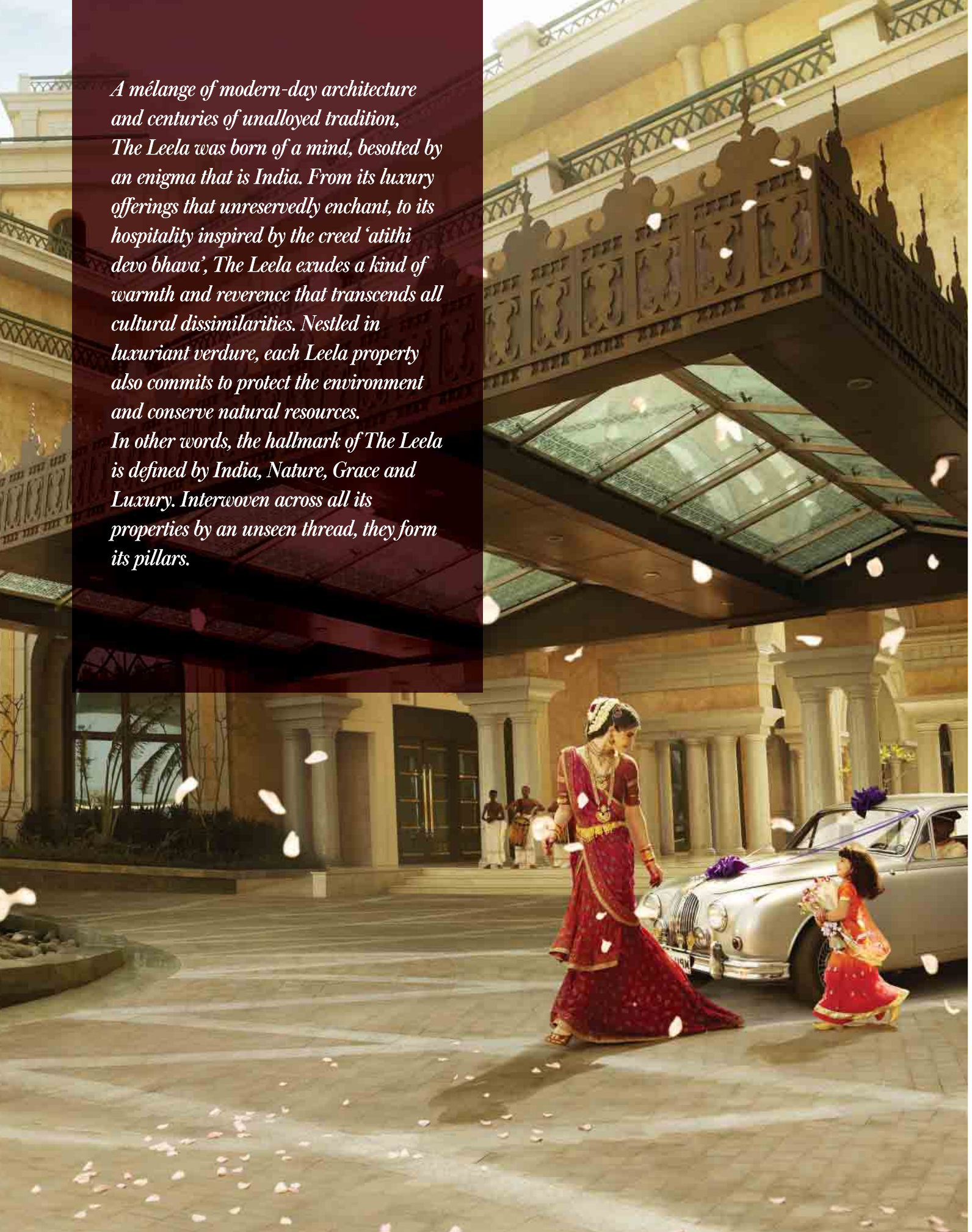
ANNUAL REPORT

2014-15



THE LEEA
PALACES HOTELS RESORTS

A mélange of modern-day architecture and centuries of unalloyed tradition, The Leela was born of a mind, besotted by an enigma that is India. From its luxury offerings that unreservedly enchant, to its hospitality inspired by the creed 'atithi devo bhava', The Leela exudes a kind of warmth and reverence that transcends all cultural dissimilarities. Nestled in luxuriant verdure, each Leela property also commits to protect the environment and conserve natural resources. In other words, the hallmark of The Leela is defined by India, Nature, Grace and Luxury. Interwoven across all its properties by an unseen thread, they form its pillars.





MISSION STATEMENT

To not just satisfy our guests but delight them.

To show the warmth and grace unique to Indian hospitality.

To set a new global standard of service in which wishes are not simply granted, but anticipated.

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Dear Shareholders,

From the very beginning, our success has been founded on staying true to our core values - always putting our guests first, pursuing operational excellence, and focusing on creating unparalleled hotels and services that have made India proud. This year, despite a slow economy and numerous challenges faced by the hospitality industry, we continued to build on these hallmarks. This is because we believe that hospitality is not a short-term game but a long-term commitment.

For the last few years, the hospitality industry has witnessed an unprecedented financial crisis. When the hotel industry was performing well, many companies started investing in Hotels. However, post the Lehman crisis and the Mumbai terror attacks, while the ARR's have substantially declined, the occupancies have come down as demand has not caught up with the supply. This has seriously affected the profitability of hotels. Further, most of these hotels were built with substantial debt and the interest cost is mounting due to high interest rates. The debt repayment is getting affected due to lower profitability and higher interest rates. Added to this, the lenders are even charging penal interest rates. The Hotel industry needs support in terms of lower interest rates and repayment term of 25 years, for fresh loans as well as for refinancing the standard loans, non-performing loans and the loans acquired by Asset Reconstruction Companies. If this relief is extended by the Ministry of Finance, Government of India, and the Reserve Bank of India (RBI), then there would be an investment climate for investment in the additional 180,000 rooms which are

required to be set up if the target of 12 million Foreign Tourist Arrivals (FTAs) in the next five years is to be achieved (from the present 7.20 million.) Most importantly, employment in the Tourism Sector will grow to 87 million as compared to the current level of 53 million. The Sector is already the single largest employment generator at 9.2 percent of the total workforce in the country.

While the Government's decision to open up tourism in India in a big way by extending visa-on-arrival to 140 countries in phases has been a very welcome move, unfortunately, none of the requests made were included in the Union Budget.

The Hotel industry was expecting a growth based budget to help set the industry on an upward trajectory. The industry's recommendations on several critical fronts, such as, removal of Service Tax imposed by the Central Government have not found favour. Several High Courts across the country have pronounced the levy of Service Tax as illegal and unconstitutional. Both, the Central and the State Government charges it on the same base item, whether it is room charges or food and beverage charges. As it is, with the increase of Service Tax to 14 percent, and several states like Delhi and Tamil Nadu still following the inequitable practice of charging a 15 percent Luxury Tax on the Published Tariff and not the Actual Rate, the combined rate of taxation on rooms alone exceeds 29 percent, one of the highest in the world. It is hoped that the proposed Goods and Service Tax (GST), which is slated to go into effect on April 1, 2016, will keep the total tax rate including VAT, Service Tax and Luxury Tax for hotels at eight percent, in order to enable the hotels in India to compete with other destinations, such as Malaysia, Indonesia, Sri Lanka and China, whose incidence of GST tax averages only seven percent.

Additionally, the Foreign Trade Policy announced recently by the Directorate General of Foreign Trade (DGFT) in April 2015 was a real disappointment as the entitlement of 10 percent of the net foreign exchange earnings, which was being granted all these years, has been reduced to three percent without ascribing any reason. Further, the condition for availment of the Export Promotion Capital Goods Scheme (EPCG) licenses, that only the foreign exchange earnings in excess of the average of the last three years qualify for meeting the export obligations of six times of the duty amount saved within six years, has led to a very serious situation as hotels have not been able to fulfill

their export obligations. Thus, applications for the EPCG scheme have almost come to zero, to the great detriment of the hotel industry. If hotels are forced to import at full duty, it is bound to make their services and products uncompetitive.

As a result of these factors, the continued oversupply of rooms, and the slow economic recovery, the outlook for the Indian Hotel Industry is expected to remain subdued in the short term. However, should the Government implement the aforesaid relief measures and execute the various policy initiatives it has announced, it is bound to trigger higher GDP growth, increased foreign investment and put the hospitality industry on the road to recovery.

Executing Our Asset-light Strategy

I am pleased to inform you that our hotels and resorts continue to gain recognition from some of the most prestigious publications on travel and luxury in the world. The Leela Palace New Delhi, which has become the top performing hotel in the capital city, was named among the World's Top 100 Hotels by Robb Report – USA. The Leela Palace Udaipur was named the Best Destination Spa by discerning readers of Condé Nast Traveller and Travel + Leisure India & South Asia; and The Leela Kovalam was voted the Best Hotel in the country for the fourth year in a row by the esteemed readers of Lonely Planet.

Strengthened by these accolades, we have embarked on aggressive growth following an asset light strategy by executing Management Contracts for The Leela as well as The Leela Palace and The Leela Residences Brand. We plan to rapidly expand our footprint in India and other markets overseas. In December 2014, we signed a Management Contract for The Leela Kathmandu in the presence of the Hon'ble Prime Minister of Nepal. This is first in a series of three hotels across Nepal, which shall include Pokhara and Lumbini (birthplace of Lord Buddha) – all of which are part of the Groups' plans to pave a luxury Buddhist trail across Nepal and India. New properties which are currently under development, include, The Leela and The Leela Residences on a 125 acres township – Bhartiya City - near the Bangalore International Airport. The development has a Leela Hotel with 256 rooms, a Convention Center, and 150 Leela Residences. These Leela Residences will provide all the luxury services that The Leela is acclaimed for, within the privacy of their homes. Additionally, projects under development include Jaipur, Agra, Chandigarh, Lucknow, as well as hotels in select

overseas destinations. Hence, a total of 980 Hotel Rooms and 450 Serviced Residences will be added in the next four years, without any investment by your Company.

To sum up, with the economy on a high growth trajectory, we expect a better performance this year, especially in hotels located in the business destinations. We are focused on reducing our debt burden and driving growth while maintaining our operational excellence. We are ever mindful that all of these efforts are dedicated to increasing value for our shareholders, and ensuring an early turnaround in the Company's position.

For the outstanding comments received of guest experiences, I thank our extraordinary associates who make the mission of The Leela their own. I would like to thank you, all our Shareholders, Board Members, Lenders, The Airport Authority of India, The Ministry of Tourism, Government of India, and Tourism Departments of the various State Governments for their wholehearted support.



Vivek Nair
Chairman and Managing Director
Hotel Leelaventure Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vivek Nair	Chairman & Managing Director	Mr. Vijay Amritraj	Director
Mr. Dinesh Nair	Co-Chairman & Managing Director	Mrs. Anna Malhotra	Director
Mr. Venu Krishnan	Deputy Managing Director (upto 31st July, 2014)	Mr. Anil Harish	Director
Mr. Krishna Deshika	Director - Finance & CFO	Dr. K. U. Mada	Director
Mrs. Madhu Nair	Director	Mr. Indur Kirpalani	Director (upto 18th September, 2014)
Mrs. Uttara Dasgupta	Director - Nominee of SBI (upto 11th August, 2014)	Mr. M. Madhavan Nambiar	Director
Mr. T. Ravindranath	Director - Nominee of Syndicate Bank (upto 11th August, 2014)	Mr. Vikram Singh Mehta	Director (w.e.f. - 11th August, 2014)
Mr. V. P. Shetty	Director - Nominee of JM Financial Asset Reconstruction Company Private Limited (w.e.f. - 11th August, 2014)	Mr. R. Venkatachalam	Director (w.e.f. - 11th August, 2014)
Mr. Anil R. Bhatia	Director - Nominee of JM Financial Asset Reconstruction Company Private Limited (w.e.f. - 11th August, 2014)	Mr. Anil Kumar Sharma	Director - Nominee of AAI (upto 12th August, 2015)
		Ms. K. Hemalatha	Director - Nominee of AAI (w.e.f. - 12th August, 2015)

COMPANY SECRETARY

Anandghan Bohra

STATUTORY AUDITORS

Picardo & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

Cyril Amarchand Mangaldas

Registered & Corporate Office

The Leela Mumbai
Sahar
Mumbai 400 059
Website: www.theleela.com
E-mail: investor.service@theleela.com

Registrar & Transfer Agents

Sharepro Services (India) Private Limited
13 A/B Samhita Warehousing Complex
2nd Floor, Off Andheri Kurla Road
Sakinaka Telephone Exchange Lane
Sakinaka, Andheri East
Mumbai - 400 072
E-mail: hotelleela@shareproservices.com
Tel : + 91 22 6772 0300 / 6772 0400
Fax : + 91 22 2859 1568

Bankers / Financial Institutions

Bank of Baroda
Housing Development Finance Corporation Limited
IDBI Bank Limited
State Bank of India

Investor Relations Centre of the Registrar & Transfer Agents

912, Raheja Centre
Free Press Journal Road
Nariman Point
Mumbai - 400 021
Tel : + 91 22 6613 4700
Fax : + 91 22 2282 5484

Corporate Identity Number (CIN) L55101MH1981PLC024097

34th Annual General Meeting

Date | Tuesday, 22nd September, 2015

Time | 11.00 A.M.

Venue | Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai- 400 056

DIRECTORS' REPORT

Dear Members,

Your Directors present the 34th Annual Report on business and operations of your Company, together with the audited accounts for the year ended March 31, 2015.

1. Financial Performance

The financial performance of the Company during the year under review is summarised below:

₹ Lakhs

	Financial Year 2014-15	Financial Year 2013-14
Revenue from operations and other income	76,200.72	76,817.62
Operating and other expenses	61,122.72	57,323.95
Earnings before interest, depreciation, taxes and amortisation (EBIDTA)	15,078.00	19,493.67
Exceptional items	18,327.76	-
Interest	19,757.65	50,163.00
Depreciation	24,009.69	18065.31
Profit/(Loss) before tax	(47,017.10)	(48,734.64)
Provision for taxes / deferred tax	(5,429.36)	(4587.45)
Profit/(Loss) after tax for the year	(41,587.74)	(44,147.19)
Balance brought forward	(54,841.65)	(10,694.46)
Amount available for appropriation	(96,429.39)	(54,841.65)
Appropriations	-	-
Balance carried to Balance Sheet	(96,429.39)	(54,841.65)
EPS - basic and diluted (in ₹)	(9.06)	(10.15)

2. Dividend

In view of losses, the directors do not recommend any dividend for the financial year ended 31st March, 2015

3. Subsidiary Companies, their performance and financial position

During the financial year, the Company transferred Leela Realty Limited, a small non-material subsidiary, to a promoter group company, viz. Leela Lace Holdings Private Limited for a consideration, determined on the basis of the net-worth of the subsidiary as on 1st January, 2015.

As on March 31, 2015, your Company has one Subsidiary, viz. Leela Palaces and Resorts Limited (a wholly owned subsidiary or WOS). The WOS incurred a loss of ₹ 8.51 lakhs during the financial year 2014-15.

The WOS did not carry out any operations during the financial year 2014-15. The outstanding advances / loans of the Company of ₹ 5,702.82 lakhs has been converted into the equity shares after due approvals. The WOS is being proposed to be transferred by way of transfer of shares, for which the approval of the Company's shareholders has already been obtained. The WOS has also initiated the process of renewal of relevant regulatory approvals for construction.

The Company has not attached the Balance Sheet, Profit and Loss Account and other documents of the above subsidiary company with the Annual Report of the Company in terms of general exemption circular notified by the Ministry of Corporate Affairs, Government of India.

However, the Company will make available these documents upon request by any member of the Company interested in obtaining the same. Further, these documents will also be available at the Registered Office of the Company for inspection by any member of the Company.

A Statement containing the salient features of the financial statement of subsidiaries in Form AOC-I (pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is attached to this report as Annexure-I. The audited financial statements and related information of subsidiaries are also available on Company's website at www.theleela.com.

The Audited Consolidated Financial Statements, prepared in accordance with the Accounting Standard 21 and Clause 32 of the Listing Agreement, form part of this Annual Report.

4. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors, based on the information and representations received from the operating management, hereby confirm that:

- in the preparation of the annual accounts for the financial year ending 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. Amendment of Memorandum and Articles of Association

During the financial year under review, the Company has amended its Main Object Clause of the Memorandum of Association pursuant to the approval granted by the shareholders through a postal ballot, to enable the Company to carry on the additional business of building serviced residences, mixed use complexes with hotels, commercial, retail and residential properties, etc. The Company proposes to follow this strategy in some of the hotels that may be built in future and also in the Leela Palace, Delhi where additional FAR is available. Some of the developers of residential properties have approached the Company for the Company's association with such projects and also for branding such residences with "the Leela" name and the Company is evaluating such proposals.

To meet the requirements under the Section 4(1)(c) of the Companies Act, 2013, some of the clauses in Memorandum of Association of the Company were also amended, consolidated and renumbered wherever deemed necessary. The Company has also adopted new Articles of Association in compliance with Table "F" of Schedule I of the Companies Act, 2013, pursuant to the approval granted by the shareholders through a postal ballot.

6. Directors

Your Company has Fourteen (14) Directors consisting of Seven (7) Independent Directors, Four (4) Non-executive Directors and Three (3) Whole-time Directors as on March 31, 2015.

Independent and Non-Independent

In terms of the definition of 'Independence' of Directors as prescribed under Clause 49 of the Listing Agreement entered with Stock Exchanges and Section 149(6) of the Companies Act, 2013 and based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent Directors:-

- (i) Mrs. Anna Malhotra
- (ii) Dr. K. U. Mada
- (iii) Mr. Vijay Amritraj
- (iv) Mr. Anil Harish
- (v) Mr. M. Madhavan Nambiar
- (vi) Mr. R. Venkatachalam
- (vii) Mr. Vikram Singh Mehta

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a company shall have at least one Woman Director on the Board of the company. Your Company is in compliance of the same.

Whole-time Directors

The present tenure of Mr. Vivek Nair, Chairman & Managing Director, Mr. Dinesh Nair, Co-Chairman & Managing Director shall expire on 31st March, 2016 and the tenure of Mr. Krishna Deshika, Director – Finance & CFO shall expire on 16th January, 2016.

The Board of Directors of the Company at their meeting held on 27th May, 2015 has unanimously approved their re-appointment and remuneration subject to the approval of the shareholders. Accordingly, the approval of shareholders is being sought for their re-appointment and remuneration for a period of 5 years.

Appointments / Resignations from the Board of Directors

Mr. Venu Krishnan, Deputy Managing Director, resigned from the services of the Company with effect from 31st July, 2014. He had been with the Leela Group since 1987 and with the Company from April 2007. The Board places on record the valuable contributions rendered by Mr. Venu Krishnan during his tenure with the Company.

Mr. Indur Kirpalani retired by rotation at the last Annual General Meeting held on 18th September, 2014. The Board places on record their appreciation of the contributions made by him.

Upon assigning of debts to Asset Reconstruction companies by the CDR lenders, State Bank of India and Syndicate Bank withdrew their nominees from the Board of the Company. Accordingly, Mrs. Uttara Dasgupta, Nominee of State Bank of India and Mr. T. Ravindranath, nominee of Syndicate Bank, resigned from the Board with effect from 11th August, 2014. The Board places on record the valuable contributions rendered by Mrs. Uttara Dasgupta and Mr. T. Ravindranath during their tenure with the Company.

Mr. V. P. Shetty and Mr. Anil R. Bhatia joined the Board as nominees of JM Financial Asset Reconstruction Company Private Limited with effect from 11th August, 2014 and their appointments have been approved by the Members at the last Annual General Meeting.

In terms of Section 149 of the Companies Act, 2013, the Members at the last Annual General held on 18th September, 2014 have appointed Mrs. Anna Malhotra, Dr. K. U. Mada, Mr. Vijay Amritraj, Mr. Anil Harish and Mr. M. Madhavan Nambiar as Independent Directors for a term of five consecutive years, upto 31st March, 2019 and Mr. Vikram Singh Mehta and Mr. R. Venkatachalam, who joined the Board as independent Directors with effect from 11th August, 2014 for a term of five years upto 10th August, 2019. The Company has received confirmation from the independent

directors that they continue to meet the criteria to be independent directors of the Company. They are not liable to retire by rotation.

Directors Retiring by Rotation

In accordance with the Section 152 of the Companies Act, 2013, two thirds of the Board, excluding independent directors, should be of directors retiring by rotation. The Company has four non-executive directors and one executive Director who are liable to retire by rotation and two executive directors who are not liable to retire by rotation in terms of their appointment.

Mr. Krishna Deshika, being longest in the office, retires by rotation at the forthcoming Annual General Meeting and has offered himself for re-appointment. The Board recommends his re-appointment.

7. Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board/ Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

The Board met five (5) times during the FY 2014-15 viz. on 27th May, 2014, 11th August, 2014, 18th September, 2014, 5th November, 2014 and 12th February, 2015. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

Additionally, several committee meetings were held including Audit Committee meeting, which met four (4) times during the year.

8. Committees of the Board

The Company has several committees, which have been established as a part of the good corporate governance practices and in compliance with the requirements of the relevant provisions of applicable laws and statutes. The Company has following Committees of the Board:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders Relationship Committee
- (iv) Finance Committee
- (v) Assets Sale Committee

The details with respect to the compositions, powers, roles, terms of reference, etc. of statutory committees are given in details in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

9. Performance Evaluation of the Board

The Nomination and Remuneration Committee at its meeting held on 12th February, 2015 and the Board of Directors at its meeting held on the same day, had laid down criteria for performance evaluation of Directors, Executive Directors and Key Management Personnel and Board Level Committees and Board as a whole and also the evaluation process for the same.

10. Key Managerial Personnel

Mr. Vivek Nair, Chairman & Managing Director, Mr. Dinesh Nair, Co-Chairman & Managing, Mr. Krishna Deshika, Director - Finance & CFO and Mr. Dinesh Kalani, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and were already in office before the commencement of the Companies Act, 2013

11. Management's Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis, which forms part of this Report as Annexure.

12. Corporate Governance

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators/applicable laws. Accordingly, your Board functions as trustees of the shareholders and seeks to ensure that the long term economic value for its shareholders is achieved while balancing the interest of all the stakeholders.

A separate section on Corporate Governance standards followed by your Company, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed as an Annexure to this report. The report on Corporate Governance also contains certain disclosures required under the Companies Act, 2013.

A Certificate from M/s. V. Sundaram & Co., Practicing Company Secretaries, confirming compliance to the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Report on Corporate Governance.

13. Vigil Mechanism

The Company has implemented a Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (as defined in the policy) such as fraud, bribery, corruption, illegality, health & safety, environmental issues and wastage/ misappropriation of Company funds/assets, etc. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism. The vigil mechanism also provides direct access to the Members of the Audit Committee, including the Chairperson of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available on the website of the Company (www.theleela.com/investor-relations).

14. Risk Management Policy

The Board has approved a Risk Management Policy, wherein all material risks faced by the Company are identified and assessed. For each of the Risks identified in the policy, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

15. Contracts or Arrangements with Related Parties

Your Company undertakes various transactions with related parties in the ordinary course of business. All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

There were no materially significant related party transactions with the Promoters, Directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions and also in dealing with related party transactions as approved by the Audit Committee and the Board is available on the website of the Company at www.theleela.com/investor-relations.

Your Directors draw attention of the members to Note No.31.10 to the standalone financial statements, which set out related party disclosure.

16. Internal Financial Control Systems and their adequacy

The Company had laid down a set of standards, processes and structure which enables implementation of internal financial control across the organisation and ensure that the same are adequate and operating effectively.

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business operations of the Company.

17. Auditors

(a) Statutory Auditors and Auditors' Report

M/s. Picardo & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received the consent and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended the re-appointment of M/s. Picardo & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

During the period under review, even though there is no audit qualification, there is an audit observation in the financial statements. The explanation for the same has been provided in Note no 31.3 of the standalone Financial Statements. The said notes are self-explanatory and do not call for any further comments.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, the Company had appointed M/s. V. Sundaram & Co., Practicing Company Secretaries, as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2014-15. The Report of Secretarial Auditor for the FY 2014-15 is annexed to this report as Annexure - II. There is no Audit Qualification in the Secretarial Audit Report.

18. Material Changes and Commitment affecting Financial Position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2015 and the date of the Directors' report i.e. 27th May, 2015.

19. Employee Remuneration

(A) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are furnished in Annexure forming part of this report as Annexure III.

(B) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary.

20. Corporate Social Responsibility (CSR)

In terms of Section 135 of Companies Act, 2013, certain companies have to carry out CSR activities as prescribed. Since the Company does not fall within the criteria of turnover and/or profit, due to continuous losses over the last three financial years, the Company has not formed a CSR Committee.

However, the Company continues to undertake CSR activities in a consistent manner for the benefit of the local communities near to its hotel properties and the details of such initiatives are disclosed separately in this Annual Report.

21. Fixed Deposits

During the year, the Company has not accepted any deposits from the public or from the shareholders.

22. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo and Other Disclosures

(i) The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 by your Company are furnished below:

(a) Conservation of Energy

Energy Conservation, sustainability and efforts to make the properties more "Green" have been the main drive throughout the year. Major efforts/steps taken towards this are:

- Energy efficient lighting and high efficiency HVAC systems used / retrofitted extensively in all hotels, has reduced electrical consumption.
- Computerized Power Monitoring is implemented in all properties on gradual basis to monitor and control power consumption.
- Main chiller plants and steam boilers have been tuned for best efficiency to conserve energy.
- Building management system installation and electricity distribution systems equipped with power factor correction panel monitors that controls energy wastage of equipment.
- Hotels are equipped with solar geysers for generating hot water and the rooms are equipped with energy saving devices during non-occupancy.
- STP treated water and Rain Water Harvesting has been implemented at four hotels.
- The Company has 23 windmills with a capacity of 13.5 MW power, in the State of Maharashtra (4.5 MW), Karnataka (5 MW) and Tamil Nadu (4 MW). Windmills continue to produce renewable energy for use in own hotels.

(b) Technology Absorption:

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(B) of the Companies (Accounts) Rules, 2014, are not applicable, as hotel is service industry and the Company does not have any significant manufacturing operations.

(c) Foreign Exchange Earnings and Outgo:

The foreign exchange earnings of the Company during the year stood at ₹ 33,937.37 lakhs (previous year ₹ 27,525.59 lakhs) and foreign exchange outgo during the year stood at ₹ 3,386.60 lakhs (previous year ₹ 3,962.63 lakhs).

(ii) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

(iii) Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women employee working in the Company. The Company's Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no such cases were reported.

23. Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at March 31, 2015 forms part of this report and the same is attached to this report as Annexure-IV.

24. Unclaimed / unexchanged Equity Shares in the Company

In compliance with the Clause 5A, the Company has transferred 25,98,970 unclaimed equity shares belonging to 4330 shareholders lying with the Company to "Unclaimed Share Suspense Account" in May, 2015.

The voting rights on the shares in the suspense accounts shall remain frozen till the rightful owners of such shares claim the shares.

25. Acknowledgements

The Board wishes to place on record its appreciation for the assistance and support received from all the lenders, government and regulatory authorities, customers, business associates and vendors.

Your directors take this opportunity to express their sincere thanks to all the shareholders and stakeholders for the faith and confidence reposed in the Company and the management.

Your directors attribute immense importance to the contribution of the family of staff and sincerely thank "The Leela" team for sharing the Company's vision and philosophy and for the dedication and commitment in ensuring that the Company remains in the forefront of competitive industry as one of the finest Hotel Groups in India.

For and on behalf of the Board of Directors

Vivek Nair
Chairman & Managing Director

Mumbai, 27th May, 2015

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiary

Sr. No.	Particulars	Amount in ₹
1	Sl. No.	1
2	Name of the subsidiary	Leela Palaces and Resorts Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5	Share capital	27,281,300
6	Reserves & surplus	545,533,057
7	Total assets	572,831,211
8	Total liabilities	16,854
9	Investments	-
10	Turnover	-
11	Profit before taxation	(850,999)
12	Provision for taxation	-
13	Profit after taxation	(850,999)
14	Proposed Dividend	-
15	% of shareholding	100%

Notes:

- Names of subsidiaries which are yet to commence operations: The above subsidiary is yet to commence operation.
- Names of subsidiaries which have been liquidated or sold during the year: The Company has sold its investments in Leela Realty Limited during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

Dinesh Kalani
Company Secretary

Vivek Nair
Dinesh Nair
Krishna Deshika

Chairman and Managing Director
Co- Chairman and Managing Director
Director Finance & CFO

Mumbai, 27th May 2015

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2015

Form No. MR-3

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

To,
The Members
Hotel Leelaventure Limited
Mumbai
CIN: L55101MH1981PLC024097

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by Hotel Leelaventure Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Hotel Leelaventure Limited ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(Not Applicable to the Company during the audit period)*.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not Applicable to the Company during the audit period)*.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding Companies Act dealing with the company.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company during the audit period)* and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable to the Company during the audit period)*.
- (vi) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company and having regard to the compliance system prevailing in the Company & on examination of the

relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Income Tax Act, 1961 and other Indirect Tax laws
- (b) Motor Vehicles Act, 1988
- (c) Environment Protection Act, 1986;
- (d) Water (Prevention & Control of Pollution) Act, 1974;
- (e) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. *(Not notified hence not applicable to the Company during the audit period)*.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Decisions at the meetings of Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

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.

The company had conducted a postal ballot during the year for the following items.

- (i) Amendment to Main object clause of the Memorandum of Association.
- (ii) Amendment to Clause IIIB and Clause IIIC of the Memorandum of Association.
- (iii) Amendment to Clause IV of the Memorandum of Association.
- (iv) Adoption of new set of Articles of Association.
- (v) Resolution to make investments, give loans, guarantees and provide securities beyond the prescribed limits.
- (vi) Resolution for Approval for sale of Leela Palaces and Resorts Limited, a wholly owned subsidiary.

We further report that during the audit period the company and its officers in all departments have co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For V. Sundaram & Co.
Company Secretaries

V Sundaram
FCS No. 2023
C P No. 3373

Mumbai, 27th May, 2015

Details of ratio of Remuneration of Directors

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure
(i)	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Vivek Nair Chairman & Managing Director (CMD) 66.18:1
		Mr. Dinesh Nair Co-Chairman & Managing Director (CCMD) 66.18:1
		Mr. Krishna Deshika Director – Finance & CFO (DF) 48.74:1
(ii)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	There was no increase in the remuneration of CMD and CCMD and CFO. The remuneration of the Company Secretary was increased by 5.03% over the previous year.
(iii)	The percentage increase in the median remuneration of employees	The median remuneration of the employees in the financial year was increased by 6.8%. The calculation of % increase in median remuneration is done based on comparable employees and excludes employees who were not eligible for increment.
(iv)	The number of permanent employees on the rolls of company	There were 2,541 employees as on March 31, 2015.
(v)	The explanation on the relationship between average increase in remuneration and company performance	The increase in Revenue from operations during the year was 5% and the increase in remuneration was 6.9%. The factors considered at the time of salary revisions are financial performance of the Company, comparison with peer companies and the Industry benchmarking.
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Even though there was 5% increase in operating revenues, there was no increase in remuneration of Key Managerial Personnel. However the Company incurred a loss of ₹ 41,587.74 lakhs during the year.
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies	The Market capitalisation of the Company has increased from ₹ 71,806 lakhs as of March 31, 2014 to ₹ 87,022 lakhs as of March 31, 2015. Price to Earnings Ratio does not apply as the Company has incurred losses. The Company's stock price as at March 31, 2015 has increased by 93.25% to ₹ 18.65 (face value of share - ₹ 2/-) over the last public offering, i.e. IPO in February 1985 at the price of ₹ 10 per share (face value of share – ₹ 10). [Increase percentage calculated based on subdivision of shares from ₹ 10 to ₹ 2 each effective from 15th September, 2006].
(viii)	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	Average percentile increase in salaries of employees other than the managerial personnel in the FY 2014-2015 is 6.4%. The average percentile increase in the remuneration of employees in management cadre in the FY 2014-15 is 5.9%.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	The increase in Revenue from operations during the year was 5%. However the Company incurred a loss of ₹ 41,587.74 lakhs during the year. Hence, comparison of the remuneration of each Key Managerial Personnel against the performance of the Company is not applicable.
(x)	The key parameters for any variable component of remuneration availed by the directors;	There is no variable component in the remuneration paid to the directors. The remuneration paid to the whole-time directors are within the ceiling approved by the Central Government.
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	None of the employees of the Company, who are not directors, received remuneration in excess of the highest paid director during the year.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes, it is confirmed.

ANNEXURE - IV

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L55101MH1981PLC024097
Registration Date	20th March, 1981
Name of the Company	Hotel Leelaventure Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of the Registered office and contact details	The Leela, Sahar, Mumbai - 400 059 Tel. +91-22-6691 1182/83 Fax +91-22-6691 1458 E-mail: investor.service@theleela.com Website: www. theleela.com
Whether listed company Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Private Limited 13 A/B Samhita Warehousing Complex 2nd Floor, Off Andheri Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri East, Mumbai - 400 072 Tel : + 91 22 6772 0300 / 6772 0400; Fax : + 91 22 2859 1568 E-mail: hotelleela@shareproservices.com Website: www.shareproservices.com

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Accommodation and Food Services Activities - Hotel Room revenue	561	52.02%
2	Food and Beverage Services Activities - Food and Beverage	551	36.07%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GIN	Holding / Subsidiary / associate	% of shares held	Applicable Section
1	Leela Palaces and Resorts Limited The Leela Palace, Diplomatic Enclave, Chanakyapuri, New Delhi – 110 023	U70101DL2005PLC134480	Subsidiary	100%	2(87) (ii)
2*	Leela Realty Limited The Leela, Sahar, Mumbai 400 059	U55200MH1981PLC023888	Subsidiary	99.80%	2(87) (ii)

*Subsidiary upto December 31, 2014

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters / Promoter group									
1 Indian									
(a) Individuals/ HUF	12,45,200	0	12,45,200	0.28	12,45,200	0	12,45,200	0.27	-0.01
(b) Central Government	0	0		0.00	0	0		0.00	0.00
(c) State Government(s)	0	0		0.00	0	0	0	0.00	0.00
(d) Bodies Corporate	28,11,46,912	0	28,11,46,912	62.25	29,60,49,519	0	29,60,49,519	63.45	1.19
(e) Banks / FI	0	0		0.00	0	0	0	0.00	0.00
(f) Any Others-Trust	7,92,355	0	7,92,355	0.18	7,92,355	0	7,92,355	0.17	-0.01
Sub-total (A)(1):	28,31,84,467	0	28,31,84,467	62.71	29,80,87,074	0	29,80,87,074	63.88	1.18

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2 Foreign									
(a) NRIs - Individuals	0	0		0.00	0	0	0	0.00	0.00
(b) Other Individuals	0	0		0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0		0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0		0.00	0	0	0	0.00	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):	0	0		0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	28,31,84,467	0	28,31,84,467	62.71	29,80,87,074	0	29,80,87,074	63.88	1.18
B Public shareholding									
1 Institutions									
(a) Mutual Funds	2,457	1,250	3,707	0.00	2,041	1,250	3,291	0.00	0.00
(b) Banks / FI	8,74,108	0	8,74,108	0.19	5,81,110	0	5,81,110	0.12	-0.07
(c) Central Government	0	0	0	0.00	0	0		0.00	0.00
State Government(s)	0	0	0	0.00	0	0		0.00	0.00
(d) Venture Capital Funds	0	0	0	0.00	0	0		0.00	0.00
(e) Insurance Companies	2,42,19,385	0	2,42,19,385	5.36	2,42,80,027	0	2,42,80,027	5.20	-0.16
(f) FIs	35,69,132	2,500	35,71,632	0.79	19,19,106	2,500	19,21,606	0.41	-0.38
(g) Foreign Venture Capital Funds	0	0		0.00	0	0		0.00	0.00
(h) Others (specify)		0		0.00		0		0.00	0.00
Sub-Total (B)(1)	2,86,65,082	3,750	2,86,68,832	6.35	2,67,82,284	3,750	2,67,86,034	5.74	-0.61
2 Non-institutions									
(a) Bodies Corporate									
(i) Indian	6,48,30,183	47,885	6,48,78,068	14.37	6,63,81,901	47,385	6,64,29,286	14.24	-0.13
(ii) Overseas	0	0		0	0	0		0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	5,41,39,345	53,16,958	5,94,56,303	13.17	5,31,52,514	50,38,608	5,81,91,122	12.47	-0.69
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	45,65,235	0	45,65,235	1.01	65,36,835	0	65,36,835	1.4	0.39
(c) Others (specify)									
i) NRI- holdings	68,30,185	40,17,500	1,08,47,685	2.4	66,93,586	38,70,370	1,05,63,956	2.26	-0.14
ii) Trust	12,002	0	12,002	0	14,000	0	14,000	0	0
Sub-Total (B)(2)	13,03,76,950	93,82,343	13,97,59,293	30.95	13,27,78,836	89,56,363	14,17,35,199	30.38	-0.57
Total Public Shareholding (B) = (B)(1)+(B)(2)	15,90,42,032	93,86,093	16,84,28,125	37.29	15,95,61,120	89,60,113	16,85,21,233	36.12	-1.18
C Shares held by Custodian for GDRs & ADRs	0	0	0		0	0	0	0	0
Grand Total (A+B+C)	44,22,26,499	93,86,093	45,16,12,592	100	45,76,48,194	89,60,113	46,66,08,307	100	0

(ii) Shareholding of Promoters / Promoters Group

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2014			Shareholding held at the end of the year 31.03.2015			% change in shareholding 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	Leela Lace Holdings Private Limited. (2 Folio)	18,86,49,985	41.77	100.00	18,86,49,985	40.43	99.73	-1.34
2	Leela Lace Software Solutions Private Limited. (3 Folio)	5,52,85,467	12.24	99.55	5,51,92,359	11.83	93.18	-0.41
3	Leela Fashions Private Limited.	42,50,000	0.94	100.00	42,50,000	0.91	100.00	-0.03
4	Rockfort Estate Developers Private Limited.	3,29,61,460	7.30	51.00	4,79,57,175	10.28	35.05	2.98
5	Krishnan Nair Leela Family Trust (through Trustees Mr. Vivek Nair, Mr. Dinesh Nair and Mrs Leela Nair Beneficiary)	7,92,355	0.18	0.00	7,92,355	0.17	0.00	-0.01
6	Mr. Dinesh Nair	3,74,050	0.08	0.00	3,74,050	0.08	0.00	0.00
7	Ms. Amrudha Nair	3,00,000	0.07	0.00	3,00,000	0.06	0.00	0.00
8	Mr. Vivek Nair	2,46,460	0.05	0.00	4,77,460	0.10	0.00	0.05
9	Capt C. P. Krishnan Nair (2 Folio)	2,31,000	0.05	0.00	0	0.00	0.00	-0.05
10	Mrs. P V Leela Amma	75,000	0.02	0.00	75,000	0.02	0.00	0.00
11	Mrs. Lakshmi Nair	18,330	0.00	0.00	18,330	0.00	0.00	0.00
12	Mrs. Madhu Nair	360	0.00	0.00	360	0.00	0.00	0.00
		28,31,84,467	62.71	93.49	29,80,87,074	63.88	87.44	1.18

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

Sl. No.	Name of shareholder	Shareholding at the beginning (01.04.2014)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Leela Lace Holdings Private Limited	9,69,25,650	21.46	01/04/2014				
		9,69,25,650	20.77	31/03/2015	0	No change	9,69,25,650	20.77
2	Leela Lace Holdings Private Limited	9,17,24,335	20.31	01/04/2014				
3	Leela Lace Software Solutions Private Limited	9,17,24,335	19.66	31/03/2015	0	No change	9,17,24,335	19.66
		4,55,45,757	10.09	01/04/2014				
				20/03/2015	-93,108	Transfer	4,54,52,649	9.74
				31/03/2015	36,25,805	Interse Transfer	4,90,78,454	10.52
		4,90,78,454	10.52	31/03/2015			4,90,78,454	10.52
4	Rockfort Estate Developers Private Limited	3,29,61,460	7.30	01/04/2014				
			0.00	21/11/2014	149,95,715	Preferential Allotment		
		4,79,57,175	10.28	31/03/2015			4,79,57,175	10.28
5	Leela Lace Software Solutions Private Limited	73,87,245	1.64	01/04/2014				
				31/03/2015	-36,25,805	Interse Transfer		
		37,61,440	0.81	31/03/2015			37,61,440	0.81
6	Leela Fashions Private Limited	42,50,000	0.94	01/04/2014				
		42,50,000	0.91	31/03/2015	0	No change	42,50,000	0.91
7	Leela Lace Software Solutions Private Limited	23,52,465	0.52	01/04/2014				
		23,52,465	0.50	31.03.2015	0	No change	23,52,465	0.50

Sl. No.	Name of shareholder	Shareholding at the beginning (01.04.2014)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
8	Krishnan Nair Leela Family Trust (Through Trustees Mr.Vivek Nair And Mr.Dinesh Nair)	7,92,355	0.18	01/04/2014				
		7,92,355	0.17	31/03/2015	0	No change	7,92,355	0.17
9	C P Krishnan Nair	1,30,000	0.03	01/04/2014				
			-0.03	27/03/2015	-1,30,000	Transmitted	0	0.00
		0	0.00	31/03/2015				
10	C P Krishnan Nair	1,01,000	0.02	01/04/2014				
				27/03/2015	-1,01,000	Transmitted		0.00
		0	0.00	31/03/2015				
11	Vivek Krishnan Nair	2,46,460	0.05	01/04/2014				
			0.05	27/03/2015	2,31,000	Interse Transmission		
		4,77,460	0.10	31/03/2015			4,77,460	0.10
12	Dinesh Nair	3,74,050	0.08	01/04/2014				
		3,74,050	0.08	31/03/2015	0	No change	3,74,050	0.08
13	Amruda Nair	3,00,000	0.07	01/04/2014				
		3,00,000	0.06	31/03/2015	0	No change	3,00,000	0.06
14	P V Leela Amma Nair	75,000	0.02	01/04/2014				0.00
		75,000	0.02	31/03/2015	0	No change	75,000	0.02
15	Lakshmi Nair	18,330	0.00	01/04/2014				0.00
		18,330	0.00	31/03/2015	0	No change	18,330	0.00
16	Madhu D Nair	360	0.00	01/04/2014				0.00
		360	0.00	31/03/2015	0	No change	360	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDR and ADR):

Sr. No.	Name of shareholder	Shareholding at the beginning (01.04.2014)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	ITC Limited	3,20,23,542	7.09	31/03/2014				
		3,20,23,542	6.86	31/03/2015	0	No change	3,20,23,542	6.86
2	ITC Limited	1,79,29,513	3.97	31/03/2014				
		1,79,29,513	3.84	31/03/2015	0	No change	1,79,29,513	3.84
3	Life Insurance Corporation of India	1,31,28,963	2.91	31/03/2014				
		1,31,28,963	2.81	31/03/2015	0	No change	1,31,28,963	2.81
4	LIC of India Market Plus Growth Fund	62,97,242	1.39	31/03/2014				
		62,97,242	1.35	31/03/2015	0	No change	62,97,242	1.35
5	Russell Credit Limited	48,39,907	1.07	31/03/2014				
		48,39,907	1.04	31/03/2015	0	No change	48,39,907	1.04
6	LIC of India Future Plus Growth Fund	18,34,568	0.41	31/03/2014				
		18,34,568	0.39	31/03/2015	0	No change	1,83,45,68	0.39
7	Dimensional Emerging Markets Value Fund	14,80,240	0.33	31/03/2014				
				18/07/2014	-5,20,543	Transfer	9,59,697	0.21
				05/09/2014	-30,938	Transfer	9,28,759	0.20
				12/09/2014	-59,753	Transfer	8,69,006	0.19
				19/09/2014	-33,927	Transfer	8,35,079	0.18

Sr. No.	Name of shareholder	Shareholding at the beginning (01.04.2014)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
				30/09/2014	-70,255	Transfer	7,64,824	0.16
				10/10/2014	-6,218	Transfer	7,58,606	0.16
				21/11/2014	-31,743	Transfer	7,26,863	0.16
				28/11/2014	-1,17,269	Transfer	6,09,594	0.13
				05/12/2014	-69,611	Transfer	5,39,983	0.12
				19/12/2014	-38,034	Transfer	5,01,949	0.11
				16/01/2015	-35,914	Transfer	4,66,035	0.10
		4,66,035	0.10	31/03/2015			4,66,035	0.10
8	The New India Assurance Company Limited	11,69,000	0.26	31/03/2014				0.00
		11,69,000	0.25	31/03/2015	0	No change	11,69,000	0.25
9	Chalakkal Krishnan Kutty	10,40,500	0.23	31/03/2014				
		10,40,500	0.22	31/03/2015	0	No change	10,40,500	0.22
10	Chalakkal Krishnan Kutty	7,34,100	0.16	31/03/2014				
			0.00	23/01/2015	-10	Transfer		
		7,34,090	0.16	31/03/2015			7,34,090	0.16
11	Gopikishan S Damani	0	0.00	31/03/2014				
				27/03/2015	24,20,000	Market Acquisition		
		24,20,000	0.52	31/03/2015			24,20,000	0.52

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Dinesh Nair	3,74,050	0.08	3,74,050	0.08
2	Mr. Vivek Nair	2,46,460	0.05	4,77,460	0.10
3	Mr. Vijay Amritraj	60,105	0.01	60,105	0.01
4	Mr. Vikram Singh Mehta	25,000	0.01	25,000	0.01
5	Mr. Kamalaksha Uggappa Mada	11,500	0.00	12,000	0.00
6	Mrs. Anna Malhotra	2,500	0.00	2,500	0.00
7	Mr. R Venkatachalam	500	0.00	500	0.00
8	Mrs. Madhu Nair	360	0.00	360	0.00
9	Mr. Krishna Deshika	0	0.00	0	0.00
10	Mr. Anil Kumar Sharma	0	0.00	0	0.00
11	Mr. V. P. Shetty	0	0.00	0	0.00
12	Mr. Anil R. Bhatia	0	0.00	0	0.00
13	Mr. Anil Harish	0	0.00	0	0.00
14	Mr. M. Madhavan Nambiar	0	0.00	0	0.00
15	Mr. Dinesh Kalani	0	0.00	0	0.00

V. INDEBTEDNESS

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,90,501.84	-	-	4,90,501.84
ii) Interest due but not paid	6,369.68	-	-	6,369.68
iii) Interest accrued but not due	360.24	-	-	360.24
Total (I + ii + iii)	4,97,231.76	-	-	4,97,231.76
Change in Indebtedness during the financial year				
Addition	12,814.68	1,350.25	-	14,164.93
Reduction	6,671.24	-	-	6,671.24
Net Change	6,143.44	1,350.25	-	7,493.69
Indebtedness at the end of the financial year				
i) Principal Amount	5,02,031.23	1,350.25	-	5,03,381.48
ii) Interest due but not paid	1,132.03	-	-	1,132.03
iii) Interest accrued but not due	211.94	-	-	211.94
Total (I + ii + iii)	5,03,375.20	1,350.25	-	5,04,725.45

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount (₹ lakhs)
		Mr. Vivek Nair	Mr. Dinesh Nair	Mr. Krishna Deshika	Mr. Venu Krishnan	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	179.20	179.20	132.00	125.66	616.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	0.39	0.79	2.13	3.70
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil	Nil
	- as % of profit					
	- Others, please specify					
5	Others, please specify					
	Total (A)	179.59	179.59	132.79	127.79	619.76
	Ceiling as per the Act	188.07	188.07	188.07	188.07	

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount (₹ lakhs)
		Mrs. Anna Malhotra	Mr. Vijay Amritraj	Dr. K. U. Mada	Mr. Anil Harish	Mr. M. Madhavan Nambiar	Mr. R. Venkatachalam	Mr. Vikram Singh Mehta	
1	Independent Directors								
	Fee for attending board / committee meetings	2.90	0.80	3.30	2.50	2.40	1.70	1.10	14.70
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	2.90	0.80	3.30	2.50	2.40	1.70	1.10	14.70

2	Other Non-Executive Directors	Mrs. Madhu Nair	Mr. V. P. Shetty	Mr. Anil R. Bhatia	Mr. Anil Kumar Sharma	Mrs. Uttara Dasgupta	Mr. T. Ravindranath	Total Amount
	Fee for attending board / committee meetings	0.70	1.10	1.40	1.50	0.40	0.20	5.30
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	0.70	1.10	1.40	1.50	0.40	0.20	5.30
	Total (B) = (1+2)							20.00
	Total Managerial Remuneration							639.76
	Overall Ceiling as per the Act	Not applicable, as the Company has incurred loss.						

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount ₹ lakhs
		CEO	Company Secretary	CFO	
1	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	16.07	N.A.	16.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	0.32	N.A.	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	-	N.A.	-
2	Stock Option	N.A.	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.	N.A.
	- Others, please specify	N.A.	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.	N.A.
	Total		16.39		16.39

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties or punishments on the Company during the year. Also, there was no necessity for the Company to compound any offence.

1. Overview of Industry

The Indian economy is witnessing signs of return to high-growth trajectory because of lower fiscal deficit, lower inflation and structural policy reforms. The tourism sector has also benefitted by the introduction of e-visas to 43 countries.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth in India. Tourism sector accounts for around 12.4 per cent of the total employment in the country. The number of foreign tourist arrivals has grown steadily in the last three years and was around 7.46 million during the calendar year 2014 and the domestic demand has also showcased a significant growth. The overall occupancy rates in the country increased marginally in 2014 fiscal year over the previous year. However, the Average Room Rates (ARRs) remained almost flat due to lack of sustained demand and the over-supply of guest rooms in major destinations.

The ARR are expected to be largely flat while occupancies are estimated to improve marginally during 2014-15.

The outlook for the Indian Hotel Industry is expected to remain subdued in the short term, given the gap between supply and demand and slow economic recovery. However, the recent measures by the Government to drive tourism through several strong policy initiatives is expected to bring stronger demand, supporting the Industry over the medium to long run.

2. The Leela - Dynamism in our strides

Your Company now operates eight hotels with 2,214 guestrooms. The details of the hotels are as follows:

(a)	Owned Hotels:	No. of Rooms
(1)	The Leela, Mumbai	391
(2)	The Leela, Goa	206
(3)	The Leela Palace, Bangalore	357
(4)	The Leela Palace, Udaipur	80
(5)	The Leela Palace, New Delhi	260
(6)	The Leela Palace, Chennai	326
	Total	1,620
(b)	Managed Hotels:	
(1)	The Leela Ambience Gurgaon Hotel & Residences Delhi (NCR) Gurgaon	411
(2)	The Leela Kovalam	183
	Total	594
	Grand Total	2,214

It is the Company's endeavor to ensure that each of its hotels becomes the market leader in terms of RevPAR (Revenue per Available Room) at the respective locations it operates and the Company has been able to achieve this feat in most of the destinations it is operating.

3 A. Sales & Marketing alliances

(i) Global Hotel Alliance (GHA):

The Company is a member of Global Hotel Alliance (GHA) which is the world's largest alliance of independent hotel brands. This association helps to create cost savings with regards technology investments related to Central Reservation Systems for its member brands. Additionally, the alliance offers the benefits of a multi-brand loyalty programme, "Discovery" which has over 5 million members encompassing over 500 upscale and luxury hotels with over 110,000 rooms across 76 different countries. Additionally, five of our hotels namely The Leela Palace New Delhi, The Leela Palace Bangalore, The Leela Palace Chennai, The Leela Palace Udaipur and The Leela Goa come under the GHA's Ultra Travel Collection of hotels, which includes some of the topmost independent luxury hotels in the world.

(ii) Preferred Hotel Group (PHG):

The Company is a part of Preferred Hotel Group (PHG) which provides sales and marketing, reservation and technological

support across the world. Through PHG, the Leela gets preferential partnership with some of the world's largest Travel Management Companies, which helps to gain larger exposure for the brand and generate sales. This partnership allows the Leela a preferential rate with the American Express Card service. The sales teams of PHG help the Company reach out to the global and regional procurement heads of global corporations and MICE planners.

B. Sales, Marketing and PR Representations

The Company continues to engage the services of Ann Scott Associates to drive its Public Relationship in the UK. The Company has also engaged the services of Sales representation companies across various geographies in the world that includes North America (Kartagener Associates Inc.), France and French speaking markets of Belgium and Switzerland (CA- Hotel Consulting) and Russia & CIS (H&W Enterprise, s r o)

C. Privilege to host Heads of States

The Company's hotels have been preferred destinations for the world's eminent leaders, celebrities and royalty. Some of the Heads of States that your Company played host to in the financial year 2014-15 at The Leela Palace New Delhi are as follows:

The King of Saudi Arabia	H.R.H Salman Bin Abdulaziz Al Saud
The Emir of Qatar	H.R.H Sheikh Tamim Bin Khalifa Al Thani
The King of Spain	His Majesty King Juan Carlos 1
The Duke of York	H.R.H Prince Andrew
The President of Finland	Ms. TarjaHalonen
Queen of Bhutan	Her Highness Queen Jetsun Pema
The President of Iceland	H.E. Mr. Olafur Ragnar Grimsson
The Prime Minister of Nepal	H.E. BaburamBhattarai
The Deputy Prime Minister of Japan	H.E. Mr. Taro Aso
The Deputy Prime Minister of Qatar	H.E. Abdullah Bin Hamad Al Attiyah
The Minister of Foreign Affairs UAE	H.R.H Sheikh Abdullah bin Zayed Al Nahyan
The Minister of Foreign Affairs, Germany	H.E. Mr. Frank Walter Steinmeier
United States Secretary of Defense	H.E. Chuck Hagel

4. Investment in Technology

To enhance operational and revenue management efficiencies, the Company has invested in the following technology platforms:

- (i) IDEaS: It is the hospitality industry's leading provider of pricing and revenue management Software.
- (ii) Revinate: It is a software platform designed exclusively for the hospitality industry to monitor online reputation by using online reviews and social media to learn from and connect with travelers.
- (iii) The Leela Reservations Worldwide: The Company has engaged Praxis Services Pvt. Ltd. to operate 24x7 central reservations of the Company, the Leela Reservations Worldwide (LRW). In addition to a common reservation ID that is responded to by trained associates, the Company also provides the guests, the facility to call toll-free anywhere from India, USA, UK, Hong Kong and Singapore.
- (iv) ProGen Business Solutions: ProGen Business Solutions is a software products company with core focus in the Business Intelligence & Analytics domain. With this tool, users in the Company can perform routine and adhoc reporting & analysis functions without relying on any manual extraction of reports from the other systems. Users can convert

their raw data into meaningful information in the form of interactive charts, key performance indicators, tables, etc. to be able to arrive at quick decisions.

5. Awards and Accolades

The Leela Palace New Delhi

- Booking.com – Award of excellence for performance (Chain hotels) – awarded to The Leela Palace New Delhi, May 2015
- CNBC Awaaz Travel Awards 2015 – ‘Best Leisure Hotel’ awarded to The Leela Palace New Delhi, May-June 2015
- Robb Report’s May roundup of the world’s Top 100 Hotels of 2015 – The Leela Palace New Delhi highlighted in Robb Report’s May issue.
- GeoSpa asiaSpa Awards 2015 – ESPA at The Leela Palace New Delhi nominated for ‘Best Spa Cuisine’ in India.
- DestinAsian Readers’ Choice Awards – The Leela Palace New Delhi listed in the Best Hotels category, February 2015
- Times Food Awards - Le Cirque awarded Best French Restaurant in Delhi, February 2015.
- 2015 Trip Advisor Travellers’ Choice Awards - one of the Top Luxury Hotels in India, January 2015.
- 2015 Trip Advisor Travellers’ Choice Awards - one of the Top Hotels in India, January 2015.
- 7th India Sommelier Championship 2014 - Remy-Martin Spirits Championship conferred upon Atul Tiwari, October 2014.
- Conde Nast Traveller UK Readers, 2014 – One of the ‘Best Overseas Business Hotels’, October 2014.
- Wallpaper Online 2014 - Rooftop swimming pool featured among the loftiest hotel rooftops around the world, October 2014.
- Smart Travel Asia 2014 – One of the Top 25 Business Hotels in Asia, September 2014.
- Icons of Whisky 2014 - The Library Bar named Highly Commended Whisky Bar of the World, September 2014.
- Expedia Insiders’ Select 2014 Hotel – One of the best ranked properties on Expedia, August, 2014.
- Safari India South Asia Travel Awards 2013 – Jamavar conferred Best Indian Restaurant award, August, 2014.
- CNBC Awaaz Travel Awards 2013 – Le Cirque wins Best International Cuisine Restaurant in India award, June 2014.
- GeoSpa AsiaSpa India Awards 2013 - Tania Bardhan awarded Best Spa Manager, May 2014.
- Travel and Leisure’s India’s Best Awards 2013 - Best Business Hotel for Women Travellers (Runners up), April 2014.

The Leela Palace Udaipur

- Travel + Leisure India & South Asia, ‘India’s Best Awards’ 2014 – ESPA named the Best Destination Spa, April 2015
- Condé Nast Traveller India Readers’ Travel Awards 2014 – ESPA voted Favourite Hotel Spa in India, November 2014

The Leela Palace Bangalore

- IndiaTV survey - Zen restaurant amongst the top 10 restaurants in India, May 2014
- Food Lovers Gourmet City Awards- Zen awarded the highest category 3 bespoke silver covers commendation, 2014
- Whisky Magazine – Library Bar awarded Gold level Whisky of the World, 2014
- Icons of Whisky – Library Bar highly commended as the Whisky Bar of the Year, 2014

The Leela Goa

- Hotelier India Awards 2014 – Mr. Shridhar Nair conferred General Manager of the Year award, December 2014
- Condé Nast Traveller India Readers’ Travel Awards 2014 – Runner-up: Favourite Leisure Hotel in India, November 2014

The Leela Mumbai

- Trip Advisor Awards 2015 – Awarded the Certificate of Excellence and inducted in to the Hall of Fame, May 2015
- Times Food & Nightlife Awards 2015 – Le Cirque Signature awarded Best Italian in Mumbai - Fine Dine(Suburbs), February 2015
- Today’s Traveller Awards – Best Business Hotel in Mumbai, September 2014
- Times Now-The Foodie awards – Le Cirque Signature awarded Best Debut Restaurant, 2014

The Leela Ambience Gurgaon Hotel & Residences

- The Times Food Guide 2015 – Diya awarded as Best North Indian Fine Dine, January 2015
- The Times Food Guide 2015 – Zanotta awarded as Best Italian Fine Dine, January 2015
- The Times Food Guide 2015 – Rubicon awarded Best Bar - Luxurious Night Out and Best for Wine - Luxurious Night Life, January 2015
- Hotelier India Awards, 2015, Ramon Salto bagged the chef of the year award, December, 2014
- IndianRestaurantSpy.com – Spectra awarded Best Multi-cuisine restaurant of the Year, April 2014

The Leela Kovalam

- Today’s Traveller Award 2014 - Best Wedding Hotel in South India, September 2014
- Lonely Planet India Travel Awards - Best Indian Luxury Hotel in India, June 2014
- GeoSpa asiaSpa India Awards 2013 – Divya Spa awarded Best Spa Cuisine, April 2014

6. Opportunities, Threats, Risks and Concerns

The hotel business is dependent on global and domestic economic conditions. Further, your Company has the risk of heavy dependence on a few specific locations in India. There is also the risk of dependence mainly on higher luxury segment. However, the Company’s hotels enjoy premium over the other competitors and are the RevPAR leaders in many of the locations, where the Company operates indicating the high operating profitability before debt service.

The Company’s gearing has reached very high levels due to the investments made in the new hotels in Udaipur, Delhi and Chennai and plots of land at Agra, Hyderabad and Pune. Because of the continued recession in the Hotel Industry, the expected profitability estimates could not be achieved. Also due to the continued subdued nature of the equity market, no equity offerings of any form could be made. A report on the Company’s debt position and the steps being taken to overcome the problem of high leveraging is furnished elsewhere in this report.

7. Risk Management - Leveraging our experience

Risk management is an integral part of the Company’s business process. With the help of experts in this field, risks are carefully mapped and a risk management framework is evolved. Pertinent policies and methods are being reviewed and modified to mitigate such risks.

The Company has taken several measures at all its properties to beef up its security preparedness. In addition to the physical security measures, the Company has also taken adequate insurance cover to meet the financial obligations which may arise from any untoward incidents.

To counter the risk of competition, your Company focuses on providing exceptional services, consistently, across all its hotels.

8. Efficient Internal Control systems

The Company has a well-structured internal audit function. Under the guidance and supervision of an independent Audit Committee, independent and reputed firms of Chartered Accountants conduct regular audits and review adherence to control systems and procedures.

The effectiveness of internal controls is reviewed through the internal audit process. The focus of these reviews is as follows:

- Identification of weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementation of internal audit recommendations.

9. Human resources and industrial relations - The intangible imperatives

The Company attaches the highest importance to human resources and focuses on high degree of professional learning and development, concern and care towards its employees. The Company continued to sustain and grow on the performance culture developed over a period, throughout the organisation.

Some of the key initiatives rolled out during the year are as follows:

- A focused concentration on carefully attracting the best talent available in the market, which has helped the Company to drive a culture oriented towards high performance and excellence.
- The Company has engaged an international vendor to implement a robust and technologically advanced system to capture guest feedback. The exercise of preparing a questionnaire which will capture the guests' experience at the hotel has been completed. This new platform will help the team to align all its efforts in delivering relevant high quality services to the guests whilst seeking to constantly improve on standards.
- To ensure that there is transparency and higher level of integrity with the feedback system, Employee Satisfaction Surveys have been rolled out totally online across all the hotels. All the feedbacks were received confidentially, analyzed and worked upon to enhance work place efficiencies and make your Company an 'Employer of Choice'. Presentations and action planning sessions were conducted with the respective hotel teams and action plans were formulated to foster greater engagement levels among the team.
- The "Leela Management Training Program" backed by a strong "Leela Academy of Learning", have continued to provide the cutting edge difference ensuring that there is a pipeline of nurtured and developed talent in all the areas of Hotel Operations viz: Front Office, Food & Beverage Service, Kitchen, Housekeeping and Sales & Marketing. This holds immense value in the context of a serious dearth of trained talent in the market. This is another key facet which helps us to work towards our objective of being an 'Employer of Choice'. Several of our executives are from our in-house academy, with the General Manager at The Leela Goa and the General Manager at The Leela Mumbai being graduates of the Management Training program.
- Industrial relations throughout the year were cordial in all the Hotels of the Company.
- As on 31st March, 2015, the total manpower was 4,964 (including contract labour and FTCs) in the six owned hotels and corporate office and 1356 in the two managed hotels.

10. Corporate Social Responsibility and Environmental Initiatives

Your Company recognizes the need to minimise the impact of its operations, on the environment. The Company maintains large gardens in and around all its properties. The Company has made substantial investments for improving energy efficiencies, and fresh and waste water management in its hotel properties. The Company's hotels in New Delhi and Chennai have been conferred Platinum LEED Certification.

11. Health and Safety Management System

Health and Safety Management System in the Company aims to reduce, eliminate or control workplace hazards and associated risks of illness or injuries to the employees, customers and contractors who might be affected by the Company's activities.

Your Company is committed to ensure healthy and safe working environment for all concerned and to improve the Health and Safety parameters. The Company's Bangalore Unit has established and implemented an Occupational Health and Safety Management System which satisfies OHSAS 18001.

Through a systematic process, the Company aims to:

- comply with the requirements of all relevant statutory, regulatory and other provisions.
- provide and maintain safe & healthy work place through operational procedures, safe systems and methods of work.
- provide sufficient information, instruction, training and supervision to enable all employees to identify, minimize and manage hazards and to contribute positively to safety at work.
- conduct audits and mock drills on site to ensure that operations are in compliance with health and safety management requirements and for emergency preparedness.
- ensure that appropriate resources are available to fully implement health and safety policy and continuously review the policy's relevance with respect to legal and business development.
- seek continuous occupational health and safety improvements through the establishment of safety management objectives, targets and programmes.

12. Expansion / upgradation Plans

Your Company owns and operates six hotels in Mumbai, Goa, Bangalore, Udaipur, New Delhi and Chennai, besides operating two hotels in Gurgaon and Kovalam under Management Contract. The total room inventory stands at 2,214 guest rooms including 594 under Management.

The Company has adopted an "Asset Light Strategy" for future growth and plans to operate hotels through Management Contracts, instead of owning hotels and has executed Memorandum of Understanding with some reputed developers to manage the hotels and residences being developed by them. Destinations such as Jaipur, Agra, Kathmandu and Chandigarh are those where new properties are being planned.

13. Analysis / highlights of operating performance, financial results and Balance Sheet:

The financial statement of your Company forms part of this annual report and the analysis / highlights are given below:

Operational revenue:

The total operating revenue increased by 5%, from ₹ 71,844.24 lakhs in F.Y. 2013-14 to ₹ 75,494.51 lakhs in F.Y. 2014-15.

Other income:

The other income during the year was ₹ 706.21 lakhs as against ₹ 4,973.38 lakhs in the previous year. As can be seen from note 24 to the Accounts, there was an income of ₹ 2,786 lakhs from profit on sale of assets and a substantial income by way of interest on refund from HUDCO during the previous year, which are non-recurring.

Employee benefit expenses:

The employee benefit expenses have gone up from ₹ 19,761.72 lakhs to ₹ 21,231.17 lakhs, an increase of 7.4%.

Finance costs:

As can be seen from note 31.3c to Accounts, the Company has not made provision for interest on loans assigned to ARCs, as the Company is pursuing with the ARC for a viable restructuring package. Consequently, the finance costs during the year are ₹ 19,757.65 lakhs as against ₹ 50,163 lakhs during the previous year.

Depreciation:

Depreciation for the year increased to ₹ 24,009.69 lakhs against ₹ 18,065.31 lakhs in previous year. Please refer note 31.3 to Accounts, for the reasons.

Exceptional Items:

Note 30 gives the details of the exceptional items of expenditure of ₹ 18,327.76 lakhs. The item-wise explanation for these exceptional items have been furnished in notes 31.2, 31.15 and 31.16 to Accounts.

Profit/Loss after Tax:

The Company incurred a loss of ₹ 41,587.74 lakhs during the F.Y. 2014-15 against loss of ₹ 44,147.19 lakhs during the previous year.

Fixed Assets:

The net fixed assets, capital work progress and assets held for sale as on 31st March, 2015 was ₹ 5,30,825.04 lakhs as against ₹ 5,69,129.81 lakhs as on the last day of the previous year.

Secured and Unsecured Loans:

The details of the Company's debts (in ₹ lakhs) are as follows

	31.3.2015	31.3.2014
Long-term borrowings:		
Secured Loans (Refer Note No 4 of accounts)	498,143	257,886
Current Maturities of Long Term Debt (Refer Note No 10 of accounts)	3,744	180,383
Short-term Debts (Refer Note No 8 of accounts)	1,495	52,233
Interest accrued and due on borrowings	1,132	6,370
Interest accrued but not due on borrowings	212	360
Total	5,04,726	497,232

Please refer note 31.3c to Accounts regarding non-provision of interest on the debts assigned to ARCs.

Share Capital

In terms of the approval accorded by the shareholders of the Company at the last Annual General Meeting held on 18th September, 2014, the Company has allotted 1,49,95,715 fully paid up equity shares of ₹ 2 each, at a price of ₹ 23.34 per equity share (including premium of ₹ 21.34 per equity share) aggregating to ₹ 3,500 lakhs to a promoter group company during the year under review. With the aforesaid allotment, the paid up share capital of the Company increased from ₹ 90,32,25,184 divided into 45,16,12,592 equity shares of the face value of ₹ 2 each to ₹ 93,32,16,614 divided into 46,66,08,307 equity shares of the face value ₹ 2 each.

Net worth:

The details of Company's net worth (in ₹ lakhs) are as follows:

	31.3.2015	31.3.2014
Shareholders' Funds (Note 2 & 3 to Accounts)	41,801.67	83,503.31
Less: Foreign Currency monetary translation difference (Note 15 to Accounts)	10,807.52	12,007.48
Less: Revaluation Reserve (Note 3 to Accounts)	68,272.36	69,002.00
Less: Intangible assets (Note 13 to Accounts)	1,324.77	941.81
Net worth	(38,602.98)	1,552.02

Please refer note 31.3 to Accounts regarding the negative net worth and the going concern concept.

14. Debt Reduction Plans:

The Company had restructured its debts under the Corporate Debt Restructuring (CDR) mechanism, with January 1, 2012 as the cut-off date. One of the main conditions of the CDR Package was that the Company should bring down the debt by ₹ 2,03,076 lakhs by selling the Delhi Hotel by 31st March 2014. However, due to the continued economic recession, the Company could not sell the hotel. In May 2014, the CDR Empowered Group declared the CDR as failed and approved exit of the Company from the CDR system. Pursuant thereto, on 30th June 2014, 14 of the erstwhile CDR Lenders with exposure of about 95.6% of the CDR debt assigned their debt to JM Financial Asset Reconstruction Company Private Limited (JMFARC) and 1 lender with exposure of about 1% of the CDR debt, to Phoenix ARC Private Limited. For details of the debts assigned and interest thereon, please refer to note 31.3 to Accounts.

The Company is in the process of selling / monetizing its non-core assets and selling some of its hotels, to reduce its debts. The status is as follows:

- The joint development projects on 4.21 acres of land in Pune and 2 acres of land next to the Company's Bangalore Hotel, for construction of high end residences have received requisite approvals and the work has already commenced. The Company is expected to realise about ₹ 300 crores over the next 3 to 4 years, from these joint developments.
- The Company had entered into an agreement for sale of Chennai I. T. Park in February 2013 and had received ₹ 12,017 lakhs as advance, which was used for reduction of debt. However, the transaction is yet to be concluded due to non-receipt of building completion certificate from the local government authorities.
- The Company had entered into an agreement to sell its plot of land in Hyderabad in Banjara Hills admeasuring 3.85 acres. The transaction is expected to be concluded during the current year after the requisite approvals are received from the State Government and the net realisation is expected to be about ₹ 4,500 lakhs.
- The Company is in the process of selling its stake in the subsidiary which owns the Agra land. The transaction is expected to be completed in the current year and the realisation is expected to be about ₹ 9,000 lakhs.
- The Company has engaged JM Financial Institutional Securities Limited, as Investment bankers to conduct a due process for sale of the Goa and Chennai Hotels. The transaction is expected to be completed in the current year. This would substantially reduce the debts.
- The Company is pursuing with the ARC for a viable restructuring package and expects to get approval for a viable package during the current year.

15. Cautionary Statement

Statements made in the Management's Discussions and Analysis Report describing the Company's objectives, projections, estimates, predictions and expectations may be 'forward-looking statements', within the meaning of applicable securities laws and regulations. As "forward-looking statements" are based on certain assumptions and expectations of future events over which the Company exercises no control, the Company cannot guarantee their accuracy nor can it warrant that the same will be realized by the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments or events or for any loss any investor may incur by investing in the shares of the Company based on the "forward-looking statements".

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has continued to build on its 25-year old tradition of CSR programs designed to protect the environment and benefit underprivileged communities.

Our CSR approach is inspired by a duty to our stakeholders to be a socially responsible partner with the highest integrity and ethics. We believe that our commitment towards socially sustainable practices generates real value for our shareholders, clients, employees, and society at large. We apply high environmental and social standards to our business to support a sustainable future. We seek to keep improving the environmental performance through the efficient use of resources and by applying world-class green practices across the board from hotel design and construction to procurement and operational policies.

This year, the entire Leela family across all eight hotels in prime urban cities and resorts across the country, has taken great pride in pledging their support towards a Clean India Mission as we proudly joined the “Swachh Bharat Abhiyan” It is an everyday mission as deep as our enduring commitment towards social responsibility and environmental protection.

Our efforts are focused both on our premises as well as local surroundings and communities. The initiatives are varied and diverse. From placing dustbins in neighboring areas of the hotels and managing sorting and responsible disposal of hundreds of kilograms of garbage to dedicating hundreds of man hours towards picking up litter and sweeping the streets and public spaces in cities such as New Delhi, Mumbai and Chennai; from helping local authorities clean up the country’s oldest artificial Lake Pichola in Udaipur to initiating week-long Leela cleaning drives every three months at the popular Mobor beach in South Goa to appointing a Leela team dedicated towards keeping the Kovalam beach pristine all year round. We have also focused on empowering local families with hygiene kits that include simple but key elements - mops, brooms and soaps while raising awareness about the importance of hygienic practices through educational programming.

As we strive to reach new levels of corporate social responsibility, we are proud to join the national mission and help make a difference.

On the environment front, the Group participated on 28th March, 2015, in Earth Hour 2015, an initiative of the World Wildlife Fund (WWF), the worldwide movement to celebrate the commitment to our planet.

All signages and non-essential lights at all eight properties around the country were turned down and the essential lights were dimmed to safe level. To counterbalance, hotels used candles to light up the various spaces along with creating a chain of candlelight dinners across its award-winning restaurants, to communicate the global call for climate change awareness to guests in an accessible and aesthetic manner.

We celebrated The World Environment Day by planting myriad tree saplings across The Leela properties to promote greening through plantation, and continued to achieve reduction in energy and water consumption, waste management while limiting carbon emissions.

On the social sustainability front, The Leela continued its involvement with nurturing underprivileged children and families, blood donation drives and health check-up camps for employees, community development through skill-based training, support of local artisans and promotion of traditional craftsmanship. This year, each property further strengthened partnerships with local NGOs in each destination to ensure charitable donations where linens, uniforms, books and magazines, kitchen utensils are donated to underprivileged children and groups.

REPORT ON CORPORATE GOVERNANCE

Following is the report on Corporate Governance for the year ended March 31, 2015.

1. Company's Philosophy

Hotel Leelaventure Limited (Company) has committed itself to the philosophy of good Corporate Governance in all its dealings, utmost integrity in its conduct and in compliance with the highest standards of corporate values and ethics. The Company considers Corporate Governance as a continuous journey to provide a congenial environment to harmonise the goals of maximizing the stakeholders' value and maintaining a customer centric focus in all its dealings with the outside world, besides keeping important segments of the society adequately informed. The Code of Conduct for Directors and Senior Managers adopted by the Board of Directors in terms of Clause 49 of the Listing Agreement has further enhanced the standards of Corporate Governance in the Company.

2. Board of Directors

2.1 Size and Composition of the Board

As on 31st March, 2015, the Board comprised of 14 Directors, of which 7 were Independent Directors, 4 Non-Executive Non-Independent Directors and 3 Executive Directors. The Chairman is an Executive Promoter Director.

The Directors possess experience and specialized knowledge in diverse fields, such as hoteliering, project management, legal, banking, finance, administration, corporate governance, etc.

The particulars of Directors seeking appointment / reappointment have been included in the Notice of the Annual General Meeting.

The composition of the Board and category of Directors are as follows:

Category	Name of Directors	Designation	No. of Shares held
Promoter Directors	Mr. Vivek Nair	Chairman & Managing Director	477,460
	Mr. Dinesh Nair	Co-Chairman & Managing Director	374,050
Executive Directors	Mr. Venu Krishnan ¹	Deputy Managing Director	Nil
	Mr. Krishna Deshika	Director – Finance & CFO	Nil
Non- Executive Non- Independent Directors	Mrs. Madhu Nair	Director	360
	Mr. Anil Kumar Sharma	Director- Nominee of AAI	Nil
	Mrs. Uttara Dasgupta ²	Director- Nominee of SBI	NIL
	Mr. T. Ravindranath ³	Director- Nominee of Syndicate Bank	NIL
	Mr. V. P. Shetty ⁴	Director - Nominee of JM Financial Asset Reconstruction Company Private Limited	NIL
	Mr. Anil R. Bhatia ⁵	Director - Nominee of JM Financial Asset Reconstruction Company Private Limited	NIL
	Mr. Indur Kirpalani ⁶	Director	530,740
Independent Directors	Mrs. Anna Malhotra	Director	2,500
	Dr. K. U. Mada	Director	11,500
	Mr. Vijay Amritraj	Director	60,105
	Mr. Anil Harish	Director	NIL
	Mr. M. Madhavan Nambiar	Director	NIL
	Mr. Vikram Singh Mehta ⁷	Director	25,000
	Mr. R. Venkatachalam ⁸	Director	2,500

¹ Resigned from the Board with effect from 31st July, 2014.

² Resigned from the Board with effect from 11th August, 2014 upon withdrawal of her nomination by State Bank of India.

³ Resigned from the Board with effect from 11th August, 2014 upon withdrawal of his nomination by Syndicate Bank.

⁴ Joined the Board with effect from 11th August, 2014 as nominee of JM Financial Asset Reconstruction Company Private Limited

⁵ Joined the Board with effect from 11th August, 2014 as nominee of JM Financial Asset Reconstruction Company Private Limited

⁶ Retired by rotation at the last Annual General Meeting held on 18th September, 2014.

⁷ Joined the Board with effect from 11th August, 2014.

⁸ Joined the Board with effect from 11th August, 2014.

2.2 Board Meetings and Attendance

The Board of Directors met 5 times during the year - on 27th May, 2014, 11th August, 2014, 18th September, 2014, 5th November, 2014 and 12th February, 2015 and the gap between two Board meetings did not exceed four calendar months. The meetings of the Board of Directors were held at the Registered Office of the Company. Meetings were scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes were circulated well in advance to all the Board members to enable the Board to take informed decisions.

Attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) and the number of other public limited Companies and Committees where they are Directors / Members are tabulated below:

Name	Category*	Attendance Particulars		No. of Directorships in other public limited companies as on 31st March, 2015	No. of Committee positions held in other public limited companies	
		No. of Board Meetings attended during the financial year 2014-15	AGM held on 18th September, 2014		Chairman of Committees	Member of Committees
Mr. Vivek Nair	CMD	5	Yes	5	-	1
Mr. Dinesh Nair	CCMD	4	No	4	-	1
Mr. Venu Krishnan ¹	DMD	1	No	3	-	-
Mr. Krishna Deshika	DF	5	Yes	3	-	-
Mrs. Madhu Nair	NED	3	No	-	-	-
Mrs. Anna Malhotra	NEID	5	Yes	1	-	-
Dr. K.U. Mada	NEID	5	Yes	3	2	3
Mr. Vijay Amritraj	NEID	3	Yes	-	-	-
Mr. Anil Harish	NEID	5	Yes	6	-	-
Mr. Indur Kirpalani ²	NED	0	No	-	-	-
Mr. M. Madhavan Nambiar	NEID	4	Yes	6	-	2
Mr. Anil Kumar Sharma	NED	5	No	-	-	-
Mrs. Uttara Dasgupta ³	NEID	1	No	-	-	-
Mr. T. Ravindranath ⁴	NEID	0	No	-	-	-
Mr. V. P. Shetty ⁵	NED	4	Yes	3	-	2
Mr. Anil R. Bhatia ⁶	NED	4	Yes	-	-	-
Mr. Vikram Singh Mehta ⁷	NEID	4	Yes	7	-	-
Mr. R. Venkatachalam ⁸	NEID	4	Yes	-	-	-

* CMD: Chairman and Managing Director, CCMD: Co-Chairman & Managing Director, DMD: Deputy Managing Director, DF: Director- Finance & CFO,

NEID: Non Executive & Independent Director, NED: Non-Executive Director.

¹ Resigned from the Board with effect from 31st July, 2014.

² Retired by rotation at the last Annual General Meeting held on 18th September, 2014.

³ Resigned from the Board with effect from 11th August, 2014 upon withdrawal of her nomination by State Bank of India.

⁴ Resigned from the Board with effect from 11th August, 2014 upon withdrawal of his nomination by Syndicate Bank.

⁵ Joined the Board with effect from 11th August, 2014 as nominee of JM Financial Asset Reconstruction Company Private Limited

⁶ Joined the Board with effect from 11th August, 2014 as nominee of JM Financial Asset Reconstruction Company Private Limited

⁷ Joined the Board with effect from 11th August, 2014.

⁸ Joined the Board with effect from 11th August, 2014.

None of the Executive Directors of the Company are Independent Directors of more than three listed companies.

None of the Independent Directors of the Company are Independent Directors of more than seven listed companies.

None of the Directors of the Board serves as member of more than ten Committees, nor is Chairman of more than five committees of Board across all public companies, in which he / she is a Director. "Committees" considered for this purpose are those specified in Clause 49 of the Listing Agreement i.e. Audit Committee and Stakeholders' Relationship Committee.

In the opinion of the Board, all independent Directors of the Company are persons of integrity and possess relevant expertise and experience and do not hold more than 2% shareholding/voting power in the Company. They are not related to any of the promoters or directors, holding, subsidiary or associate companies. The Company has received confirmation from the independent directors that they continue to meet the criteria to be the independent directors of the Company in terms of the Companies Act, 2013 and under Corporate Governance Norms.

All the independent directors have been appointed for a period of five years and are not liable to retire by rotation and formal appointment letters containing the terms and conditions of their appointment have been issued to them and the said letters have been uploaded on the website of the Company, viz. www.theleela.com.

Mrs. Madhu Nair was not able to attend a few of the Board Meetings due to medical reasons. Mr. Vijay Amritraj could not attend a few meetings as he was abroad. However, they have been active participants in the board processes and have provided valuable inputs to Board from time to time.

None of the Directors is related to any other director except Mr. Vivek Nair, Mr. Dinesh Nair and Mrs. Madhu Nair, promoter group Directors.

2.3 Separate meeting of the independent directors

A separate meeting of the Independent Directors of the Company was held on the 5th June 2014 which was attended by majority of the Independent Directors.

2.4 Familiarization Programme for Independent Directors

The Board has adopted a Familiarization Program ("the Program") for Independent Directors of the Company. The Program aims to provide insights into the Company to enable the Independent Directors to understand the business model and business operations of the Company and the industry to enable the directors to contribute significantly to the Company. This Familiarization Program has been uploaded on the Company's website for public information and a web link for the same is <http://www.theleela.com/upload/finance/corporate-governance-policies/program-independent-directors.pdf>.

3. Audit Committee

The Audit Committee of the Board was reconstituted with effect from 11th August, 2014. In accordance with the provisions of Section 177 of the Companies Act, 2013 (the Act) and the revised Clause 49 of the Listing Agreement, the scope and terms of reference of the Audit Committee have been amended.

Composition of the Audit Committee and attendance of the members

The composition of the Audit Committee and the details of meetings attended by its members are as follows:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mrs. Anna Malhotra ¹	Chairperson	NEID	4	2
Mr. R. Venkatachalam ²	Chairman	NEID	4	3
Dr. K. U. Mada	Member	NEID	4	4
Mr. Anil Harish	Member	NEID	4	4
Mr. M. Madhavan Nambiar	Member	NEID	4	3
Mr. Anil R. Bhatia ³	Member	NED	4	2
Mr. Vivek Nair ¹	Member	CMD	4	2

¹ resigned from the Committee with effect from 11th August, 2014.

² joined the Committee with effect from 11th August, 2014.

³ joined the Committee with effect from 11th August, 2014 and resigned with effect from 3rd December, 2014.

The members have varied expertise in banking, finance, accounting and legal matters. The Chairperson of the Audit Committee was present at the last Annual General Meeting held on 18th September, 2014. The Chairman & Managing Director, Co-Chairman & Managing Director, Director-Finance & CFO are permanent invitees for the meetings. The Statutory Auditors and the Internal Auditors are also invited to the meetings. The Company Secretary acts as Secretary to the Audit Committee.

During the year under review, the Audit Committee met 4 times – on 27th May, 2014, 11th August, 2014, 5th November, 2014 and 12th February, 2015. The Committee generally meets on the day of the Board meeting, except when otherwise considered expedient.

Terms of Reference of Audit Committee

The terms of reference of this Committee are, inter alia, to cover the matters specified under Clause 49 of the Listing Agreements and in the Companies Act, 2013. The Audit Committee of the Board, inter alia, provides assurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures; and

- compliance with all relevant statutes.

Powers of Audit Committee

The Audit Committee is empowered, pursuant to its terms of reference, inter-alia:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of the Audit Committee includes the following:

- Oversight 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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.
- 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.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;

- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee

The Audit Committee mandatorily reviews the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

4. Nomination and Remuneration Committee

Composition, Meeting and Attendance

In accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and revised Clause 49 of the Listing Agreement, the 'Remuneration Committee' has been re-designated as the 'Nomination and Remuneration Committee' with amended role and powers. The Company Secretary acts as the Secretary of the Committee.

The Committee comprises of three Non-Executive Independent Directors. The Committee met on 11th August, 2014 and 12th February, 2015. The particulars of members and their attendance at the meetings are given below:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mrs. Anna Malhotra	Chairperson	NEID	2	2
Dr. K. U. Mada	Member	NEID	2	2
Mr. M. Madhavan Nambiar	Member	NEID	2	2

The Company has uploaded the Remuneration Policy / Criteria on its website and the same can be accessed from the following web-link: <http://www.theleela.com/upload/finance/corporate-governance-policies/remuneration-policy-criteria.pdf>

Role and terms of reference of the Nomination and Remuneration Committee

The role and terms of reference of the Committee inter-alia include the following:

- To identify persons 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 and carry out evaluation of every director's performance.
- To 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.
- To formulate criteria for evaluation of Independent Directors and the Board and devise a policy for Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Remuneration Policy for Directors

In terms of the revised Clause 49 of the Listing Agreement and Companies Act, 2013, the Board at its meeting held on 12th February, 2015 has approved the remuneration policy for Directors. The said policy has broadly laid down the following criteria for determining the remuneration of Executive and Non-executive Directors:

Remuneration of Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination & Remuneration Committee (N&RC) to the Board for approval after considering the relevant factors such as functions, role and responsibilities, comparison with the remuneration paid by peer companies, industry benchmarking, regulatory guidelines as applicable, etc. The Board considers the recommendations of N&RC and approves the remuneration, with or without modifications, subject to shareholders' and regulatory approvals. The Company has also obtained approval of the Central Government for the remuneration being paid to executive directors.

The remuneration packages of the Executive Directors comprise of salaries and allowances, contribution to provident funds, etc. The payments made during the financial year 2014-15 are as follows:

Rupees

Name of the Executive Directors	Designation	Salary and Allowances	Company's contribution to Provident Fund
Mr. Vivek Nair	Chairman & Managing Director	179,19,996	21,50,000
Mr. Dinesh Nair	Co-Chairman & Managing Director	179,19,996	21,50,000
Mr. Venu Krishnan*	Deputy Managing Director	50,00,000	5,76,000
Mr. Krishna Deshika	Director- Finance & CFO	132,00,000	15,84,000

* upto 31st July, 2014.

The Company has been paying remuneration to the executive directors within the ceiling approved by the shareholders and the Ministry of Corporate Affairs (MCA). The Company is not paying any bonus, pension, performance linked incentives, etc. to the executive directors. The Company also has not issued any stock options to the Executive directors. The Service Agreement with the Managing Directors provides for a notice period of six months and with Director- Finance & CFO provides for a notice period of 3 months.

Remuneration of Non-Executive Directors (NEDs)

The NEDs are paid sitting fees for attending each meeting of the Board of Directors or any committee thereof as approved by the Board, within the permissible limit prescribed under the Companies Act, 2013, Listing Agreement and other regulatory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the N&RC and approved by the Board of Directors. The N&RC considers the following factors while recommending the change in the sitting fees to the Board:

- Contribution expected from Directors considering size and complexity of organization,
- Comparison with the peer companies / Industry benchmarking,
- Regulatory guidelines as applicable, etc.

The NEDs are entitled to reimbursement of expenses for participation in the meeting of the Board and Committee thereof.

The Non-Executive Directors were paid sitting fees of Rs. 20,000 till 11th August 2014 and Rs.30,000 thereafter, for attending each meeting of the Board or Committee thereof.

The details of sitting fees paid during the financial year 2014-15 are given below:

Name of the Non-Executive Directors	Sitting Fees Paid (₹)
Mrs. Madhu Nair	70,000
Mrs. Anna Malhotra	2,90,000
Dr. K.U. Mada	3,30,000
Mr. Vijay Amritraj	80,000
Mr. Anil Harish	2,50,000
Mr. Indur Kirpalani	0
Mr. M. Madhavan Nambiar	2,40,000
Mr. Anil Kumar Sharma	1,50,000
Mrs. Uttara Dasgupta	40,000
Mr. T. Ravindranath	20,000
Mr. V. P. Shetty	1,10,000
Mr. Anil R. Bhatia	1,40,000
Mr. Vikram Singh Mehta	1,10,000
Mr. R. Venkatachalam	1,70,000

Notes:

- The Company did not pay any amount to Directors by way of commission.
- The Company has not issued any stock options to its Directors.

5. Stakeholders' Grievance Committee

In accordance with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the "Shareholders' / Investors'

6. General Body Meetings and Postal Ballot

6.1 Location, date and time of the Annual General Meetings (AGM) and Postal Ballot for last 3 years are as follows:

(a) General Body Meetings

Financial Year	General Meeting	Date / Time	Location	Special Resolutions passed
2013-14	33rd AGM	18.09.2014 10.00 a.m.	Rangsharda Auditorium, K. C. Marg, Near Leelavati Hospital, Bandra Reclamation, Bandra (West), Mumbai – 400 050	Resolution No. 14 Issue of equity shares on a preferential basis to a Promoter Group Entity of the Company Resolution No. 15 Enabling resolution for raising long term funds through further issue of Securities Resolution No. 16 Increase in maximum number of directors of the Company from Fifteen to Sixteen directors Resolution No. 17 Alteration of existing Article 117 of the Articles of Association of the Company to increase the number of Directors to Sixteen

Grievances Committee" has been re-designated as the "Stakeholders' Relationship Committee" with amended scope in terms thereof. The Company Secretary acts as the Secretary of the Committee.

Composition, Meeting and Attendance

The Committee met on 27th May, 2014 and 5th November, 2014 during the year.

The particulars of members and their attendance at the meetings are given below:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Dr. K. U. Mada	Chairman	NEID	2	2
Mrs. Anna Malhotra	Member	NEID	2	2
Mr. Venu Krishnan ¹	Member	DMD	2	1
Mr. Krishna Deshika ²	Member	DF	2	1

1 resigned with effect from 31st July, 2014

2 appointed with effect from 11th August, 2014

Mr. Dinesh Kalani, Company Secretary acts as the Compliance Officer and has been regularly interacting with the Registrar & Share Transfer Agents (RTA), to ensure that the complaints / grievances of the shareholders / investors are attended to without delay and where deemed expedient, the complaints are referred to the Chairman of the Committee or discussed at its meetings.

During the year, the Registrar had approved 36 share transfers comprising 38,765 shares and processed 224 requests for de-materialization of 3,52,210 shares. There were no valid requests pending for share transfers at the end of the year.

Broad Terms of Reference

- Oversee and review all matters connected with the transfer of the Company's securities, including issue of duplicate share and debenture certificates.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Share Transfer Agents.
- Carry out any other function as referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Number of complaints received and redressed during the year 2014-15

Opening Balance	Received during the year 2014-15	Resolved during the year 2014-15	Closing Balance
0	53	53	0

Financial Year	General Meeting	Date / Time	Location	Special Resolutions passed
2012-13	32nd AGM	20.09.2013 11.00 a.m.	Grand Ball Room The Leela, Sahar, Mumbai – 400 059	Resolution No. 8 – Issue of equity shares on preferential basis to a promoter group entity of the Company u/s 81(1A). Resolution No. 9 – Enabling resolution for issue of Securities u/s 81(1A) upto ₹ 1000 crores Resolution No. 12 – Re-appointment of Ms. Amruda Nair, daughter of Mr. Vivek Nair (Chairman & Managing Director of the Company), as Head - Asset Management Resolution No. 13 – Re-appointment of Ms. Aishwarya Nair, daughter of Mr. Vivek Nair (Chairman & Managing Director of the company), as Head - F & B Merchandise Resolution No. 14 – Re-appointment of Ms. Samyukta Nair, daughter of Mr. Dinesh Nair, Co-Chairman & Managing Director and Mrs. Madhu Nair, Director of the Company as Head - Design & Operations
2011-12	31st AGM	20.09.2012 11.00 a.m.	Grand Ball Room, The Leela, Sahar, Mumbai – 400 059	Resolution No. 9 – Enabling resolution for issue of securities u/s 81(1A) upto ₹ 1,000 crores Resolution No. 10 – Issue of equity shares on preferential basis to a promoter group entity of the Company u/s 81(1A).

All the resolutions as set out in the notices were passed unanimously / by requisite majority by the Members of the Company.

(b) Postal Ballot

Pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the following Special Resolutions were passed by the Members by way of Postal Ballot during the financial year 2013-14:

Sr. No.	Brief particulars of Special Resolutions	Total No. of valid votes	No. of shares and % of total votes in Favour		No. of shares and % of total votes Against	
			No. of Shares	% of votes	No. of Shares	% of votes
1	Amendment to Main Object Clause of the Memorandum of Association	32,32,98,582	32,32,52,223	99.99	46,359	0.01
2	Amendments to Clause III B and Clause III C of the Memorandum of Association	32,32,83,658	32,32,31,658	99.98	52,000	0.02
3	Amendment to Clause IV of the Memorandum of Association	32,32,93,098	32,32,41,172	99.98	51,926	0.02
4	Adoption of new set of Articles of Association	32,32,95,803	32,32,64,674	99.99	31,129	0.01
5	To make investments, give loans, guarantees and provide securities beyond the prescribed limits	32,32,96,637	32,11,27,854	99.33	21,68,783	0.67
6	Approval for sale of Leela Palaces and Resorts Limited, a wholly-owned subsidiary	32,33,06,074	32,32,60,603	99.99	45,471	0.01

The members were provided an option to vote either by casting their vote through Postal Ballot or cast their votes electronically. The results of the postal ballot were declared on 30th December, 2014.

Mr. V. Sundaram of M/s. V. Sundaram & Co., Practicing Company Secretaries, was the scrutinizer for the above postal ballot.

7. Disclosures

7.1 Disclosures on materially significant related party transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on arms-length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) have been made in the notes to the Financial Statements. The details of the transactions with related parties, if any, are placed before the Audit Committee from time to time. The Board of Directors at its Meeting held on 12th February, 2015 has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Agreement. The same is displayed on the website of the Company and the link is <http://www.theleela.com/upload/finance/corporate-governance-policies/policy-related-party-transactions.pdf>

7.2 Disclosure on Non-compliances by the Company

During the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

7.3 Whistle Blower Policy

The Company has implemented the Whistle Blower Policy pursuant to which Whistle Blowers can raise concerns relating to Reportable Matters (defined in the policy) such as fraud, bribery, corruption, illegality, health & safety, environmental issues and wastage/ misappropriation of Company's funds/assets, etc. Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of Whistle Blower who avail of such mechanism and also provides for direct access to the Members of the Audit Committee

and its Chairman, if required. The details of complaints received and the action taken are reviewed periodically by the Audit Committee. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The above policy has been uploaded on the website of the Company, viz. www.theleela.com

7.4 CMD / CFO Certification

The CMD and the CFO have issued the certificate as required under the provisions of Clause 49 of the Listing Agreement, certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

7.5 Code of Conduct

The Board of Directors has amended the Code of Conduct for the Board of Directors and Senior Management to align with the provisions of the Companies Act, 2013. The confirmation from the Chairman & Managing Director regarding compliance with the code by all the Directors and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company.

7.6 Code of Conduct for Prevention of Insider Trading

The Company has adopted a revised Code of Conduct for Prevention of Insider Trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares beyond threshold limits. Further, it prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

7.7 Other Disclosures

The Company has adhered to all the mandatory requirements of Corporate Governance norms as prescribed by Clause 49 of the Listing Agreement, to the extent applicable.

Brief profile of the Directors retiring by rotation and eligible for re-appointment and Directors proposed to be appointed will be attached to the notice convening the Annual General Meeting.

8. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and the Company's web-site. Information and latest updates and announcements made by the Company can be accessed at Company's website: www.theleela.com, which includes the following:

- Quarterly /Half-Yearly /Annual Financial Results
- Quarterly Shareholding Pattern
- Annual Reports
- Quarterly Corporate Governance Report
- Investor Presentation made to analysts

The Company regularly publishes its quarterly and annual financial results in newspapers like Financial Express, Free Press Journal and Navashakti.

9. Subsidiary Company

The Company has a material unlisted Indian subsidiary. An Independent Director of the Company has been appointed as a director on the Board of said subsidiary. The minutes of the subsidiary companies are periodically placed before and reviewed by the Board of Directors.

10. General Shareholder Information

i)	CIN	L55101MH1981PLC024097
ii)	Registration Date	20th March, 1981
iii)	Address of the Registered office and contact details	Hotel Leelaventure Limited The Leela, Mumbai, Sahar, Mumbai - 400 059 Tel. +91-22-6691 1182/83 Fax +91-22-6691 1458 E-mail: investor.service@theleela.com Website: www.theleela.com
iv)	The Company's hotels	(A) Owned hotels: (1) The Leela Mumbai, Sahar, Mumbai – 400 059 (2) The Leela Goa, Mobor, Cavelossim, Goa - 403 731 (3) The Leela Palace Bangalore, 23, Old Airport Road, Bangalore – 560 008 (4) The Leela Palace Udaipur, Lake Pichola, P.O. Box No. 125, Udaipur – 313 001 (5) The Leela Palace New Delhi, Diplomatic Enclave, Chanakyapuri, New Delhi – 110 023 (6) The Leela Palace Chennai, Satyadev Avenue Extension, MRC Nagar, Raja Annamalapuram, Chennai- 600 028 (B) Managed hotels and Residences: (1) The Leela Ambience Gurgaon Hotel & Residences, Ambience Island, National Highway – 8, Gurgaon – 122 002, Delhi N.C.R. (2) The Leela Kovalam, Trivandrum – 695 527, Kerala

34th Annual General Meeting

Day / Date	Time	Venue
Tuesday, 22nd September, 2015	11.00 a.m.	Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai- 400 056

Financial Calendar for the Year

Financial Year	1st April to 31st March
Dividend Payment	The Company has not proposed any dividend for the financial year ended 31st March, 2015.
Book Closure Dates	Saturday, 19th September, 2015 to Tuesday 22nd September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
Listing on Stock Exchanges	Equity Shares:
	I) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
	II) National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
	Non-convertible Debentures:
	Whole-sale Debt Market Segment
	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
Unaudited Financial reporting for the quarter ending (tentative)	
30th June, 2015	12th August, 2015
30th September, 2015	6th November, 2015
31st December, 2015	10th February, 2016
31st March, 2016	26th May, 2016
Annual General Meeting for the year ending 31st March, 2016	On or before 30th September, 2016

The Company has paid the annual listing fees to the Stock Exchanges as well as custodial fees to the depositories as applicable for the financial year 2015-16.

Stock Market Data

The monthly high / low prices of the equity shares of the Company from 1st April, 2014 to 31st March, 2015 are given below:

Month	BSE Limited				National Stock Exchange of India Limited			
	High (₹)	Low (₹)	Volume (Nos.)	SENSEX (Closing)	High (₹)	Low (₹)	Volume (Nos.)	S&P CNX NIFTY (Closing)
Apr 14	21.75	15.60	7,206,563	22,417.80	21.75	15.90	20,778,055	6,696.40
May 14	26.40	17.50	5,328,283	24,217.34	26.45	17.30	17,346,566	7,229.95
Jun 14	29.30	22.15	5,348,137	25,413.78	29.30	22.10	14,978,904	7,611.35
Jul 14	30.80	23.80	6,765,556	25,894.97	31.00	23.70	17,725,307	7,721.30
Aug 14	26.00	20.70	3,215,846	26,638.11	26.15	20.55	10,405,820	7,954.35
Sep 14	26.30	19.75	3,452,043	26,630.51	26.30	19.55	13,311,360	7,964.80
Oct 14	23.50	20.55	2,086,411	27,865.83	23.55	20.55	6,614,120	8,322.20
Nov 14	27.40	21.25	6,613,446	28,693.99	27.00	21.25	18,116,301	8,588.25
Dec 14	24.95	19.65	3,511,031	27,499.42	24.95	19.80	10,352,074	8,282.70
Jan 15	23.40	20.30	3,234,597	29,182.95	23.40	20.25	9,722,158	8,808.90
Feb 15	24.00	20.85	1,733,606	29,361.50	24.90	20.85	5,993,987	8,901.85
Mar 15	24.10	17.25	2,645,136	27,957.49	24.20	17.60	10,288,798	8,491.00

Sources: www.bseindia.com & www.nseindia.com respective websites

Distribution of Shareholding as on 31st March, 2015

Slab of Shareholding (No. of Shares)	No. of Shareholders	% of Total	No. of shares held	% of Total
Upto 5,000	107,355	98.34	46,103,319	9.88
5,001 to 10,000	1,003	0.92	7,552,249	1.62
10,001 to 20,000	391	0.36	5,729,426	1.23
20,001 to 30,000	158	0.14	3,988,531	0.85
30,001 to 40,000	61	0.06	2,181,531	0.47
40,001 to 50,000	42	0.04	2,014,402	0.43
50,001 to 1,00,000	71	0.07	5,123,355	1.10
Above 1,00,000	81	0.07	393,915,494	84.42
TOTAL	109,162	100.00	466,608,307	100.00

No. of Shares held in dematerialized and physical mode as on 31st March, 2015

Sr. No.	Particulars	No. of Shareholders	No. of Shares	% of total capital issued
1	Held in dematerialized form in NSDL	70,858	40,69,19,590	87.21
2	Held in dematerialized form in CDSL	30,962	50,728,604	10.87
3	Held in Physical form	7,342	89,60,113	1.92
	Total	1,09,162	46,66,08,307	100.00

Shareholding Pattern as on 31st March, 2015

Sr. No.	Category	No. of Shares held	% of Holding
1	Promoters (including persons acting in concert)	29,80,87,074	63.88
2	Banks / Public Financial Institutions / Insurance Companies	24,864,428	5.33
3	Bodies Corporate / Trusts	66,443,286	14.24
4	FII's	1,921,606	0.41
5	NRI's / OCB's	10,563,956	2.26
6	Resident Individuals	64,727,957	13.87
	Total	46,66,08,307	100

As on 31st March, 2015, the Promoters have pledged 26,06,41,249 equity shares representing 55.86% of the paid up capital of the Company, which includes 14,44,24,709 equity shares representing 30.95% pledged by the promoter group companies in favour of the Security Trustee of the Company's Lenders. After the close the financial year, a promoter group company has pledged 1,49,95,715 equity shares representing 3.21% of the paid up capital of the Company in favour of the Security Trustee of the Company's Lenders. As on the date of this report, the total shares pledged by the promoters stand at 27,56,36,964 shares representing 59.07% of the paid up capital of the Company.

The shareholding pattern is posted on the Company's website (www.theleela.com) and also filed electronically with BSE Limited and National Stock Exchange of India Limited.

The Company has not issued any ADR / GDR / any convertible securities.

Share Transfer System

The Board has delegated the authority for approving transfer, transmission, etc. of the Company's equity shares to the Company Secretary and the authorized representatives of the Registrar and Share Transfer Agent. The Share Certificates in physical form are generally processed weekly and returned within 15 days from the date of receipt, if the documents are proper and valid in all respects. A summary of the transfer / transmission so approved is placed before the Board at periodic intervals. The Company obtains from a Practising Company Secretary a half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges, and files a copy of the certificate with the Stock Exchanges concerned.

Dematerialisation of shares and liquidity

The trading in Equity Shares of the Company is permitted only in dematerialized form. Considering the advantages of trading in demat form, members are encouraged to consider dematerialisation of their shares.

Shareholders seeking dematerialization / rematerialization of their shares need to approach their Depository Participants (DP) with whom they maintain demat accounts. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share Transfer Agents ("the Registrar") of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the decision is communicated to the shareholder.

In respect of rematerialization, upon receipt of the request from the shareholder, the DP generates a request and its verification is done by the Registrar. The Registrar then requests NSDL and CDSL to confirm the same. Thereafter, eligible number of shares is issued in physical form to the shareholder within 21 days.

Address for correspondence

The correspondence address of the Compliance Officer and the Registrar & Share Transfer Agent for equity shares are as follows:

(a) Compliance Officer:

Name of the Compliance Officer	Mr. Dinesh Kalani, Company Secretary
Address	The Leela, Sahar, Mumbai – 400 059
Telephone	+91-22-6691 1182/83
E-mail	dinesh.kalani@theleela.com
Fax	+91-22-66911458
Designated E-mail ID for investor grievances	investor.service@theleela.com

(b) Registrar & Share Transfer Agent for Equity Shares

M/s. Sharepro Services (India) Pvt. Ltd. has been appointed as one point agency for dealing with shareholders. Shareholders correspondence should be addressed to the Company's Registrar & Share Transfer Agent at the address mentioned below:

M/s. Sharepro Services (India) Pvt. Limited

Unit: Hotel Leelaventure Limited

13 A/B Samhita Warehousing Complex, 2nd Floor,
Off. Andheri Kurla Road Sakinaka Telephone Exchange Lane
Sakinaka, Andheri (East)
Mumbai - 400 072

Tel : + 91 22 6772 0300 / 6772 0400 / 6772 0344

Fax : + 91 22 2859 1568

E-mail: hotelleela@shareproservices.com

Website: www.shareproservices.com

Contact persons: Mr. K. G. Abraham / Mr. Pascol Pereira

Investor relations centre of Registrar:

M/s. Sharepro Services (India) Pvt. Limited
912, Raheja Centre, Free Press Journal Road
Nariman Point, Mumbai – 400 021
Tel : + 91 22 6613 4700
Fax : + 91 22 2282 5484

Scrip Information – Equity Shares

Particulars	Scrip Code / Information
BSE Limited	500193
National Stock Exchange of India Limited	HOTELEELA
Demat ISIN allotted by NSDL / CDSL	INE 102A01024
Face Value	₹ 2 each

Investor Correspondence – Contact Details

Clarification / Queries	Name	Contact Nos.
(a) Company Secretary	Mr. Dinesh Kalani	dinesh.kalani@theleela.com Tel. +91 22 6691 1182/3 Fax. +91 22 6691 1458
(b) Share / Secretarial matters	Exclusive E-mail ID for investor grievances	investor.service@theleela.com Tel. +91 22 6691 1182/3 Fax. +91 22 6691 1458

Debenture Trustee for Non-convertible Debentures and Scrip information

Trustee	Scrip Particulars	Scrip Code
Axis Trustee Services Limited, 2nd Floor, Axis Bank Tower, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel : + 91 22 2425 2525 Fax : + 91 22 4325 2525	BSE Limited	HLVL19DEC08
	Demat ISIN allotted by NSDL / CDSL	INE102A07013
	Face Value	₹ 10,00,000 each

Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 7.39 lakhs, lying in the unpaid / unclaimed dividend accounts for the financial year 2006-07, to the Investor Education and Protection Fund (IEPF) pursuant to section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Awareness & Protection of Investors) Rules, 2014.

Pursuant to the provisions of IEPF Rules, 2012, (Uploading of information regarding unpaid and unclaimed amounts lying with companies) the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company, on the website of the Ministry of Corporate Affairs.

Unclaimed / unexchanged Equity Shares in the Company

Some of the shareholders of the Company have not exchanged their old share certificates for the shares of the face value of ₹ 10 each with the new share certificates for the sub-divided shares of the face value of ₹ 2 each and their new share certificates are lying with the Company since September, 2006.

In terms of Clause 5A(II) of the Listing Agreement, the Company has already sent 3 reminders to the concerned shareholders asking them to claim their shares by submitting old certificates along with the

prescribed documents. In compliance with the Clause 5A, the Company has transferred 25,98,970 unclaimed equity shares lying with the Company to “Unclaimed Share Suspense Account” in May, 2015.

The voting rights on the shares in the suspense accounts shall remain frozen till the rightful owners of such shares claim the shares.

Dispatch of documents in electronic form (GREEN INITIATIVE)

In terms of Section 20 of the Companies Act, 2013 and Clause 32 of the Listing Agreement, a company can send documents like notice, annual report, etc., in electronic form to its shareholders. Accordingly, the said documents will be sent by e-mail to those members who have registered their e-mail address(es) with their DP / the Company.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to write to the Company / Registrar or avail the option provided on the web-site of the Registrar of the Company at www.shareproservices.com for registration of e-mail address directly.

Investor Information Kit

The Company has uploaded on its web-site an updated “Investor Information Kit” for the general information and guidance to the investors of the Company.

11. Certificate of Compliance with Corporate Governance

A certificate from a practicing Company Secretary regarding compliance by the Company with the Corporate Governance is attached hereto as an annexure to the report.

12. Status of Compliance with Non- Mandatory Requirements

12.1 Chairman and Managing Director:

The Board is headed by an executive Chairman. The Company has not appointed separate persons to the post of Chairman and Managing Director/CEO.

12.2 Shareholders Rights:

The quarterly, half-yearly and annual financial results of the Company are published in English and Marathi newspapers having wide circulation and are uploaded on the Company’s web-site. Separate half-yearly financial performance report has, however, not been sent to each household of shareholders.

12.3 Audit Qualifications:

During the period under review, even though there is no audit qualification, there is an audit observation. The explanation for the same has been provided in Note no 31.3 of the standalone Financial Statements and also in the Directors’ Report.

12.4 Reporting of Internal Auditor

The Internal auditors of the Company report to Audit Committee. Executive Summary of the reports of the Internal Auditors is presented to the Audit Committee. The internal auditors are invited to attend the Audit Committee meetings for interaction with the Audit Committee members and to respond to the queries of the Audit Committee.

For and on behalf of the Board of Directors

Vivek Nair
Chairman & Managing Director

Mumbai, 27th May, 2015

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

The Board of Directors
Hotel Leelaventure Limited
Mumbai

I hereby confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the financial year ended 31st March, 2015.

Vivek Nair
Chairman & Managing Director

Mumbai, 27th May, 2015

The Board of Directors
Hotel Leelaventure Limited
Mumbai

CEO and CFO CERTIFICATION

- We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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 violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we 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.
- We have indicated to the auditors and the Audit Committee:
 - that there are no significant changes in internal control over financial reporting during the year;
 - that there are no significant changes in accounting policies during the year; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Krishna Deshika
Director - Finance & CFO

Vivek Nair
Chairman & Managing Director

Mumbai, 27th May, 2015

To
The Members
Hotel Leelaventure Limited
Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

I have examined the compliance of conditions of Corporate Governance by Hotel Leelaventure Limited, for the financial year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For V. Sundaram & Co.
Company Secretaries

Dhara A. Solanki
Membership No. 29177
C. P. No.12475

Mumbai, 27th May, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Hotel Leelaventure Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hotel Leelaventure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that shall give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the financial statements:

Note 31.3 regarding the Company's liabilities, net worth and interest provision. The negative net worth as on March 31, 2015 was ₹ 38,602.98 lakhs. The loss for the year and negative net worth would have been higher by another ₹ 78,240.90 lakhs, if interest and other finance cost as notified by Asset Reconstruction Companies were provided for in the books of the current year. The negative net worth could go up further if the amount realised on sale of assets is less than the book value. This raises question on whether the Company can be considered as a "Going Concern". However, as the Company is hopeful of a viable restructuring package as explained by them in the note and accordingly has prepared the financial statements on a going concern basis.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143(3) of the Act, 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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on March 31st, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - g) 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, 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 financial statements - Refer Note 31.1, 31.2 and 31.4 (a) and (b) to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting Standards, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending 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 PICARDO & CO.
Chartered Accountants
Registration No: 107917W

K.V. Gopalakrishnayya
Partner
Membership No.21748
Mumbai, 27th May 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

- (i) (a) In our opinion and based on the information made available to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets were physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of the business.
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories, compared to the book records.
- (iii) The Company has not granted secured/unsecured loans to firms or parties covered in the register maintained under Section 189 of the Act except an interest free unsecured advance made to a subsidiary which was later fully converted in to equity.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventories and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Sections 73 and 74 of the Act and the rules framed thereunder to the extent notified.
- (vi) The central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of any of the activities of the Company.
- (vii) (a) Based on information and explanation furnished to us, there were delays in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Sales-Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities during the year under review. There are no undisputed amounts payable in respect of the aforesaid dues which were outstanding as on 31st March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited with appropriate authorities as on 31st March, 2015 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Karnataka VAT Act 2003	VAT with interest and penalty	133.92	Financial Year 2005-06 to 2009-10	Matter remanded to Assessing Officer by High Court of Karnataka.
Customs Act	Customs Duty and penalty	75.09	1989-90 and 2000-01	Customs, Excise & Service Tax Appellate Tribunal, Mumbai.
Customs Act	Customs Duty and penalty	2.00	1990-91	Commissioner of Customs, Mumbai.
Goa Tax on Luxuries Act	Luxury Tax	33.93	2007-08	Appellate Authority, The Assistant Commissioner of Commercial Taxes, Margao.
Maharashtra VAT, 2002	VAT with interest and penalty	27.90	2008-09	Maharashtra Sales Tax Tribunal.
Maharashtra VAT, 2002	VAT with interest and penalty	153.30	2006-07, 2007-08 and 2009-10	Joint Commissioner of Sales tax, Appeals, Mumbai.
Maharashtra VAT, 2002	VAT & CST with interest and penalty	246.47	2010-11	Appeal to be filed before Joint Commissioner of Sales tax, Appeals, Mumbai
Kerala Tax on Luxury 1976	Luxury Tax	34.31	2006-07	Sales Tax Tribunal, Ernakulam.
Kerala Government Sales Tax Act	Sales Tax and interest	26.80	2005-06	Deputy Commissioner (Appeals), Thiruvananthapuram
Kerala Agricultural Income Tax Act	Agricultural Income Tax and interest	25.77	2004-09	Tribunal, Kerala Agricultural and Commercial Tax.
Finance Act, 1994	Service Tax, interest and penalty	2,490.48	2007-12	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.
Central Excise Act, 1944	Penalty under Excise Act	3.12	2003-05	CESTAT –WZB, Mumbai

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

- (viii) The accumulated losses of the Company exceeds 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the explanation and information given to us, the Company has defaulted in repayment of dues to banks/financial institutions/debenture holders during the year under review, the period and amount of defaults are as under :
- The Company had defaulted in its repayment commitments to its erstwhile Corporate Debt Restructuring (CDR) lenders, pursuant to which, on 30th June, 2014, the CDR lenders with exposure of 96.6% assigned their debt to Asset Reconstruction Companies (ARC). (Refer Note 31.3 of the standalone financial statements).
 - Company had defaulted in repayment of ₹ 2250 lakhs to Life Insurance Corporation of India (LIC) which was due on March 31, 2014 and subsequent interest payments. Pursuant to Company's request, LIC, during March 2015 has rescheduled the repayment terms and accordingly there is no principal or interest accrued and due for payment as at the end of the year.
 - There were also defaults in repayment of principal and interest to other banks and financial institutions. The overdue instalments and interest accrued and due as at March 31, 2015, was ₹ 665.42 lakhs and ₹ 1132.03 lakhs respectively.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions..
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, *prima facie*, applied by the Company during the year for the purposes for which the loans were obtained.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of any such case by the Management.

For PICARDO & CO.
Chartered Accountants
Registration No: 107917W

K.V. Gopalakrishnayya
Partner
Membership No.21748
Mumbai, 27th May 2015

BALANCE SHEET AS AT 31 MARCH, 2015

₹ lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	9,332.17	9,032.25
(b) Reserves and surplus	3	32,469.50	74,471.06
		41,801.67	83,503.31
Share application money pending allotment		-	3,500.00
Non-current liabilities			
(a) Long term borrowings	4	498,142.65	257,885.89
(b) Deferred tax liabilities (net)	5	688.46	7,243.25
(c) Other long term liabilities	6	2,166.35	2,267.08
(d) Long term provisions	7	2,467.87	1,908.78
		503,465.33	269,305.00
Current liabilities			
(a) Short term borrowings	8	1,495.12	52,232.96
(b) Trade payables	9	6,489.74	6,431.91
(c) Other current liabilities	10	29,040.02	213,087.87
(d) Short term provisions	11	533.70	449.01
		37,558.58	272,201.75
TOTAL		582,825.58	628,510.06
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	505,924.32	528,749.91
(ii) Intangible assets	13	1,324.76	941.81
(iii) Capital work-in-progress		1,737.12	15,817.47
(iv) Fixed assets held for sale	31.14	21,838.84	23,620.62
		530,825.04	569,129.81
(b) Non current investments	14	9,000.25	4,624.38
(c) Foreign currency monetary translation difference	15	10,807.51	12,007.48
(d) Long term loans and advances	16	16,009.31	19,263.22
(e) Other non current assets	17	300.00	3,575.42
		566,942.11	608,600.31
Current Assets			
(a) Inventories	18	5,260.37	6,400.41
(b) Trade receivables	19	5,122.37	7,158.86
(c) Cash and cash equivalents	20	2,523.58	2,768.45
(d) Short term loans and advances	21	2,714.77	3,221.24
(e) Other current assets	22	262.38	360.79
		15,883.47	19,909.75
TOTAL		582,825.58	628,510.06
Notes forming part of the financial statements	1 to 31		

In terms of our report attached

For PICARDO & CO
Chartered Accountants
Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Vivek Nair
Dinesh Nair
Krishna Deshika

Chairman and Managing Director
Co- Chairman and Managing Director
Director Finance & CFO

Mumbai, 27th May, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

₹ lakhs

Particulars	Note No.	Year ended 31 March, 2015	Year ended 31 March, 2014
INCOME			
(a) Revenue from operations	23	75,494.51	71,844.24
(b) Other income	24	706.21	4,973.38
Total income		76,200.72	76,817.62
Expenses			
(a) Cost of materials consumed	25	6,699.96	6,187.02
(b) Employee benefit expenses	26	21,231.17	19,761.72
(c) Finance costs (refer note 31.3 c)	27	19,757.65	50,163.00
(d) Depreciation and amortisation (refer note 31.13)	28	24,009.69	18,065.31
(e) Other expenses	29	33,191.59	31,375.21
Total expenses		104,890.06	125,552.26
Profit / (Loss) before exceptional items and tax		(28,689.34)	(48,734.64)
Exceptional items	30	18,327.76	-
Profit / (Loss) after exceptional items		(47,017.10)	(48,734.64)
Tax Expense:			
(a) Tax expense relating to prior years		-	422.22
(b) Excess provision relating to prior years withdrawn		(164.35)	-
(c) Deferred tax reversed		(5,265.01)	(5,009.67)
		(5,429.36)	4,587.45
Profit / (Loss) for the year		(41,587.74)	(44,147.19)
Earnings per share (of ₹ 2 each):			
Basic and diluted		(9.06)	(10.15)
Notes forming part of the Financial Statements	1 to 31		

In terms of our report attached

For PICARDO & CO
Chartered Accountants
Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Vivek Nair Chairman and Managing Director
Dinesh Nair Co- Chairman and Managing Director
Krishna Deshika Director Finance & CFO

Mumbai, 27th May, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

₹ lakhs

Particulars		2014-15	2013-14
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and extraordinary items	(47,017.10)	(48,734.64)
	Adjustments for :		
	Depreciation & amortisation	24,009.69	18,065.31
	Exceptional items	18,327.76	-
	Interest charged	19,757.65	50,163.00
	Loss / (profit) on sale of assets	(183.22)	(2,786.00)
	Loss / (profit) on sale of investments	5.77	(15.35)
	Provision/ write off of trade & other receivables	3,745.79	96.71
	Provision for employee benefits	643.78	(173.14)
	Interest income	(183.94)	(1,616.24)
		<u>66,123.28</u>	<u>63,734.29</u>
	Operating profit before working capital changes	<u>19,106.18</u>	<u>14,999.65</u>
	Changes in :		
	Trade and other receivables	1,740.10	(409.58)
	Inventories	1,140.04	733.29
	Trade and other payables	509.14	2,110.64
		<u>3,389.28</u>	<u>2,434.35</u>
	Cash generated from operations	<u>22,495.46</u>	<u>17,434.00</u>
	Direct Taxes	<u>599.69</u>	<u>281.34</u>
	Net Cash Flow from Operating Activities	<u>23,095.15</u>	<u>17,715.34</u>
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	469.89	4,436.74
	Investment in fixed assets / projects	(8,658.22)	(7,513.35)
	Proceeds from sale of investments	14.19	15.35
	Advance received against assets held for sale	1,550.00	-
	Interest received	198.31	1,625.72
	Net Cash Flow from Investing Activities	<u>(6,425.83)</u>	<u>(1,435.54)</u>
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Increase / (decrease) in long term loans	(7,404.23)	(1,957.69)
	Increase / (decrease) in cash credit	(309.48)	(354.44)
	Increase / (decrease) in short term funds	645.33	(4,795.08)
	Issue of shares	-	659.23
	Advance to a subsidiary	(41.88)	(0.61)
	Securities premium received	-	5,840.77
	Share application money received	-	3,500.00
	Dividend paid (including transfer to investor education & protection fund)	(12.19)	(7.36)
	Interest paid	<u>(9,791.74)</u>	<u>(19,938.79)</u>
	Net Cash Flow from Financing Activities	<u>(16,914.19)</u>	<u>(17,053.97)</u>
	NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(244.87)</u>	<u>(774.17)</u>
	CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	2,768.45	3,542.62
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,523.58	2,768.45

In terms of our report attached

For PICARDO & CO

Chartered Accountants

Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya

Partner

Membership No.21748

Dinesh Kalani

Company Secretary

Vivek Nair

Dinesh Nair

Krishna Deshika

Chairman and Managing Director

Co- Chairman and Managing Director

Director Finance & CFO

Mumbai, 27th May, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

a) Convention

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 2013

b) Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c) Fixed Assets

Fixed assets are stated at cost (or valuation as applicable) less depreciation. Cost includes expenses incidental to the installation of the assets and attributable borrowing costs. Cost also includes exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to acquisition of a depreciable capital asset.

Valuation of freehold land and leasehold rights on properties situated at Mumbai, Bangalore and Goa was carried out during March 2009. The fixed assets of Goa were initially revalued in the year 2001 and that of Mumbai in the year 2004. Valuation was carried out in all the cases by professional valuers, the basis of valuation being realisable value as determined by the valuer.

Revalued fixed assets are stated based on the revaluation and all other fixed assets are stated at cost. Additions on account of valuation are credited to Revaluation Reserve.

d) Depreciation and Amortisation

Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Based on technical evaluation, the useful life of continuous process plant other than windmill has been estimated as 15 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

Depreciation on additions / deletions during the year are provided on pro-rata basis. Assets purchased / installed during the year costing less than ₹ 5,000 each are fully depreciated.

Premium and other capitalised cost relating to leasehold land is amortised over the period of lease.

Buildings constructed on leasehold land are depreciated at the applicable rate on the assumption that the lease will be renewed in the normal course.

Depreciation on Computer Software is provided over a period of six years. License fee and Franchise fee are amortised over five years.

Depreciation on revalued portion is withdrawn from Revaluation Reserve till 31st March, 2014 and charged to profit and loss account for the subsequent period.

e) Investments

Current investments are carried at lower of cost and quoted / fair value. Long-term investments are carried at cost. However provision for diminution is made to recognise a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually.

f) Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value.

g) Employee benefit

i) Post-employment benefit plans

Contribution to defined contributory retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuation being

carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise amortized on straight-line basis over the average period until the benefits become eligible for being vested.

ii) Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave.

iii) Long-term employee benefits

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 recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

h) Recognition of income and Expenditure

Revenue/Incomes and Costs/Expenditures are accounted on accrual.

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Gains/Losses (net) on settlement of derivative contracts where they relate to the acquisition or construction of fixed assets are adjusted to the carrying cost of such assets.

j) Taxation

(i) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year.

(ii) Wealth tax for the year has been provided as required under the Wealth Tax Act and Rules, 1957.

(iii) Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

(iv) Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence 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 is written down to the extent there is no longer a convincing evidence that the Company will be liable to pay normal income tax during the specified period.

k) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date, to assess any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

l) Foreign Currency Transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions.

In line with option given by the Ministry of Corporate Affairs vide Notification No G.S.R.225 (E) dated 31st March 2009, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the balance period of such long-term asset/liability but not beyond 31st March 2020, by recognising income or expense in each of the periods except the exchange differences which are regarded as adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard AS (16) Borrowing costs.

All other monetary assets and liabilities in foreign currency as at balance sheet date are translated at rates prevailing at the year-end and the resultant net gains or losses are recognized as income or expense in the year in which they arise.

m) Assets taken on lease

In respect of operating lease transactions, the assets are not capitalised in the books of the Company and the lease payments are charged to the profit and loss account.

n) Accounting for Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined as best estimates required to settle the obligation at the balance sheet date. Contingent Liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle that obligation;
- A present obligation when no reliable estimate is possible; and
- A possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are not recognized in the financial statements.

o) Government Grants

Revenue Grants are recognized in the profit and loss account in accordance with the related scheme and in the period in which these are accrued.

Note 2 Share Capital

Particulars	₹ lakhs			
	As at 31 March, 2015		As at 31 March, 2014	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised				
Equity shares of ₹2 each with voting rights	600,000,000	12,000.00	600,000,000	12,000.00
Redeemable preference shares of ₹ 100 each	6,000,000	6,000.00	6,000,000	6,000.00
(b) Issued				
Equity shares of ₹ 2 each with voting rights	466,608,307	9,332.17	451,612,592	9,032.25
(c) Subscribed and fully paid-up				
Equity shares of ₹ 2 each with voting rights	466,608,307	9,332.17	451,612,592	9,032.25
Total	466,608,307	9,332.17	451,612,592	9,032.25
	No of Shares		No of Shares	
(d) Reconciliation of number of equity shares				
Equity Shares at the beginning of the year	451,612,592		418,651,132	
Add: Preferential allotment	14,995,715		32,961,460	
Equity shares at the end of the year	466,608,307		451,612,592	
	No of Shares	% of Shares held	No of Shares	% of Shares held
(e) Details of shareholders holding more than 5% shares				
(i) Leela Lace Holdings Private Limited	188,649,985	40.43	188,649,985	41.77
(ii) Leela Lace Software Solutions Private Limited	55,192,359	11.83	55,285,467	12.24
(iii) ITC Limited	49,953,055	10.71	49,953,055	11.06
(iv) Rockfort Estate Developers Private Limited	47,957,175	10.28	32,961,460	7.30

Note 3 Reserves and surplus

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Capital redemption reserve		
As per last balance sheet	8,750.00	8,750.00
(b) Securities premium account		
As per last balance sheet	37,915.32	32,074.55
Add : premium on shares issued during the year	3,200.08	5,840.77
Closing balance	41,115.40	37,915.32
(c) Debenture redemption reserve		
As per last balance sheet	7,200.00	7,200.00
(d) Revaluation reserve		
As per last balance sheet	69,002.00	70,112.14
Less: utilized for set off against depreciation	729.64*	1,110.14
Closing balance	68,272.36	69,002.00
*Relating to prior years		
(e) General reserve		
As per last balance sheet	6,445.39	6,445.39
(f) Surplus / (deficit) in statement of profit and loss		
As per last balance sheet	(54,841.65)	(10,694.46)
Add: adjustment relating to fixed assets (refer note 31.13)	(2,884.26)	-
Add: profit/(loss) for the year	(41,587.74)	(44,147.19)
Closing balance	(99,313.65)	(54,841.65)
Total	32,469.50	74,471.06

Note 4 Long term borrowings

Particulars	₹ lakhs			
	As at 31 March, 2015		As at 31 March, 2014	
	Non-Current	Current Maturities	Non-Current	Current Maturities
Secured				
(a) Debentures	6,750.00	1,125.00	4,500.00	4,500.00
(b) Rupee term loan from banks	165.47	176.30	147,838.00	153,671.69
(c) Foreign currency loan from banks	18,777.00	1,251.80	18,630.94	601.00
(d) Rupee term loan from financial institutions	933.32	919.46	21,652.56	11,591.73
(e) Foreign currency term loan from financial institutions	87,974.03	-	64,864.64	9,619.57
(f) Rupee term loan from ARCs	383,414.25	-	-	-
(g) Rupee term loan from others	128.58	271.15	399.75	398.99
Sub total	498,142.65	3,743.71	257,885.89	180,382.98
Less : Amount disclosed under other current liabilities (refer note 10)	-	3,743.71	-	180,382.98
Net long term borrowings	498,142.65	-	257,885.89	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Name of the Bank/ Financial Institution	Amount Outstanding as at 31 March, 2015	Amount Outstanding as at 31 March, 2014	Details of Security	Repayment Terms
Secured				
12.5% Non Convertible Debentures				
Life Insurance Corp. of India (Issued on 19th December 2008)	7,875.00	9,000.00	Refer Note A (a) to (g)	₹ 1125 lakhs due on 30th Sept 2015 and thereafter annual installment of ₹ 2250 lakhs from 30th Sept 2016
Rupee Term Loan from banks				
Bank of Baroda	-	15,000.00	Refer Note A (b) to (h)	
Bank of India	-	46,704.02	Refer Note A (a) to (g)	
IDBI Bank Ltd	-	3.30	Refer Note A (a) to (g)	
Indian Overseas Bank	-	37,118.00	Refer Note A (a) to (g)	
Oriental Bank of Commerce	-	1,129.65	Refer Note A (a) to (g)	
State Bank of Bikaner & Jaipur	-	4,938.51	Refer Note A (a) to (g)	
State Bank of Hyderabad	-	3,954.59	Refer Note A (a) to (g)	
State Bank of India	-	45,103.00	Refer Note A (a) to (g)	
State Bank of Mysore	-	15,324.68	Refer Note A (a) to (g)	
State Bank of Patiala	-	3,650.99	Refer Note A (a) to (g)	
State Bank of Travancore	-	10,487.09	Refer Note A (a) to (g)	
Syndicate Bank	-	4,230.00	Refer Note A (a) to (g)	
Syndicate Bank	-	69,881.00	Refer Note A (b) to (h)	
The Federal Bank Limited	-	3,162.31	Refer Note A (a) to (g)	
Union Bank of India	-	24,393.13	Refer Note A (a) to (g)	
Vijaya Bank	-	15,929.75	Refer Note A (a) to (g)	
Vehicle Loan :				
HDFC Bank Limited	190.09	281.12	Refer Note A (k)	EMI
ICICI Bank Limited	151.69	218.56	Refer Note A (k)	EMI
Total	341.78	301,509.70		
Foreign currency loan from banks				
Bank of Baroda	5,789.58	5,559.23	Refer Note A (a) to (g)	Quarterly structured instalments from August 2013
State Bank of India	14,239.23	13,672.70	Refer Note A (i) & (e)	20 equal quarterly instalments from June 2016
Total	20,028.81	19,231.93		
Rupee term loan from financial institutions				
Export Import Bank of India	-	20,953.74	Refer Note A (a) to (g)	
HDFC Limited	583.57	583.57	Refer Note A (i)	28 equal quarterly instalments from January 2010
HDFC Limited	-	10,000.00	Refer Note A (j)	
HDFC Limited	1,269.21	1,706.99	Refer Note A (i) & (e)	48 EMI from April, 2013
Total	1,852.78	33,244.30		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Name of the Bank/ Financial Institution	Amount Outstanding as at 31 March, 2015	Amount Outstanding as at 31 March, 2014	Details of Security	Repayment Terms
Foreign Currency Loans from Financial Institutions				
HDFC Limited	17,461.51	16,766.79	Refer Note A (i)	Refer Note B
HDFC Limited	60,108.90	57,717.42	Refer Note A (j) & (e)	6 equal half yearly instalments from Feb 2018 onwards
HDFC Limited	10,403.61	-	Refer Note A (j)	Repayable in June 2019
Total	87,974.02	74,484.21		
Rupee term loan from ARC's				
JM Financial Asset Reconstruction Co. Pvt Ltd	379,656.27	-	Refer Note A (a) to (g)	Refer Note 31.3 (a) to (c)
Phoenix ARC Pvt Ltd	3,757.98	-	Refer Note A (a) to (g)	Refer Note 31.3 (a) to (c)
Total	383,414.25	-		
Rupee term loan from others				
BMW Financial Services (I) Ltd	319.84	491.70	Refer Note A (k)	EMI
Kotak Mahindra Prime Limited	79.88	307.03	Refer Note A (k)	EMI
Total	399.72	798.73		
Grand Total	501,886.36	438,268.87		
Instalments overdue as on 31st March 2015 is ₹ 665.42 lakhs. (Previous year ₹ 1,47,166.40)				

Note A : The Loans are secured by :

- First ranking *pari passu* charge on all of the fixed assets (both movable and immovable) of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the Windmills.
- Second ranking *pari passu* charge on the Current Assets of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi and Chennai.
- Revenue from Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and receivables from sale of Hyderabad Land and Joint Development at Bangalore.
- Pledge of Promoters' shareholding, in the Company, subject to minimum of 51% of their holding
- Personal Guarantee of Promoters - Mr. Vivek Nair and Mr Dinesh Nair.
- Corporate Guarantee of Leela Lace Holdings Private Limited.
- Negative lien on the Non-Core Assets.
- Second ranking *pari passu* charge on the fixed assets (both movable & immovable) of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the Windmills.
- First *pari passu* charge on the immovable properties of the Leela Palace, Bangalore.
- First *pari passu* charge on the immovable properties of the Leela Palace, Bangalore and receivables from Pune Joint Development.
- Hypothecation of Vehicles.

Note B :

- The loan will be converted to RTL on 1st August, 2018 and repayable in 5 annual instalments thereafter.

Note 5 Deferred tax (liabilities/assets)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Deferred tax liabilities on account of depreciation differences	27,235.87	26,157.04
Deferred tax assets on account of unabsorbed depreciation	26,547.41	18,913.79
Net deferred tax liability	688.46	7,243.25

Note 6 Other long term liabilities

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Trade / security deposits received	1,983.32	2,047.06
Deferred payables	183.03	220.02
Total	2,166.35	2,267.08

Note 7 Long term provisions

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits (Refer note 31.8)		
(i) Provision for compensated absences	932.67	800.63
(ii) Provision for gratuity (net)	1,535.20	1,108.15
Total	2,467.87	1,908.78

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 8 Short term borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Working capital facilities from banks -secured	144.87	3,850.78
(b) Short term loan from HDFC Ltd - secured	-	704.92
(c) Funded interest term loan from banks - secured	-	47,677.26
(d) Inter corporate deposit- unsecured	1,350.25	-
Total	1,495.12	52,232.96

Amount overdue as on 31st March 2015 is ₹ nil (Prev year ₹ 4,7677.26 Lakhs)

(i) Working capital facilities from IDBI Bank Ltd (Previous year-consortium of banks) are secured by:

(A) First ranking *pari passu* charge on inventory, receivables and other current assets of the Hotel properties at Mumbai, Goa, Udaipur, New Delhi and Chennai.

(B) Second ranking *pari passu* charge on the fixed assets of the Hotel properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the windmills.

(C) Securities listed in note 4 (A) (d) to (g)

(ii) Short term loan from HDFC Ltd was secured by mortgage of certain residential flats and personal guarantee of promoters Mr. Vivek Nair and Mr. Dinesh Nair.

Note 9 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables (refer note 31.5)	6,489.74	6,431.91
Total	6,489.74	6,431.91

Note 10 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Current maturities of long term debt (Refer note 4)	3,743.71	180,382.98
(b) Interest accrued but not due on borrowings	211.94	360.24
(c) Interest accrued and due on borrowings	1,132.03	6,369.68
(d) Unpaid dividends	47.32	59.51
(e) Advance received for sale of property	13,572.00	12,017.00
(f) Other payables		
(i) Statutory liabilities	1,082.10	1,292.36
(ii) Payables on purchase of fixed assets	3,031.20	6,886.15
(iii) Liability for expenses	3,519.43	3,379.14
(iv) Advance from customers	2,158.75	2,340.81
(v) Overdrawn bank balance	541.54	-
Total	29,040.02	213,087.87

Note 11 Short term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits (Refer note 31.8)		
(i) Provision for bonus	337.07	303.67
(ii) Provision for compensated absences	196.63	145.34
Total	533.70	449.01

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 12 Tangible assets

Tangible assets	Gross block						Accumulated depreciation and impairment				Net block		
	Balance as at 1 April 2014	Additions	Disposals	Effect of foreign currency exchange differences	Other adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
(a) Land	164,673.68	-	-	-	0.74	164,674.42	-	-	-	-	-	164,674.42	164,673.68
Freehold	36,985.77	100.00	-	-	(0.75)	37,085.02	3,612.05	1,677.53	-	-	5,289.58	31,795.44	33,373.72
Leasehold	256,139.93	298.71	1,102.82	475.03	(1,327.77)	254,483.08	22,650.75	4,136.34	5.76	(2.49)	26,778.84	227,704.24	233,489.18
(b) Buildings	103,565.46	1,592.24	4,011.22	3.96	402.92	101,553.36	33,324.13	8,314.19	3,811.43	3,386.21	41,213.10	60,340.26	70,241.34
(c) Plant and equipment	41,536.06	277.71	1,480.25	79.33	(248.89)	40,163.96	18,494.29	4,122.88	1,472.98	213.84	21,358.03	18,805.93	23,041.76
(d) Furniture and fixtures	5,588.41	10.12	723.40	8.12	2.93	4,886.18	1,760.77	1,072.27	598.60	186.54	2,420.98	2,465.20	3,827.64
(e) Vehicles	979.17	16.66	45.11	0.08	218.71	1,169.51	876.58	96.01	45.11	103.20	1,030.68	138.83	102.59
(f) Office equipment	609,468.48	2,295.44	7,362.80	566.52	(952.11)	604,015.53	80,718.57	19,419.22	5,933.88	3,887.30	98,091.21	505,924.32	528,749.91
Total	611,373.15	7,432.51	2,385.34	1,747.15	(8,698.99)	609,468.48	67,975.69	14,507.77	1,619.80	(145.09)	80,718.57	528,749.91	543,397.46
Previous year													

i. Land (Leasehold) includes development expenses, stamp duty & other direct charges.

ii. Amount received towards a property under joint development from a co investor is credited to Land Account.

iii. Building includes cost of 25 (Previous year 40) shares of ₹ 50 each in a Co- Operative Housing Society.

iv. ₹ 566.52 lakhs increase (Previous year ₹ 1747.15 lakhs increase) on account of exchange variations in the long term foreign currency monetary items relating to depreciable assets are debited to respective fixed assets.

v. Other adjustments in accumulated depreciation represents depreciation on assets whose useful life has ended as on 31st March, 2014 as per Schedule II of the Companies Act, 2013

vi. Figures have been regrouped wherever necessary.

Note 13 Intangible assets

Intangible assets	Gross block				Accumulated depreciation and impairment				Net block				
	Balance as at 1 April 2014	Additions	Disposals	Effect of foreign currency exchange differences	Other adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
(a) Computer software	1,024.62	24.54	-	-	631.43	1,680.59	410.64	225.18	-	142.11	777.93	902.66	613.99
(b) License Fees/ franchise Fee	352.10	93.06	-	-	320.68	765.84	128.17	149.02	-	144.62	421.81	344.03	223.93
(c) Website	157.75	-	-	-	-	157.75	53.86	25.82	-	-	79.68	78.07	103.89
Total	1,534.47	117.60	-	-	952.11	2,604.18	592.67	400.02	-	286.73	1,279.42	1,324.76	941.81
Previous year	1,296.67	237.80	-	-	-	1,534.47	349.39	243.27	-	-	592.66	941.81	947.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 14 Non-current investments

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Investments (at cost):		
A. Trade, Unquoted		
(a) Investment in equity of subsidiaries		
(i) Leela Palaces and Resorts Limited		
27,28,124 (Previous year 9,99,994) fully paid-up equity shares of ₹10 each	10,254.00	4,604.17
Less: Provision for diminution in value of investment	1,254.00	-
	<u>9,000.00</u>	<u>4,604.17</u>
(ii) Leela Realty Limited		
Nil (Previous year 19,960) fully paid-up equity shares of ₹100 each	-	19.96
Sub Total	<u>9,000.00</u>	<u>4,624.13</u>
(b) Investment in government securities	0.25	0.25
Total	<u><u>9,000.25</u></u>	<u><u>4,624.38</u></u>

Note 15 Foreign currency monetary translation difference account

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Opening balance	12,007.48	8,762.94
Additions during the year	3,720.12	7,668.94
Less: amortised during the year	4,920.09	4,424.40
Closing balance	<u><u>10,807.51</u></u>	<u><u>12,007.48</u></u>

- (a) Additions during the year is on account of exchange variations in the long term foreign currency monetary items relating to non depreciable assets.
- (b) The balance in foreign currency translation difference account would be amortised over the balance period of the long term liability but not beyond 31st March 2020 by recognition as income or expenditure.

Note 16 Long term loans and advances (Unsecured, considered good unless otherwise stated)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Advance for fixed Assets	2,935.53	350.69
(b) Advance to subsidiaries	-	5,560.95
(c) Security deposits	10,227.71	10,650.55
(d) Prepaid expenses	53.32	97.29
(e) Others	2,792.75	2,603.74
Total	<u><u>16,009.31</u></u>	<u><u>19,263.22</u></u>

Note 17 Other non current assets

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Receivable on sale of fixed assets	300.00	3,575.42
Total	<u><u>300.00</u></u>	<u><u>3,575.42</u></u>

Note 18 Inventories (At lower of cost and net realisable value)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Raw materials	1,460.21	1,670.22
(b) Stores and operating supplies	3,800.16	4,730.19
Total	<u><u>5,260.37</u></u>	<u><u>6,400.41</u></u>

Note 19 Trade receivables

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Outstanding for a period exceeding six months from the date they were due for payment (unsecured)		
Considered good	900.08	2,723.66
Considered doubtful	426.31	161.73
	<u>1,326.39</u>	<u>2,885.39</u>
Less: Provision for doubtful trade receivables	426.31	161.73
	<u>900.08</u>	<u>2,723.66</u>
Other trade receivables (unsecured, considered good)	4,222.29	4,435.20
Total	<u><u>5,122.37</u></u>	<u><u>7,158.86</u></u>

Note 20 Cash and cash equivalents

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand	89.08	90.83
(b) Balances with banks		
(i) In current accounts	1,340.11	1,774.48
(ii) In deposit accounts *	807.51	691.53
(iii) In earmarked accounts		
- Unpaid dividend accounts	47.32	59.51
- Balances held as margin money or security against borrowings, guarantees and other commitments	239.56	152.10
Total	<u><u>2,523.58</u></u>	<u><u>2,768.45</u></u>

* Includes ₹ 128.80 lakhs (previous year 123.09 lakhs) with maturity of more than 12 months

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 21 Short term loans and advances (unsecured, considered good)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Trade advances		
Considered good	288.84	249.59
Considered doubtful	45.81	-
	<u>334.65</u>	<u>249.59</u>
Less: Provision for doubtful trade advances	45.81	-
	<u>288.84</u>	<u>249.59</u>
(b) Loans and advances to employees	84.89	66.83
(c) Prepaid expenses	1,058.78	1,050.95
(d) Balances with government authorities		
(i) VAT credit receivable	0.94	0.87
(ii) Service tax credit receivable	158.72	130.51
(iii) Advance income tax (net of provisions)	870.99	1,306.33
(iv) Others	167.92	255.71
(e) Other advances	83.69	160.45
Total	<u><u>2,714.77</u></u>	<u><u>3,221.24</u></u>

Note 22 Other current assets

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Unbilled revenue	231.06	324.51
(b) Interest accrued on deposits	20.03	34.40
(c) Insurance claims	11.29	1.88
Total	<u><u>262.38</u></u>	<u><u>360.79</u></u>

Note 23 Revenue from operations

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Sale of products (Refer Note (i) below)	27,231.82	25,250.32
Sale of services (Refer Note (ii) below)	48,262.69	46,593.92
Total	<u><u>75,494.51</u></u>	<u><u>71,844.24</u></u>
Note (i) Sale of products comprises;		
Food and beverages	27,231.82	25,250.32
Total	<u><u>27,231.82</u></u>	<u><u>25,250.32</u></u>
Note (ii) Sale of services comprises;		
Room revenue	39,304.80	37,953.19
Revenue from managed hotels	1,363.83	1,500.89
Income from rental & related services	1,629.38	1,770.74
Other services	5,964.68	5,369.10
Total	<u><u>48,262.69</u></u>	<u><u>46,593.92</u></u>

Note 24 Other income

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Interest income (Refer note below)	183.94	1,616.24
Net gain on sale of current investments	5.63	15.35
Net gain on foreign currency transactions and translation (other than considered as finance cost)	88.63	94.80
Subsidy	82.31	83.81
Liabilities /provisions no longer required written back	68.87	117.00
Profit on fixed assets sold	183.22	2,786.00
Prior period items (net)	-	52.41
Miscellaneous income	93.61	207.77
Total	<u><u>706.21</u></u>	<u><u>4,973.38</u></u>
Note: Interest income comprises:		
from bank deposits	82.40	90.96
others	101.54	1,525.28
Total	<u><u>183.94</u></u>	<u><u>1,616.24</u></u>

Note 25 Cost of materials consumed

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Opening stock	1,670.22	1,574.37
Add: Purchases	6,489.95	6,282.87
	<u>8,160.17</u>	<u>7,857.24</u>
Less: Closing stock	1,460.21	1,670.22
Cost of materials consumed	<u><u>6,699.96</u></u>	<u><u>6,187.02</u></u>

Note 26 Employee benefit expenses

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Salaries and wages	18,406.36	17,075.07
Contributions to provident and other funds	1,200.59	771.93
Staff welfare expenses	1,624.22	1,914.72
Total	<u><u>21,231.17</u></u>	<u><u>19,761.72</u></u>

Note 27 Finance costs

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
(a) Interest expense on:		
(i) Term loans (Refer note 31.3 (c))	19,213.75	49,302.05
(ii) Working capital borrowings	115.03	359.73
(b) Other borrowing costs	428.87	501.22
Total	<u><u>19,757.65</u></u>	<u><u>50,163.00</u></u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 28 Depreciation and amortisation

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Depreciation on tangible assets (Refer note 12 and 31.13)	19,419.22	14,507.77
Less : Withdrawal from revaluation reserve	729.64*	1,110.14
	<u>18,689.58</u>	<u>13,397.63</u>
Amortisation of intangible assets (Refer note 13 and 31.13)	400.02	243.28
Amortisation of foreign exchange translation difference (Refer note 15)	4,920.09	4,424.40
Total	<u><u>24,009.69</u></u>	<u><u>18,065.31</u></u>

* Relating to prior years

Note 29 Other expenses

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Consumption of stores and supplies including linen	3,327.26	3,357.67
Power and fuel	6,401.76	6,647.23
Rent	3,943.20	3,939.43
Repairs and maintenance - buildings	781.18	823.41
Repairs and maintenance - machinery	1,419.66	1,536.98
Repairs and maintenance - others	2,162.15	2,211.80
Insurance	283.32	326.11
Rates and taxes	1,797.76	2,395.17
Communication	292.88	344.35
Travelling and conveyance	859.30	965.61
Guest transport	668.06	543.50
Printing and stationery	287.10	293.27
Royalty and reservation fee	404.30	419.03
Sales commission	1,833.33	1,947.27
Business promotion	2,386.35	2,846.15
Donations and contributions	3.75	1.79
Legal and professional	1,143.71	1,170.92
Auditors remuneration (Refer note below)	38.07	34.46
Membership and subscription	367.45	435.09
Directors' remuneration	605.01	798.72
Directors' sitting fees	20.00	12.80
Provision/write-off of trade and other receivables	3,745.79	96.71
Loss on sale of investments	11.40	-
Prior period items (net)	167.59	-
Miscellaneous expenses	241.21	227.74
Total	<u><u>33,191.59</u></u>	<u><u>31,375.21</u></u>
(i) Auditors remuneration comprises (net of service tax)		
Statutory audit	30.00	28.00
For Taxation matters	5.00	4.00
Reimbursement of expenses	3.07	2.46
Total	<u><u>38.07</u></u>	<u><u>34.46</u></u>

Note 30 Exceptional items

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Write off of capital work in progress (Refer note 31.2)	13,805.08	-
Provision for impairment of asset (Refer note 31.15)	3,268.68	-
Diminution in value of Investment in subsidiary (Refer note 31. 16)	1,254.00	-
Total	<u><u>18,327.76</u></u>	<u><u>-</u></u>

Note 31 Additional information to the Financial Statements

31.1 The lease agreement with Airports Authority of India (AAI) relating to the Mumbai hotel was valid till 11th July 2012 and vide letter dated 31st March, 2011, AAI had offered to extend the lease by another 30 years, subject to revised terms and the Company had accepted the revised terms. However the lease agreement is yet to be signed. Pending execution of the lease agreement, AAI has been provisionally extending the lease for 3 to 6 months at a time and the latest extension was till 11th January, 2015. However depreciation on building constructed thereon is provided at the applicable rate on the assumption that the lease will be renewed.

AAI has arbitrarily increased the lease rental payable for the Mumbai hotel and for the adjacent land, effective from 1st October 2014 which increases the rental by ₹ 717 lakhs for the period upto 31st March 2015. The Company has objected to this increase and has not provided for the same.

31.2 The Company had incurred ₹ 13805.08 lakhs towards foundation & civil works, lease rental, royalty, interest etc. which was accounted in earlier years as Capital Work in Progress for an independent tower at Mumbai adjacent to the existing hotel. The amount includes royalty paid till 30th June, 2007 in terms of Award passed by the Sole Arbitrator on 17th May, 2008. In a subsequent arbitration, the Sole Arbitrator by his award dated 29th August, 2012, has declared that the Minimum Guaranteed Royalty stipulated in the Supplemental Agreement became impossible of performance with effect from 1st June 2008. AAI has challenged the Award before the Delhi High Court, which is pending. The Minimum Guaranteed Royalty for the subsequent period is not provided for, because of the dispute. As the hotel construction has not commenced due to disputes with AAI, which is under protracted litigation, the Company has written off the amount of ₹ 13805.08 lakhs and included the same in Exceptional Items in the Profit and Loss account.

31.3 Debt Restructuring

- The Corporate Debt Restructuring (CDR) Empowered Group, in their meeting held on 28th June 2014 declared that the account of the Company stands exited from CDR system on account of failure. Pursuant thereto, on 30th June 2014, 14 of the erstwhile CDR Lenders with exposure of 95.6 % of the CDR Debt assigned their debt to JM Financial Asset Reconstruction Company Private Limited (JMFARC) and 1 lender with exposure of 1% of the CDR debt, to Phoenix ARC Private Limited.
- The total amount assigned by the erstwhile CDR lenders to Asset Reconstruction Companies (ARCs) was ₹ 415013.77 lakhs, which included Sacrifice amount of ₹ 26315.00 lakhs. The Company has not accounted the Sacrifice amount, as it reflects the difference in the NPV between the cash flows as per the contracted terms and the cash flows agreed by the lenders as per the CDR Package, for the duration of the loan.
- The Company was liable to pay interest at 11% per annum, compounded monthly, to the CDR lenders and applying the same rate, the interest on ₹ 388698.77 lakhs for the period from the date of assignment upto 31st March 2015 works out to ₹ 33161 lakhs. The Company is pursuing with the ARC for a viable restructuring package, with certain concessions in interest and repayment terms and pending approval of the same,

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

has classified the debt as Non-current Liability in the Balance Sheet and has not provided for the interest. Had the Company provided for the interest, the loss for the year would have been higher by ₹ 33161 lakhs. JMFARC has notified the Company that the interest and penal interest are applicable as per the rates contracted prior to admission to CDR and that the debt amount is ₹ 457572 lakhs and the impact of the non-provision is understatement of finance cost to the extent of ₹ 78241 lakhs.

- d) The Company has been evaluating various options for reduction of debt, including sale / monetisation of non-core assets, sale of hotels and getting an equity partner for infusion of equity and refinancing of debt. The Company has received non-binding offers and is in discussions with the ARC to finalise a viable financial restructuring package for the Company.
- e) Sale of some of the hotels is not the only option being considered for restructuring. Even if the final decision is to sell some hotels, there is no decision as on date on which hotel should be sold, as the same would be based on the offers being received. While the amount which the Company can realise from sale of one hotel may be less than the book value, the amount realised from sale of another hotel could be higher and the Company expects that there would be no impairment / loss on sale of assets as a whole and accordingly, no provision has been made for any impairment loss.
- f) The net worth of the Company, after excluding revaluation reserves is negative to the extent of ₹ 38602.98 lakhs as on 31st March 2015. Even though the net worth has turned negative during the year, the same could again become positive, when the financial restructuring materialises.
- g) For reasons explained in note (a) to (f) above, the financial statements of the Company have been prepared on a going concern basis.

31.4 Contingent liabilities and commitments (to the extent not provided for)

₹ lakhs		
Particulars	2014-15	2013-14
Contingent liabilities		
(a) Claims against the Company not acknowledged as debts	15,207.56	6,178.12
(b) Disputed Statutory Liabilities	5,624.56	2,674.40
Other Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	337.48	1,562.85

31.5 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the Company in this regard.

₹ lakhs		
Particulars	2014-15	2013-14
(i) Principal amount remaining unpaid to any supplier as at the end of the year	93.89	12.34
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	Nil	Nil

₹ lakhs

Particulars	2014-15	2013-14
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

31.6 Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

₹ lakhs

Name of the party	Relationship	As at 31 March, 2015	Maximum Balance during the year
(i) Loans and advances given			
Leela Palaces and Resorts Limited	Subsidiary	- (5,560.56)	5,702.83 (5,560.56)
Leela Realty Limited (Subsidiary upto 31st December, 2014)	Subsidiary	- (0.39)	- (0.39)
(ii) Investments in Shares of the Company		No of Shares	
Leela Lace Holdings Pvt. Ltd.	Associate	188,649,985 (188,649,985)	
Leela Lace Software Solutions Pvt. Ltd.	Associate	55,192,359 (55,285,467)	
Leela Fashions Pvt. Ltd.	Associate	4,250,000 (4,250,000)	
Rockfort Estate Developers Pvt Limited	Associate	47,957,175 (32,961,460)	
(iii) Investment by Leela Lace Holdings Pvt. Ltd in a subsidiary			
Leela Palaces and Resorts Limited		1 (1)	

Previous year's figures are in brackets

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

31.7 Imports, consumption, Foreign Exchange expenditure and earnings

Particulars	₹ lakhs	
	2014-15	2013-14
(i) Value of imports calculated on CIF basis:		
Raw materials	83.67	253.27
Stores and supplies including Linen	782.12	1,285.28
Capital goods	244.00	1,238.72
Total	1,109.79	2,777.27

(ii) Details of consumption of imported and indigenous items	2014-15		2013-14	
	₹ lakhs	% of Consumption	₹ lakhs	% of Consumption
Raw materials				
Imported	52.53	1%	1,630.32	26%
Indigenous	6,647.43	99%	4,556.71	74%
Total	6,699.96	100%	6,187.02	100%
Stores and supplies including linen				
Imported	919.23	28%	1,498.61	45%
Indigenous	2,408.03	72%	1,859.06	55%
Total	3,227.26	100%	3,357.67	100%

Particulars	₹ lakhs	
	2014-15	2013-14
(iii) Expenditure in foreign currency:		
Royalty	-	-
Advertisement & publicity	1,176.12	1,145.13
Professional and consultation fees	525.30	537.85
Interest	946.63	1,115.63
Others	738.55	1,164.02
Total	3,386.60	3,962.63
(iv) Earnings in foreign exchange:		
Sale of products & services	33,937.37	27,525.59

31.8 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to 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 ₹ 544.65 lakhs (Year ended 31 March, 2014 ₹ 629.57 lakhs) for Provident Fund contributions in the statement of profit & loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to eligible employees on retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days' salary payable for each completed year of service or part thereof in excess of six months. Eligibility occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Company's financial statements

Particulars	₹ lakhs	
	2014-15	2013-14
Components of employer expense		
Current service cost	144.50	178.49
Interest cost	144.37	133.93
Expected return on plan assets	(25.61)	(31.34)
Curtailed cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	166.70	(289.43)
Total expense recognised in the Statement of Profit and Loss	429.96	(8.36)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1,797.40	1,480.55
Fair value of plan assets	(262.20)	(372.40)
Funded status [surplus / (deficit)]	(1,535.20)	(1,108.15)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,535.20)	(1,108.15)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	1,480.55	1,546.75
Current service cost	144.50	178.49
Interest cost	144.37	133.93
Curtailed cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions (settled on divestiture)	-	-
Actuarial (gains) / losses	168.13	(284.68)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Particulars	₹ lakhs	
	2014-15	2013-14
Past service cost	-	-
Benefits paid	(140.14)	(93.94)
Present value of DBO at the end of the year	1,797.40	1,480.55
Change in fair value of assets during the year		
Plan assets at beginning of the year	372.40	439.74
Acquisition adjustment (distributed on divestiture)	-	-
Expected return on plan assets	25.61	31.34
Actual company contributions	2.91	-
Actuarial gain / (loss)	1.42	(4.75)
Benefits paid	(140.14)	(93.94)
Plan assets at the end of the year	262.20	372.40
Actual return on plan assets	27.03	26.59
Composition of the plan assets is as follows:		
Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	7.90%	9.35%
Expected return on plan assets	8.00%	7.50%
Salary escalation	10% For first 3 years & 7% thereafter	10% For first 4 years & 7% thereafter

Experience adjustments	2014-2015	2013-2014	2012-2013	2011-2012	2010- 2011
Gratuity					
Present value of DBO	1,797.40	1,480.55	1,546.75	1,253.23	1,150.78
Fair value of plan assets	262.20	372.40	439.74	461.70	496.45
Funded status [surplus / (deficit)]	(1,535.20)	(1,108.15)	1,107.01	(791.52)	(654.33)
Experience gain / (loss) adjustments on plan liabilities	(51.90)	(133.02)	(7.98)	16.44	(52.68)
Experience gain / (loss) adjustments on plan assets	1.42	(4.75)	23.93	6.99	6.07

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

(ii) Compensated absence liabilities

Present value of compensated absence liabilities (unfunded) recognised in Balance Sheet as per actuarial valuation under Projected Unit Credit Method is ₹1129.30 lakhs (Previous year ₹945.96 lakhs), of which long term liability is ₹ 932.67 lakhs (Previous year ₹ 800.63 lakhs) and short term liability is ₹ 196.63 lakhs (Previous year ₹ 145.34 lakhs).

31.9 Segment Information

The Company's main business is hoteliering and there is no other reportable segment as defined under Accounting Standard 17 - Segment Reporting (AS-17). Hence disclosure of segment wise information is not applicable.

31.10 Related party transactions

(i) Details of related parties:

Description of relationship	Name of related parties
Subsidiaries	Leela Palaces and Resorts Ltd. Leela Realy Ltd. (Subsidiary upto 31st Dec 2014)
Associates	1) Leela Lace Software Solutions Pvt. Ltd 2) Leela Lace Holdings Pvt. Ltd. 3) Leela Fashions Pvt. Ltd. 4) Rockfort Estate Developers Pvt. Ltd. 5) Season Apparels Pvt. Ltd. 6) Leela Innovation Centre Pvt. Ltd. 7) Elegant Eateries Pvt. Ltd. 8) Leela Housing Pvt Ltd 9) Aushim Soft Pvt. Ltd. 10) Leela Soft Pvt. Ltd. 11) Armcess Engineering Pvt. Ltd. 12) Zantho Pharmaceuticals Pvt. Ltd. 13) Leela Lace Estate Pvt. Ltd. 14) Emmel Realtors and Developers Pvt. Ltd. 15) Leela Villas Pvt. Ltd. 16) Leela Lace Info Park Pvt. Ltd. 17) Leela Constates Pvt. Ltd. 18) Leela Capital and Finance Limited. 19) Leela Realcon Pvt. Ltd. 20) Leela IT Projects Pvt. Ltd. 21) Palakkad Infrastructure Pvt. Ltd. 22) Leela Lace Builders Pvt. Ltd. 23) Vibgyor Leasing Pvt. Ltd. 24) Zillion Hotels & Resorts Pvt. Ltd. 25) Mumbai International Convention and Exhibition Centre Ltd 26) Leela Techno Parks Pvt. Ltd 27) Fransisco Hospitality Pvt. Ltd. 28) Leela Realty Ltd (Associate from 1st January 2015) 29) L.M Realtors Pvt Ltd. 30) LMV Associates Limited 31) Leela Hospitality Pvt. Ltd.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Description of relationship	Name of related parties
Key Management Personnel (KMP) :	Mr. Vivek Nair Mr. Dinesh Nair Mr. Venu Krishnan upto 31st July, 2014 Mr. Krishna Deshika
Relatives of KMP	Mrs. Madhu Nair (wife of Mr. Dinesh Nair) Ms. Amruda Nair (daughter of Mr. Vivek Nair) Ms. Samyukta Nair (daughter of Mr. Dinesh Nair) Ms. Aishwarya Nair (daughter of Mr. Vivek Nair)
Company in which KMP / Relatives of KMP can exercise significant influence	None

(ii) Transactions carried out with Related Parties

Particulars	Subsidiaries	Associates	₹ lakhs	
			Key Management Personnel	Relative of Key Management Personnel
Sale of room, food and other services				
Leela Lace Holdings Pvt. Ltd.		-		
		(0.99)		
Leela Lace Software Solutions Pvt. Ltd		4.64		
		(1.84)		
Leela Hospitality Pvt. Ltd.		2.96		
		(-)		
Income from rental & related services				
Leela Lace Holdings Pvt. Ltd.		558.76		
		(532.66)		
Leela Fashions Pvt. Ltd		40.63		
		(40.63)		
Leela Hospitality Pvt. Ltd.		29.82		
		(-)		
Lease rent				
Leela Lace Holdings Pvt. Ltd.		1,288.36		
		(1,250.03)		
Leela Lace Software Solutions Pvt. Ltd		102.92		
		(102.92)		
Leela Fasions Pvt. Ltd		0.25		
		(0.25)		
Sale of residential flats				
Leela Lace Holdings Pvt. Ltd.		222.00		
		-		
Investments				
Leela Palaces & Resorts Ltd.	10,254.00			
	(4,604.17)			
Leela Realty Ltd.	-			
	(19.96)			
Sale of Investments in subsidiaries				
Leela Realty Ltd.		8.56		
		(-)		

Particulars	Subsidiaries	Associates	₹ lakhs	
			Key Management Personnel	Relative of Key Management Personnel
Remuneration paid				
Mr. Vivek Nair			200.70	
			(241.92)	
Mr. Dinesh Nair			200.70	
			(241.92)	
Mr. Venu Krishnan			55.76	
			(167.28)	
Mr. Krishna Deshika			147.84	
			(148.80)	
Ms. Amruda Nair (upto 30th September,2014)				23.05
				(40.08)
Ms. Aishwarya Nair				46.20
				(40.08)
Ms. Samyukta Nair				46.20
				(40.08)
Sitting fees				
Mrs. Madhu Nair				0.70
				(0.80)
Debit balance outstanding				
Leela Palaces & Resorts Ltd	-			
	(5,560.56)			
Leela Realty Ltd	-			
	(0.39)			
Leela Hospitality Pvt. Ltd.		113.58		
		(-)		
Leela Fashions Pvt. Ltd		26.20		
		-		
Credit balance outstanding				
Leela Lace Software Solutions Pvt. Ltd		176.73		
		(83.81)		
Leela Lace Holdings Pvt. Ltd		1,190.88		
		(721.77)		
Unsecured loans received				
Leela Lace Holdings Pvt. Ltd.		1,350.25		
		-		
Deposits given				
Leela Lace Holdings Pvt. Ltd.		7,273.51		
		(7,273.51)		
Rockfort Estate Developers Pvt. Ltd.		776.46		
		(776.46)		
Allotment of shares				
Rockfort Estate Developers Pvt. Ltd.		3,500.00		
		(6,500.00)		
Share application money received pending allotment				
Leela Lace Holdings Pvt. Ltd.		-		
		(3,500.00)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

31.11 Details of leasing arrangements

		₹ lakhs	
Particulars		2014-15	2013-14
(i)	The Company as a lessor under various operating leases will receive fixed future and minimum rentals, as under:		
	not later than one year	964.86	894.27
	later than one year and not later than five years	3,142.99	2,510.50
	later than five years	1,030.77	767.62
(ii)	The Company has taken on operating lease certain assets, the minimum future rent payable on which are as follows:		
	not later than one year	1,408.44	1,573.05
	later than one year and not later than five years	3,780.09	4,305.47
	later than five years	26,263.70	27,259.73

31.12 Earnings per share

		₹ lakhs	
Particulars		2014-15	2013-14
Basic & Diluted			
	Net profit / (loss) for the year	(41,587.75)	(44,147.19)
	Weighted average number of equity shares	459,089,907	435,086,709
	Par value per share (₹)	2.00	2.00
	Earnings per share (₹)	(9.06)	(10.15)

In terms of our report attached

For PICARDO & CO
Chartered Accountants
Registration No : 107917W

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Mumbai, 27th May 2015

Note : Since there are no extraordinary items, the Basic and Diluted value of earnings per share excluding/including extraordinary items is the same.

31.13 Pursuant to the Companies Act, 2013 (a) The Company has provided depreciation for the year on the basis of the useful life of fixed assets as prescribed in the Schedule II of the Companies Act, 2013 except in respect of certain assets as disclosed in the Accounting Policy on Depreciation resulting in higher depreciation of ₹ 3342.97 lakhs for the year. (b) In respect of fixed assets whose useful life has ended prior to 31st March 2014 an amount of ₹ 2884.26 lakhs (net of deferred tax ₹ 1289.77 lakhs) has been adjusted to the opening balance of Profit and Loss account. (c) depreciation on the revalued portion is charged to profit and loss account instead of the earlier practice of withdrawing from the revaluation reserve resulting in higher depreciation of ₹ 1221.39 lakhs for the year.

31.14 (a) Cost of IT Park at Chennai and the Land at Hyderabad for which the Company has entered into agreements to sell are considered as assets held for sale.

(b) As a security for the advance paid by a party pursuant to an agreement to sell the IT park at Chennai, a deed of simple mortgage of the said property is executed in their favour.

31.15 Based on the estimated realisable value, Company has provided for impairment amounting to ₹ 3268.68 lakhs in respect of an asset held for sale.

31.16 The Company has made a provision for diminution in the value of long term investment in a subsidiary amounting to ₹ 1254 lakhs based on the estimated realisable value of assets of the subsidiary as the Company intends to sell the same.

31.17 Previous year figures have been regrouped or re-arranged wherever necessary.

For and on behalf of the Board of Directors

Vivek Nair Chairman and Managing Director
Dinesh Nair Co- Chairman and Managing Director
Krishna Deshika Director Finance & CFO

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF HOTEL LEELAVENTURE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Hotel Leelaventure Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that shall give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

Note regarding the Group liabilities, net worth and interest provision. The negative net worth as on 31st March, 2015 was ₹ 41,874.84 lakhs. The net loss and negative net worth would have been higher by another ₹ 78,240.90 lakhs, if interest and other finance cost as notified by Asset Reconstruction Companies were provided for in the books of the current year. The negative net worth could go up further if the amount realised on sale of assets is less than the book value. This raises question on whether the Group can be considered as a "Going Concern". However, as the Group is hopeful of a viable restructuring package as explained by them in the note, the financial statements are prepared on a going concern basis.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of comments in the auditors' report of the Holding Company and on the auditors' report issued in accordance with the Order on a subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report to the extent applicable, 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 consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31st, 2015, taken on record by the respective Board of Directors, none of the directors is disqualified as on March 31st, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31.2, 31.3, 31.4 (c) and 31.5(a) and (b) to the consolidated financial statements;
 - ii. The Group has made provision, as required under the applicable law or accounting Standards, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For PICARDO & CO.
Chartered Accountants
Registration No: 107917W

K.V. Gopalakrishnayya
Partner
Membership No.21748
Mumbai, 27th May 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

- (i) (a) In our opinion and based on the information made available to us, the Group has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets were physically verified by the Management of the respective entities in a phased periodical manner, which in our opinion is reasonable, having regard to the size and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the respective entities and their nature of the business.
- (c) In our opinion and according to the information and explanation given to us, the respective entities have maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories, compared to the book records.
- (iii) The Holding Company and its subsidiary has not granted secured / unsecured loans to firms or parties covered in the register maintained under Section 189 of the Act except an interest free unsecured advance made to the subsidiary by the Holding Company which was later fully converted in to equity.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size and nature of its business in the Group with regard to purchase of inventories and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Group has not accepted deposits in terms of the provisions of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) The central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of any of the activities of the Group.
- (vii) (a) Based on information and explanation furnished to us there were delays in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Wealth Tax, Sales-Tax, Service Tax, Cess and other material statutory dues with the appropriate authorities during the year under review by the holding Company. There are no undisputed amounts payable in respect of the aforesaid dues which were outstanding as on 31st March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited with appropriate authorities as on 31st March, 2015 on account of dispute are given below:

Name of the Statute	Nature of Dues	Amount (Rs.in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Karnataka VAT Act 2003	VAT with interest and penalty	133.92	Financial Year 2005-06 to 2009-10	Matter remanded to Assessing Officer by High Court of Karnataka.
Customs Act	Customs duty and penalty	75.09	1989 -90 and 2000-01	Customs, Excise & Service Tax Appellate Tribunal, Mumbai.
Customs Act	Customs duty and penalty	2.00	1990-1991	Commissioner of Customs, Mumbai.
Goa Tax on Luxuries Act	Luxury Tax	33.93	2007-08	Appellate Authority, The Assistant Commissioner of Commercial Taxes, Margao.
Maharashtra VAT,2002	VATwith interest and penalty	27.90	2008-09	Maharashtra Sales Tax Tribunal.
Maharashtra VAT,2002	VAT with interest and penalty	153.30	2006-07,2007-08 and 2009-10	Joint Commissioner of Sales tax, Appeals, Mumbai.
Maharashtra VAT,2002	VAT& CST with interest and penalty	246.47	2010-11	Appeal to be filed before Joint Commissioner of Sales tax, Appeals, Mumbai
Kerala Tax on Luxury 1976	Luxury Tax	34.31	2006-07	Sales Tax Tribunal, Ernakulam.
Kerala Government Sales Tax Act	Sales Tax and interest	26.80	2005-06	Deputy Commissioner (Appeals), Thiruvananthapuram
Kerala Agricultural Income Tax Act	Agricultural Income Tax and interest	25.77	2004-09	Tribunal, Kerala Agricultural and Commercial Tax.
Finance Act,1994	Service Tax interest and penalty	2,490.48	2007-2012	Customs, Excise & Service Tax Appellate Tribunal, Bangalore.
Central Excise Act,1944	Penalty under Excise Act	3.12	2003-2005	CESTAT –WZB, Mumbai

- (c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act,1956 (1 of 1956) and the rules made there under.
- (viii) The consolidated accumulated losses of the Group exceeds 50% of its net worth. The Group has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the explanation and information given to us, the Holding Company has defaulted in repayment of dues to banks/financial institutions/debenture holders during the year under review. The period and amount of defaults are as under :
- The Holding Company had defaulted in its repayment commitments to its erstwhile Corporate Debt Restructuring (CDR) lenders, pursuant to which, on 30th June, 2014, the CDR lenders with exposure of 96.6% assigned their debt to Asset Reconstruction Companies (ARC). (Refer Note 31.4 of the consolidated financial statements).
 - Holding Company had defaulted in repayment of Rs 2250 lakhs to Life Insurance Corporation of India (LIC) which was due on March 31, 2014 and subsequent interest payments. Pursuant to Holding Company's request, LIC, during March 2015 has rescheduled the repayment terms and accordingly there is no principal or interest accrued and due for payment as at the end of the year.
 - There were also defaults in repayment of principal and interest to other banks and financial institutions. The overdue installments and interest accrued and due as at March 31, 2015, was Rs 665.42 lakhs and Rs 1132.03 lakhs respectively.
- (x) According to the information and explanations given to us, the Holding company or its subsidiary has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Holding Company were, prima facie, applied by the Holding Company during the year for the purposes for which the loans were obtained. The subsidiary Company has not availed term loans during the year under review.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Group, noticed or reported during the year, nor have been informed of any such case by the Management.

For PICARDO & CO.
Chartered Accountants
Registration No: 107917W

K.V. Gopalakrishnayya
Partner
Membership No.21748
Mumbai, 27th May 2015

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2015

₹ lakhs

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	9,332.17	9,032.25
(b) Reserves and surplus	3	32,451.78	74,450.55
		<u>41,783.95</u>	<u>83,482.80</u>
Share application money pending allotment		-	3,500.00
Non-current liabilities			
(a) Long term borrowings	4	498,142.65	257,885.89
(b) Deferred tax liabilities (net)	5	688.46	7,243.25
(c) Other long term liabilities	6	2,166.35	2,267.08
(d) Long term provisions	7	2,467.87	1,908.78
		<u>503,465.33</u>	<u>269,305.00</u>
Current liabilities			
(a) Short term borrowings	8	1,495.12	52,232.96
(b) Trade payables	9	6,489.74	6,431.91
(c) Other current liabilities	10	29,040.19	213,088.32
(d) Short term provisions	11	533.70	449.01
		<u>37,558.75</u>	<u>272,202.20</u>
TOTAL		<u><u>582,808.03</u></u>	<u><u>628,490.00</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	511,573.84	534,299.42
(ii) Intangible assets	13	1,324.76	941.81
(iii) Goodwill	31.1	3,254.14	4,561.14
(iv) Capital work-in-progress		1,778.76	15,859.12
(iv) Fixed assets held for sale	31.12	21,838.84	23,620.62
		<u>539,770.34</u>	<u>579,282.11</u>
(b) Non current investments	14	0.25	1.08
(c) Foreign currency monetary translation difference	15	10,807.51	12,007.48
(d) Long term loans and advances	16	16,009.31	13,702.27
(e) Other non current assets	17	300.00	3,575.42
		<u>566,887.41</u>	<u>608,568.36</u>
Current Assets			
(a) Inventories	18	5,260.37	6,400.41
(b) Trade receivables	19	5,122.37	7,158.86
(c) Cash and cash equivalents	20	2,560.73	2,780.34
(d) Short term loans and advances	21	2,714.77	3,221.24
(e) Other current assets	22	262.38	360.79
		<u>15,920.62</u>	<u>19,921.64</u>
TOTAL		<u><u>582,808.03</u></u>	<u><u>628,490.00</u></u>
Notes forming part of the financial statements	1 to 31		

In terms of our report attached

For PICARDO & CO
Chartered Accountants
Firm Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Mumbai, 27th May, 2015

Vivek Nair Chairman and Managing Director
Dinesh Nair Co- Chairman and Managing Director
Krishna Deshika Director Finance & CFO

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

₹ lakhs

Particulars	Note No.	Year ended 31 March, 2015	Year ended 31 March, 2014
INCOME			
(a) Revenue from operations	23	75,494.51	71,844.24
(b) Other income	24	707.28	4,973.38
Total income		<u>76,201.79</u>	<u>76,817.62</u>
Expenses			
(a) Cost of materials consumed	25	6,699.96	6,187.02
(b) Employee benefit expenses	26	21,231.17	19,761.72
(c) Finance costs (refer note 31.3 c)	27	19,757.69	50,163.01
(d) Depreciation and amortisation (refer note 31.14)	28	24,009.69	18,065.31
(e) Other expenses	29	33,188.67	31,378.51
Total expenses		<u>104,887.18</u>	<u>125,555.57</u>
Profit / (Loss) before exceptional items and tax		<u>(28,685.39)</u>	<u>(48,737.95)</u>
Exceptional items	30	18,327.76	-
Profit / (Loss) after exceptional items		<u>(47,013.15)</u>	<u>(48,737.95)</u>
Tax Expense:			
(a) Tax expense relating to prior years		-	422.22
(b) Excess provision relating to prior years withdrawn		(164.35)	
(c) Deferred tax reversed		(5,265.01)	5,009.67
		<u>(5,429.36)</u>	<u>4,587.45</u>
Profit / (Loss) for the year		<u>(41,583.79)</u>	<u>(44,150.50)</u>
Earnings per share (of ₹ 2 each):			
Basic and diluted		(9.06)	(10.15)
Notes forming part of the Financial Statements	1 to 31		

In terms of our report attached

For PICARDO & CO
Chartered Accountants
Firm Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Vivek Nair
Dinesh Nair
Krishna Deshika

Chairman and Managing Director
Co- Chairman and Managing Director
Director Finance & CFO

Mumbai, 27th May, 2015

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015

₹ lakhs

Particulars		2014-15	2013-14
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax and extraordinary items	(47,013.15)	(48,737.95)
	Adjustments for :		
	Depreciation & amortisation	24,009.69	18,065.31
	Exceptional items	18,327.76	-
	Interest charged	19,757.69	50,163.01
	Loss / (profit) on sale of assets	(183.22)	(2,786.00)
	Loss / (profit) on sale of investments	(6.70)	(15.35)
	Provision/ write off of trade & other receivables	3,745.79	96.71
	Provision for employee benefits	643.78	(173.14)
	Interest income	(183.94)	(1,616.24)
		<u>66,110.85</u>	<u>63,734.30</u>
	Operating profit before working capital changes	<u>19,097.70</u>	<u>14,996.35</u>
	Changes in :		
	Trade and other receivables	1,740.09	(409.58)
	Inventories	1,140.04	733.29
	Trade and other payables	507.73	2,110.76
		<u>3,387.86</u>	<u>2,434.47</u>
	Cash generated from operations	<u>22,485.56</u>	<u>17,430.82</u>
	Direct Taxes	599.69	281.34
	Net cash flow from operating activities	<u>23,085.25</u>	<u>17,712.16</u>
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds from sale of fixed assets	469.89	4,436.74
	Investment in fixed assets / projects	(8,658.21)	(7,513.29)
	Proceeds from sale of investments	7.53	15.35
	Advance received against assets held for sale	1,550.00	-
	Interest received	198.31	1,625.72
	Net cash flow from investing activities	<u>(6,432.48)</u>	<u>(1,435.48)</u>
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
	Increase / (decrease) in long term loans	(7,404.23)	(1,957.69)
	Increase / (decrease) in cash credit	(309.48)	(354.44)
	Increase / (decrease) in short term funds	645.33	(4,795.08)
	Issue of shares	-	659.23
	Securities premium received	-	5,840.77
	Share application money received	-	3,500.00
	Dividend paid (including transfer to investor education & protection fund)	(12.19)	(7.36)
	Interest paid	(9,791.81)	(19,938.80)
	Net cash flow from financing activities	<u>(16,872.38)</u>	<u>(17,053.37)</u>
	NET CHANGES IN CASH AND CASH EQUIVALENTS	<u>(219.61)</u>	<u>(776.69)</u>
	CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	2,780.34	3,557.03
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,560.73	2,780.34

In terms of our report attached

For **PICARDO & CO**
Chartered Accountants
Registration No : 107917W

For and on behalf of the Board of Directors

K.V. Gopalakrishnayya
Partner
Membership No.21748

Dinesh Kalani
Company Secretary

Vivek Nair
Dinesh Nair
Krishna Deshika

Chairman and Managing Director
Co- Chairman and Managing Director
Director Finance & CFO

Mumbai, 27th May, 2015

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Significant Accounting Policies

a) Convention

The consolidated financial statements comprise the individual financial statements of Hotel Leelaventure Limited and its subsidiary as on 31st March, 2015 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis :

The financial statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealized profit or losses as per Accounting Standard-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

b) The financial statements of the subsidiary, in the consolidation are drawn up to the same reporting date as the Company i.e. 31st March, 2015.

c) The financial statements of the following subsidiary has been consolidated.

Name of the Subsidiary	Proportion of Ownership Interest (%)	
	Current Year	Previous Year
Leela Palaces and Resorts Limited	99.99%	99.99%

d) Minority interest

The minority interest as on 31st March 2015 is not material (Previous year not material) and is not disclosed separately.

e) Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee benefits, provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

f) Fixed Assets

Fixed assets are stated at cost (or valuation as applicable) less depreciation. Cost includes expenses incidental to the installation of the assets and attributable borrowing costs. Cost also includes exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, in so far as they relate to acquisition of a depreciable capital asset.

Valuation of freehold land and leasehold rights on properties situated at Mumbai, Bangalore and Goa was carried out during March 2009. The fixed assets of Goa were initially revalued in the year 2001 and that of Mumbai in the year 2004. Valuation was carried out in all the cases by professional valuers, the basis of valuation being realisable value as determined by the valuer.

Revalued fixed assets are stated based on the revaluation and all other fixed assets are stated at cost. Additions on account of valuation are credited to Revaluation Reserve.

g) Depreciation and Amortisation

Effective 1st April 2014, the Company depreciates its fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Based on technical evaluation, the useful life of continuous process plant other than windmill has been estimated as 15 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

Depreciation on additions / deletions during the year are provided on pro-rata basis. Assets purchased / installed during the year costing less than ₹ 5,000 each are fully depreciated.

Premium and other capitalised cost relating to leasehold land is amortised over the period of lease.

Buildings constructed on leasehold land are depreciated at the applicable rate on the assumption that the lease will be renewed in the normal course.

Depreciation on Computer Software is provided over a period of six years. License fee and Franchise fee are amortised over five years.

Depreciation on revalued portion is withdrawn from Revaluation Reserve till 31st March, 2014 and charged to profit and loss account for the subsequent period.

h) Investments

Current investments are carried at lower of cost and quoted / fair value. Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of investments, such reduction being determined and made for each investment individually.

i) Inventories

Inventories are valued at lower of cost (weighted average basis) or net realisable value.

j) Employee benefit

i) Post-employment benefit plans

Contribution to defined contributory retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise amortised on straight-line basis over the average period until the benefits become eligible for being vested.

ii) Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave.

iii) Long-term employee benefits

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 a liability at the present value of the defined benefit obligation at the balance sheet date.

k) Recognition of Income and Expenditure

Revenue/Incomes and Costs/Expenditures are accounted on accrual.

l) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Gains/Losses (net) on settlement of derivative contracts where they relate to the acquisition or construction of fixed assets are adjusted to the carrying cost of such assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

m) Taxation

- (i) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year.
- (ii) Wealth Tax for the year has been provided as required under the Wealth Tax Act and Rules, 1957.
- (iii) Deferred tax is recognised on timing difference being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.
- (iv) Minimum Alternate Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence 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 is written down to the extent there is no longer a convincing evidence that the Company will be liable to pay normal income tax during the specified period.

n) Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised wherever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is greater of the net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

o) Foreign Currency Transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions.

In line with option given by the Ministry of Corporate Affairs vide Notification No. G.S.R.225 (E) dated 31st March 2009, the exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and will be depreciated over the balance life of the asset, and in other cases are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the balance period of such long-term asset/liability but not beyond 31st March 2020, by recognising income or expense in each of the periods except the exchange differences which are regarded as adjustment to interest costs in terms of paragraph 4(e) of Accounting Standard AS (16) Borrowing costs.

All other monetary assets and liabilities in foreign currency as at balance sheet are translated at rates prevailing at the year-end and the resultant net gains or losses are recognized as income or expense in the year in which they arise.

p) Assets taken on lease

In respect of operating lease transactions, the assets are not capitalised in the books of the Company and the lease payments are charged to the profit and loss account.

q) Accounting for Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined as best estimates required to settle the obligation at the balance sheet date.

Contingent Liability is disclosed in case of

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle that obligation;
- (ii) A present obligation when no reliable estimate is possible; and
- (iii) A possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are not recognized in the financial statements.

r) Government Grants

Revenue Grants are recognized in the profit and loss account in accordance with the related scheme and in the period in which these are accrued.

Note 2 Share Capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	No of Shares	Amount	No of Shares	Amount
(a) Authorised				
Equity shares of ₹ 2 each with voting rights	600,000,000	12,000.00	600,000,000	12,000.00
Redeemable preference shares of ₹ 100 each	6,000,000	6,000.00	6,000,000	6,000.00
(b) Issued				
Equity shares of ₹ 2 each with voting rights	466,608,307	9,332.17	451,612,592	9,032.25
(c) Subscribed and fully paid up				
Equity shares of ₹ 2 each with voting rights	466,608,307	9,332.17	451,612,592	9,032.25
Total	<u>466,608,307</u>	<u>9,332.17</u>	<u>451,612,592</u>	<u>9,032.25</u>
	No of Shares		No of Shares	
(d) Reconciliation of number of equity shares				
Equity Shares at the beginning of the year	451,612,592		418,651,132	
Add: Preferential allotment	14,995,715		32,961,460	
Equity shares at the end of the year	466,608,307		451,612,592	
	No of Shares	% of Shares held	No of Shares	% of Shares held
(e) Details of shareholders holding more than 5% shares				
(i) Leela Lace Holdings Private Limited	188,649,985	40.43	188,649,985	41.77
(ii) Leela Lace Software Solutions Private Limited	55,192,359	11.83	55,285,467	12.24
(iii) ITC Limited	49,953,055	10.71	49,953,055	11.06
(iv) Rockfort Estate Developers Private Limited	47,957,175	10.28	32,961,460	7.30

Note 3 Reserves and surplus

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Capital redemption reserve		
As per last balance sheet	8,750.00	8,750.00
(b) Securities premium account		
As per last balance sheet	37,915.32	32,074.55
Add : premium on shares issued during the year	3,200.08	5,840.77
Closing balance	<u>41,115.40</u>	<u>37,915.32</u>
(c) Debenture redemption reserve		
As per last balance sheet	7,200.00	7,200.00
(d) Revaluation reserve		
As per last balance sheet	69,002.01	70,112.15
Less: utilized for set off against depreciation	729.64*	1,110.14
Closing balance	<u>68,272.37</u>	<u>69,002.01</u>
*Relating to prior years		
(e) General reserve		
As per last balance sheet	6,445.39	6,446.48
(f) Surplus / (deficit) in statement of profit and loss		
As per last balance sheet	(54,863.26)	(10,712.76)
Add: adjustment relating to fixed assets (refer note 31.11)	(2,884.33)	-
Add: profit/(loss) for the year	(41,583.79)	(44,150.50)
Closing balance	<u>(99,331.38)</u>	<u>(54,863.26)</u>
Total	<u><u>32,451.78</u></u>	<u><u>74,450.55</u></u>

Note 4 Long term borrowings

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Non-Current	Current Maturities	Non-Current	Current Maturities
Secured				
(a) Debentures	6,750.00	1,125.00	4,500.00	4,500.00
(b) Rupee term loan from banks	165.47	176.30	147,838.00	153,671.69
(c) Foreign currency loan from banks	18,777.00	1,251.80	18,630.94	601.00
(d) Rupee term loan from financial institutions	933.32	919.46	21,652.56	11,591.73
(e) Foreign currency term loan from financial institutions	87,974.03	-	64,864.64	9,619.57
(f) Rupee term loan from ARCs	383,414.25	-	-	-
(g) Rupee term loan from others	128.58	271.15	399.75	398.99
Sub total	498,142.65	3,743.71	257,885.89	180,382.98
Less : Amount disclosed under other current liabilities (refer note 10)	-	3,743.71	-	180,382.98
Net Long Term borrowings	498,142.65	-	257,885.89	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Name of the Bank/ Financial Institution	Amount Outstanding as at 31 March, 2015	Amount Outstanding as at 31 March, 2014	Details of Security	Repayment Terms
Secured				
12.5% Non Convertible Debentures Life Insurance Corp. of India	7,875.00	9,000.00	Refer Note A (a) to (g)	₹ 1125 lakhs due on 30th Sept 2015 and thereafter annual instalment of ₹ 2250 lakhs from 30th Sep 2016
(Issued on 19th December 2008)				
Rupee Term Loan from banks				
Bank of Baroda	-	15,000.00	Refer Note A (b) to (h)	
Bank of India	-	46,704.02	Refer Note A (a) to (g)	
IDBI Bank Ltd	-	3.30	Refer Note A (a) to (g)	
Indian Overseas Bank	-	37,118.00	Refer Note A (a) to (g)	
Oriental Bank of Commerce	-	1,129.65	Refer Note A (a) to (g)	
State Bank of Bikaner & Jaipur	-	4,938.51	Refer Note A (a) to (g)	
State Bank of Hyderabad	-	3,954.59	Refer Note A (a) to (g)	
State Bank of India	-	45,103.00	Refer Note A (a) to (g)	
State Bank of Mysore	-	15,324.68	Refer Note A (a) to (g)	
State Bank of Patiala	-	3,650.99	Refer Note A (a) to (g)	
State Bank of Travancore	-	10,487.09	Refer Note A (a) to (g)	
Syndicate Bank	-	4,230.00	Refer Note A (a) to (g)	
Syndicate Bank	-	69,881.00	Refer Note A (b) to (h)	
The Federal Bank Limited	-	3,162.31	Refer Note A (a) to (g)	
Union Bank of India	-	24,393.13	Refer Note A (a) to (g)	
Vijaya Bank	-	15,929.75	Refer Note A (a) to (g)	
Vehicle Loan :				
HDFC Bank Limited	190.09	281.12	Refer Note A (k)	EMI
ICICI Bank Limited	151.69	218.56	Refer Note A (k)	EMI
Total	341.78	301,509.70		
Foreign Currency Loan from banks				
Bank of Baroda	5,789.58	5,559.23	Refer Note A (a) to (g)	Quarterly structured instalments from August 2013
State Bank of India	14,239.23	13,672.70	Refer Note A (i) & (e)	20 equal quarterly instalments from June 2016
Total	20,028.81	19,231.93		
Rupee Term Loan from financial institutions				
Export Import Bank of India	-	20,953.74	Refer Note A (a) to (g)	
HDFC Limited	583.57	583.57	Refer Note A (i)	28 equal quarterly instalments from January 2010
HDFC Limited	-	10,000.00	Refer Note A (j)	
HDFC Limited	1,269.21	1,706.99	Refer Note A (i) & (e)	48 EMI from April, 2013
Total	1,852.78	33,244.30		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Name of the Bank/ Financial Institution	Amount Outstanding as at 31 March, 2015	Amount Outstanding as at 31 March, 2014	Details of Security	Repayment Terms
Foreign Currency Loans from Financial Institutions				
HDFC Limited	17,461.51	16,766.79	Refer Note A (i)	Refer Note B
HDFC Limited	60,108.90	57,717.42	Refer Note A (j) & (e)	6 equal half yearly instalments from Feb 2018 onwards
HDFC Limited	10,403.61	-	Refer Note A (j)	Repayable in June 2019
Total	87,974.02	74,484.21		
Rupee term loan from ARC's				
JM Financial Asset Reconstruction Co. Pvt Ltd	379,656.27	-	Refer Note A (a) to (g)	Refer Note 31.3 (a) to (c)
Phoenix ARC Pvt Ltd	3,757.98	-	Refer Note A (a) to (g)	Refer Note 31.3 (a) to (c)
Total	383,414.25	-		
Rupee term loan from others				
BMW Financial Services (I) Ltd	319.84	491.70	Refer Note A (k)	EMI
Kotak Mahindra Prime Limited	79.88	307.03	Refer Note A (k)	EMI
Total	399.72	798.73		
Grand Total	501,886.36	438,268.87		

Instalments overdue as on 31st March 2015 is ₹ 665.42 lakhs. (Previous year ₹ 1,47,166.40)

Note A : The Loans are secured by:

- First ranking *pari passu* charge on all of the fixed assets (both movable and immovable) of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the Windmills.
- Second ranking *pari passu* charge on the Current Assets of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi and Chennai.
- Revenue from Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and receivables from sale of Hyderabad Land and Joint Development at Bangalore.
- Pledge of of Promoters' shareholding, in the Company, subject to minimum of 51% of their holding.
- Personal Guarantee of Promoters - Mr. Vivek Nair and Mr Dinesh Nair.
- Corporate Guarantee of Leela Lace Holdings Private Limited.
- Negative lien on the Non-Core Assets.
- Second ranking *pari passu* charge on the fixed assets (both movable & immovable) of Hotel Properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the windmills.
- First *pari passu* charge on the immovable properties of the Leela Palace, Bangalore.
- First *pari passu* charge on the immovable properties of the Leela Palace, Bangalore and receivables from Pune Joint Development.
- Hypothecation of Vehicles.

Note B :

- The loan will be converted to RTL on 1st August, 2018 and repayable in 5 annual instalments thereafter.

Note 5 Deferred tax (liabilities/assets)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Deferred tax liabilities on account of Depreciation differences	27,235.87	26,157.04
Deferred tax assets on account of Unabsorbed depreciation	26,547.41	18,913.79
Net deferred tax liability	688.46	7,243.25

Note 6 Other long term liabilities

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Trade / Security deposits received	1,983.32	2,047.06
Deferred payables	183.03	220.02
Total	2,166.35	2,267.08

Note 7 Long term provisions

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Provision for employee benefits (Refer note 31.6)		
(i) Provision for compensated absences	932.67	800.63
(ii) Provision for gratuity (net)	1,535.20	1,108.15
Total	2,467.87	1,908.78

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 8 Short term borrowings

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Working capital facilities from banks -secured	144.87	3,850.78
(b) Short term loan from HDFC Ltd - secured	-	704.92
(c) Funded interest term loan from banks - secured	-	47,677.26
(d) Inter corporate deposit- unsecured	1,350.25	-
Total	1,495.12	52,232.96

Amount overdue as on 31st March 2015 is ₹ nil (Prev year ₹ 4,7677.26 Lakhs)

- (i) Working capital facilities from IDBI Bank Ltd (Previous year - consortium of banks) are secured by:
- (A) First ranking *pari passu* charge on inventory, receivables and other current assets of the Hotel properties at Mumbai, Goa, Udaipur, New Delhi and Chennai.
- (B) Second ranking *pari passu* charge on the fixed assets of the Hotel properties at Mumbai, Goa, Udaipur, New Delhi, and Chennai and the windmills.
- (C) Assets listed in note 4 (A) (d) to (g)
- (ii) Short term loan from HDFC Ltd was secured by mortgage of certain residential flats. And personal guarantee of promoters Mr. Vivek Nair and Mr. Dinesh Nair.

Note 9 Trade payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables	6,489.74	6,431.91
Total	6,489.74	6,431.91

Note 10 Other current liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
(a) Current maturities of long term debt (Refer Note 4)	3,743.71	180,382.98
(b) Interest accrued but not due on borrowings	211.94	360.24
(c) Interest accrued and due on borrowings	1,132.03	6,369.68
(d) Unpaid dividends	47.32	59.51
(e) Advance received for sale of property	13,572.00	12,017.00
(f) Other payables		
(i) Statutory liabilities	1,082.10	1,292.56
(ii) Payables on purchase of fixed assets	3,031.20	6,886.15
(iii) Liability for expenses	3,519.60	3,379.39
(iv) Advance from customers	2,158.75	2,340.81
(v) Overdrawn bank balance	541.54	-
Total	29,040.19	213,088.32

Note 11 Short term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
Provision for employee benefits (Refer note 31.6)		
(i) Provision for bonus	337.07	303.67
(ii) Provision for compensated absences	196.63	145.34
Total	533.70	449.01

Note 12. Tangible Assets

Tangible assets	Gross block						Accumulated depreciation and impairment				Net block		
	Balance as at 1 April 2014	Additions	Disposals	Effect of foreign currency exchange differences	Other adjustments	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
(a) Land													
Freehold	170,223.20	100.00	-	-	0.74	170,323.94	-	-	-	-	-	170,323.94	170,223.19
Leasehold *	36,985.77	100.00	-	-	(0.75)	37,085.02	3,612.05	1,677.53	-	-	5,289.58	31,795.44	33,373.72
(b) Buildings	256,139.93	298.71	1,102.82	475.03	(1,327.77)	254,483.08	22,650.75	4,136.34	5.76	(2.49)	26,778.84	227,704.24	233,489.18
(c) Plant and equipment	103,565.46	1,592.24	4,011.22	3.96	402.92	101,553.36	33,324.13	8,314.19	3,811.43	3,386.21	41,213.10	60,340.26	70,241.34
(d) Furniture and fixtures	41,536.06	277.71	1,480.25	79.33	(248.89)	40,163.96	18,494.29	4,122.88	1,472.98	213.84	21,358.03	18,805.93	23,041.76
(e) Vehicles	5,588.41	10.12	723.40	8.12	2.93	4,886.18	1,760.77	1,072.27	598.60	186.54	2,420.98	2,465.20	3,827.64
(f) Office equipment	979.17	16.66	45.11	0.08	218.71	1,169.51	876.58	96.01	45.11	103.20	1,030.68	138.83	102.59
Total	615,018.00	2,395.44	7,362.80	566.52	(952.11)	609,665.05	80,718.57	19,419.22	5,933.88	3,887.30	98,091.21	511,573.84	534,299.42
Previous year	616,922.66	7,432.51	2,385.34	1,747.16	(8,698.99)	615,018.00	67,975.69	14,507.77	1,619.79	(145.09)	80,718.58	534,299.42	548,946.97

- Land (Leasehold) includes development expenses, stamp duty & other direct charges.
- Amount received towards a property under joint development from a co investor is credited to Land Account.
- Building includes cost of 25 (Previous year 40) shares of ₹ 50 each in a Co- Operative Housing Society.
- ₹ 566.52 lakhs increase (Previous year ₹ 1747.15 lakhs increase) on account of exchange variations in the long term foreign currency monetary items relating to depreciable assets are debited to respective fixed assets.
- Other adjustments in accumulated depreciation represents depreciation on assets whose useful life has ended as on 31st March, 2014 as per Schedule II of the Companies Act, 2013
- Figures have been regrouped wherever necessary.

Note 13 Intangible Assets

Intangible assets	Gross block				Accumulated depreciation and impairment				Net block			
	Balance as at 1 April 2014	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
(a) Computer software	1,024.62	24.54	-	-	1,680.59	410.64	225.18	-	142.11	777.93	902.66	613.99
(b) License Fees/ franchise Fee	352.10	93.06	-	-	765.84	128.17	149.02	-	144.62	421.81	344.03	223.93
(c) Website	157.75	-	-	-	157.75	53.86	25.82	-	-	79.68	78.07	103.89
Total	1,534.47	117.60	-	-	2,604.18	592.67	400.02	-	286.73	1,279.42	1,324.76	941.81
Previous year	1,296.67	237.80	-	-	1,534.47	349.39	243.27	-	-	592.66	941.81	947.28

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 14 Non-current investments

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Investments (at cost):		
(a) Land	-	0.83
(b) Trade, Unquoted	-	-
Investment in government securities	0.25	0.25
Total	0.25	1.08

Note 15 Foreign currency monetary translation difference account

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Opening balance	12,007.48	8,762.94
Additions during the year	3,720.12	7,668.94
Less: amortised during the year	4,920.09	4,424.40
Closing balance	10,807.51	12,007.48

- (a) Additions during the year is on account of exchange variations in the long term foreign currency monetary items relating to non depreciable assets.
- (b) The balance in foreign currency translation difference account would be amortised over the balance period of the long term liability but not beyond 31st March 2020 by recognition as income or expenditure.

Note 16 Long term loans and advances

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Advance for fixed Assets	2,935.53	350.69
(b) Security deposits	10,227.71	10,650.55
(c) Prepaid expenses	53.32	97.29
(d) Others	2,792.75	2,603.74
Total	16,009.31	13,702.27

Note 17 Other non current assets

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Receivable on sale of fixed assets	300.00	3,575.42
Total	300.00	3,575.42

Note 18 Inventories

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Raw materials	1,460.21	1,670.22
(b) Stores and operating supplies	3,800.16	4,730.19
Total	5,260.37	6,400.41

Note 19 Trade receivables

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Outstanding for a period exceeding six months from the date they were due for payment (unsecured)		
Considered good	900.08	2,723.66
Considered doubtful	426.31	161.73
	1,326.39	2,885.39
Less: Provision for doubtful trade receivables	426.31	161.73
	900.08	2,723.66
Other trade receivables (unsecured, considered good)	4,222.29	4,435.20
Total	5,122.37	7,158.86

Note 20 Cash and cash equivalents

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Cash on hand	89.98	91.73
(b) Balances with banks		
(i) In current accounts	1,376.36	1,785.47
(ii) In deposit accounts *	807.51	691.53
(iii) In earmarked accounts		
- Unpaid dividend accounts	47.32	59.51
- Balances held as margin money or security against borrowings, guarantees and other commitments	239.56	152.10
Total	2,560.73	2,780.34

* Includes ₹ 128.80 lakhs (previous year 123.09 lakhs) with maturity of more than 12 months

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 21 Short term loans and advances (unsecured, considered good)

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Trade advances		
Considered good	288.84	249.59
Considered doubtful	45.81	-
	<u>334.65</u>	<u>249.59</u>
Less: Provision for doubtful trade advances	45.81	-
	<u>288.84</u>	<u>249.59</u>
(b) Loans and advances to employees	84.89	66.83
(c) Prepaid expenses	1,058.78	1,050.95
(d) Balances with government authorities		
(i) VAT credit receivable	0.94	0.87
(ii) Service tax credit receivable	158.72	130.51
(iii) Advance income tax (net of provisions)	870.99	1,306.33
(iv) Others	167.92	255.71
(e) Other advances	83.69	160.45
Total	<u><u>2,714.77</u></u>	<u><u>3,221.24</u></u>

Note 22 Other current assets

Particulars	₹ lakhs	
	As at 31 March, 2015	As at 31 March, 2014
(a) Unbilled revenue	231.06	324.51
(b) Interest accrued on deposits	20.03	34.40
(c) Insurance claims	11.29	1.88
Total	<u><u>262.38</u></u>	<u><u>360.79</u></u>

Note 23 Revenue from operations

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Sale of products (Refer Note (i) below)	27,231.82	25,250.32
Sale of services (Refer Note (ii) below)	48,262.69	46,593.92
Total	<u><u>75,494.51</u></u>	<u><u>71,844.24</u></u>
Note (i) Sale of products comprises;		
Food and beverages	27,231.82	25,250.32
Total	<u><u>27,231.82</u></u>	<u><u>25,250.32</u></u>
Note (ii) Sale of services comprises;		
Room revenue	39,304.80	37,953.19
Revenue from managed hotels	1,363.83	1,500.89
Income from rental & related services	1,629.38	1,770.74
Other services	5,964.68	5,369.10
Total	<u><u>48,262.69</u></u>	<u><u>46,593.92</u></u>

Note 24 Other income

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Interest income (Refer note below)	183.94	1,616.24
Net gain on sale of investments	6.70	15.35
Net gain on foreign currency transactions and translation (other than considered as finance cost)	88.63	94.80
Subsidy	82.31	83.81
Liabilities /provisions no longer required written back	68.87	117.00
Profit on fixed assets sold	183.22	2,786.00
Prior period items (net)	-	52.41
Miscellaneous income	93.61	207.77
Total	<u><u>707.28</u></u>	<u><u>4,973.38</u></u>
Note: Interest income comprises:		
from bank deposits	82.40	90.96
others	101.54	1,525.28
Total	<u><u>183.94</u></u>	<u><u>1,616.24</u></u>

Note 25 Cost of materials consumed

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Opening stock	1,670.22	1,574.37
Add: Purchases	6,489.95	6,282.87
	<u>8,160.17</u>	<u>7,857.24</u>
Less: Closing stock	1,460.21	1,670.22
Cost of materials consumed	<u><u>6,699.96</u></u>	<u><u>6,187.02</u></u>

Note 26 Employee benefit expenses

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Salaries and wages	18,406.36	17,075.07
Contributions to provident and other funds	1,200.59	771.93
Staff welfare expenses	1,624.22	1,914.72
Total	<u><u>21,231.17</u></u>	<u><u>19,761.72</u></u>

Note 27 Finance costs

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
(a) Interest expense on:		
(i) Term loans	19,213.75	49,302.05
(ii) Working capital borrowings	115.03	359.73
(b) Other borrowing costs	428.91	501.23
Total	<u><u>19,757.69</u></u>	<u><u>50,163.01</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 28 Depreciation and amortisation

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Depreciation on tangible assets (Refer note 12 and 31.11)	19,419.22	14,507.77
Less : Withdrawal from revaluation reserve	729.64*	1,110.14
	<u>18,689.58</u>	<u>13,397.63</u>
Amortisation of intangible assets (Refer note 13 and 31.11)	400.02	243.28
Amortisation of foreign exchange translation difference (Refer note 15)	4,920.09	4,424.40
Total	<u><u>24,009.69</u></u>	<u><u>18,065.31</u></u>

* Relating to prior years

Note 29 Other expenses

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Consumption of stores and supplies including linen	3,327.26	3,357.67
Power and fuel	6,401.76	6,647.23
Rent	3,943.20	3,939.43
Repairs and maintenance - buildings	781.18	823.41
Repairs and maintenance - machinery	1,419.66	1,536.98
Repairs and maintenance - others	2,162.15	2,211.80
Insurance	283.32	326.11
Rates and taxes	1,805.16	2,395.20
Communication	292.88	344.35
Travelling and conveyance	859.40	965.61
Guest transport	668.06	543.50
Printing and stationery	287.10	293.27
Royalty and reservation fee	404.30	419.03
Sales commission	1,833.33	1,947.27
Business promotion	2,386.35	2,846.15
Donations and contributions	3.75	1.79
Legal and professional	1,144.51	1,173.86
Auditors remuneration (Refer note below)	38.24	34.79
Membership and subscription	367.45	435.09
Directors' remuneration	605.01	798.72
Directors' sitting fees	20.00	12.80
Provision/write-off of trade and other receivables	3,745.79	96.71
Prior period items (net)	167.59	-
Miscellaneous expenses	241.22	227.74
Total	<u><u>33,188.67</u></u>	<u><u>31,378.51</u></u>
(i) Auditors remuneration comprises (net of service tax)		
Statutory audit	30.00	28.00
For Taxation matters	5.00	4.00
Reimbursement of expenses	3.24	2.79
Total	<u><u>38.24</u></u>	<u><u>34.79</u></u>

Note 30 Exceptional items

Particulars	₹ lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Written off of capital work in progress (Refer note 31.3)	13,805.08	-
Provision for impairment of asset (Refer note 31.13)	3,268.68	-
Impairment of goodwill (Refer note 31.1)	1,254.00	-
Total	<u><u>18,327.76</u></u>	<u><u>-</u></u>

Note 31 Additional information to the Financial Statements

31.1 Goodwill of ₹ 3254.14 lakhs represent the difference between the networth of the subsidiary companies as on the date of investment and cost of investment. The Company has made a provision for impairment of goodwill amounting to ₹ 1254 lakhs based on the estimated value of assets of the subsidiary as the Company intends to sell the same.

31.2 The lease agreement with Airports Authority of India (AAI) relating to the Mumbai hotel was valid till 11th July 2012 and vide letter dated 31st March, 2011, AAI had offered to extend the lease by another 30 years, subject to revised terms and the Company had accepted the revised terms. However the lease agreement is yet to be signed. Pending execution of the lease agreement, AAI has been provisionally extending the lease for 3 to 6 months at a time and the latest extension was till 11th January, 2015. However depreciation on building constructed thereon is provided at the applicable rate on the assumption that the lease will be renewed.

AAI has arbitrarily increased the lease rental payable for the Mumbai hotel and for the adjacent land, effective from 1st October 2014 which increases the rental by ₹ 717 lakhs for the period upto 31st March 2015. The Company has objected to this increase and has not provided for the same.

31.3 The Company had incurred ₹ 13805.08 lakhs towards foundation & civil works, lease rental, royalty, interest etc which was accounted in earlier years as Capital Work in Progress for an independent tower at Mumbai adjacent to the existing hotel. The amount includes royalty paid till 30th June, 2007 in terms of Award passed by the Sole Arbitrator on 17th May, 2008. In a subsequent arbitration, the Sole Arbitrator by his award dated 29th August, 2012, has declared that the Minimum Guaranteed Royalty stipulated in the Supplemental Agreement became impossible of performance with effect from 1st June 2008. AAI has challenged the Award before the Delhi High Court, which is pending. The Minimum Guaranteed Royalty for the subsequent period is not provided for, because of the dispute. As the hotel construction has not commenced due to disputes with AAI, which is under protracted litigation, the Company has written off the amount of ₹ 13805.08 lakhs and included the same in "Exceptional Items" in the Profit and Loss account.

31.4 Debt Restructuring

- The Corporate Debt Restructuring (CDR) Empowered Group, in their meeting held on 28th June 2014 declared that the account of the Company stands exited from CDR system on account of failure. Pursuant thereto, on 30th June 2014, 14 of the erstwhile CDR Lenders with exposure of 95.6 % of the CDR Debt assigned their debt to JM Financial Asset Reconstruction Company Private Limited (JMFARC) and 1 lender with exposure of 1% of the CDR debt, to Phoenix ARC Private Limited.
- The total amount assigned by the erstwhile CDR lenders to Asset Reconstruction Companies (ARCs) was ₹ 415013.77 lakhs, which included Sacrifice amount of ₹ 26315.00 lakhs. The Company has not accounted the Sacrifice amount, as it reflects the difference in the NPV between the cash flows as per the contracted terms and the cash flows agreed by the lenders as per the CDR Package, for the duration of the loan.

- c) The Company was liable to pay interest at 11% per annum, compounded monthly, to the CDR lenders and applying the same rate, the interest on ₹ 388698.77 lakhs for the period from the date of assignment upto 31st March 2015 works out to ₹ 33161 lakhs. The Company is pursuing with the ARC for a viable restructuring package, with certain concessions in interest and repayment terms and pending approval of the same, has classified the debt as Non-current Liability in the Balance Sheet and has not provided for the interest. Had the Company provided for the interest, the loss for the year would have been higher by ₹ 33161 lakhs. JMFCARC has notified the Company that the interest and penal interest are applicable as per the rates contracted prior to admission to CDR and that the debt amount is ₹ 457572 lakhs and the impact of the non-provision is understatement of finance cost to the extent of ₹ 78241 lakhs.
- d) The Company has been evaluating various options for reduction of debt, including sale / monetisation of non-core assets, sale of hotels and getting an equity partner for infusion of equity and refinancing of debt. The Company has received non-binding offers and is in discussions with the ARC to finalise a viable financial restructuring package for the Company.
- e) Sale of some of the hotels is not the only option being considered for restructuring. Even if the final decision is to sell some hotels, there is no decision as on date on which hotel should be sold, as the same would be based on the offers being received. While the amount which the Company can realise from sale of one hotel may be less than the book value, the amount realised from sale of another hotel could be higher and the Company expects that there would be no impairment / loss on sale of assets as a whole and accordingly, no provision has been made for any impairment loss.
- f) The consolidated net worth of the Company and its subsidiary, after excluding revaluation reserves is negative to the extent of ₹ 41874.84 lakhs as on 31st March 2015. Even though the net worth has turned negative during the year, the same could again become positive, when the financial restructuring materialises.
- g) For reasons explained in note (a) to (f) above, the financial statements of the Company have been prepared on a going concern basis.”

31.5 Contingent liabilities and commitments (to the extent not provided for)

	₹ lakhs	
Particulars	2014-15	2013-14
Contingent liabilities		
(a) Claims against the Company not acknowledged as debts	15,207.56	6,178.12
(b) Disputed Statutory Liabilities	5,624.56	2,674.40
Other Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	337.48	1,562.85

31.6 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to 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 ₹ 544.65 lakhs (Year ended 31 March, 2014 ₹ 629.57 lakhs) for Provident Fund contributions in the statement of profit & loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) **Gratuity**

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to eligible employees on retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days' salary payable for each completed year of service or part thereof in excess of six months. Eligibility occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amount recognised in the Company's financial statements

	₹ lakhs	
Particulars	2014-15	2013-14
Components of employer expense		
Current service cost	144.50	178.49
Interest cost	144.37	133.93
Expected return on plan assets	(25.61)	(31.34)
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	-
Actuarial losses/(gains)	166.70	(289.43)
Total expense recognised in the Statement of Profit and Loss	429.96	(8.36)
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1,797.40	1,480.55
Fair value of plan assets	(262.20)	(372.40)
Funded status [surplus / (deficit)]	(1,535.20)	(1,108.15)
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	(1,535.20)	(1,108.15)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	1,480.55	1,546.75
Current service cost	144.50	178.49
Interest cost	144.37	133.93
Curtailement cost / (credit)	-	-
Settlement cost / (credit)	-	-
Plan amendments	-	-
Acquisitions (settled on divestiture)	-	-
Actuarial (gains) / losses	168.13	(284.68)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

₹ lakhs

Particulars	2014-15	2013-14
Past service cost	-	-
Benefits paid	(140.14)	(93.94)
Present value of DBO at the end of the year	1,797.40	1,480.55
Change in fair value of assets during the year		
Plan assets at beginning of the year	372.40	439.74
Acquisition adjustment (distributed on divestiture)	-	-
Expected return on plan assets	25.61	31.34
Actual company contributions	2.91	-
Actuarial gain / (loss)	1.42	(4.75)
Benefits paid	(140.14)	(93.94)
Plan assets at the end of the year	262.20	372.40
Actual return on plan assets	27.03	26.59
Composition of the plan assets is as follows:		
Insurer managed funds	100%	100%
Actuarial assumptions		
Discount rate	7.90%	9.35%
Expected return on plan assets	8.00%	7.50%
Salary escalation	10% For first 3 years & 7% thereafter	10% For first 4 years & 7% thereafter

Experience adjustments	2014-2015	2013-2014	2012-2013	2011-2012	2010- 2011
Gratuity					
Present value of DBO	1,797.40	1,480.55	1,546.75	1,253.23	1,150.78
Fair value of plan assets	262.20	372.40	439.74	461.70	496.45
Funded status [surplus / (deficit)]	(1,535.20)	(1,108.15)	1,107.01	(791.52)	(654.33)
Experience gain / (loss) adjustments on plan liabilities	(51.90)	(133.02)	(7.98)	16.44	(52.68)
Experience gain / (loss) adjustments on plan assets	1.42	(4.75)	23.93	6.99	6.07

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan asset management.

(ii) Compensated absence liabilities

Present value of compensated absence liabilities (unfunded) recognised in Balance Sheet as per actuarial valuation under Projected Unit Credit Method is ₹ 1129.30 lakhs (Previous year ₹ 945.96 lakhs), of which long term liability is ₹ 932.67 lakhs (Previous year ₹ 800.63 lakhs) and short term liability is ₹ 196.63 lakhs (Previous year ₹ 145.34 lakhs).

31.7 Segment Information

The Company's main business is hoteliering and there is no other reportable segment as defined under Accounting Standard 17 -" Segment Reporting"(AS-17). Hence disclosure of segment -wise information is not applicable.

31.8 Related party transactions

(i) Details of related parties:

Description of relationship	Name of related parties
Subsidiaries	Leela Palaces and Resorts Ltd. Leela Realy Ltd. (Subsidiary upto 31st Dec 2014)
Associates	1) Leela Lace Software Solutions Pvt. Ltd 2) Leela Lace Holdings Pvt. Ltd. 3) Leela Fashions Pvt. Ltd. 4) Rockfort Estate Developers Pvt. Ltd. 5) Season Apparels Pvt. Ltd. 6) Leela Innovation Centre Pvt. Ltd. 7) Elegant Eateries Pvt. Ltd. 8) Leela Housing Pvt Ltd 9) Aushim Soft Pvt. Ltd. 10) Leela Soft Pvt. Ltd. 11) Armcess Engineering Pvt. Ltd. 12) Zantho Pharmaceuticals Pvt. Ltd. 13) Leela Lace Estate Pvt. Ltd. 14) Emmel Realtors and Developers Pvt. Ltd. 15) Leela Villas Pvt. Ltd. 16) Leela Lace Info Park Pvt. Ltd. 17) Leela Constates Pvt. Ltd. 18) Leela Capital and Finance Limited. 19) Leela Realcon Pvt. Ltd. 20) Leela IT Projects Pvt. Ltd. 21) Palakkad Infrastructure Pvt. Ltd. 22) Leela Lace Builders Pvt. Ltd. 23) Vibgyor Leasing Pvt. Ltd. 24) Zillion Hotels & Resorts Pvt. Ltd. 25) Mumbai International Convention and Exhibition Centre Ltd 26) Leela Techno Parks Pvt. Ltd 27) Fransisco Hospitality Pvt. Ltd. 28) Leela Realty Ltd (Associate from 1st January 2015) 29) L.M Realtors Pvt Ltd. 30) LMV Associates Limited 31) Leela Hospitality Pvt. Ltd.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Description of relationship	Name of related parties
Key Management Personnel (KMP) :	Mr. Vivek Nair Mr. Dinesh Nair Mr. Venu Krishnan upto 31st July, 2014 Mr. Krishna Deshika
Relatives of KMP	Mrs. Madhu Nair (wife of Mr. Dinesh Nair) Ms. Amruda Nair (daughter of Mr. Vivek Nair) Ms. Samyukta Nair (daughter of Mr. Dinesh Nair) Ms. Aishwarya Nair (daughter of Mr. Vivek Nair)
Company in which KMP / Relatives of KMP can exercise significant influence	None

(ii) Transactions carried out with Related Parties

Particulars	Subsidiaries	Associates	₹ lakhs	
			Key Management Personnel	Relative of Key Management Personnel
Sale of room, food and other services				
Leela Lace Holdings Pvt. Ltd.		- (0.99)		
Leela Lace Software Solutions Pvt. Ltd		4.64 (1.84)		
Leela Hospitality Pvt. Ltd.		2.96 (-)		
Income from rental & related services				
Leela Lace Holdings Pvt. Ltd.		558.76 (532.66)		
Leela Fashions Pvt. Ltd		40.63 (40.63)		
Leela Hospitality Pvt. Ltd.		29.82 (-)		
Lease rent				
Leela Lace Holdings Pvt. Ltd.		1,288.36 (1,250.03)		
Leela Lace Software Solutions Pvt. Ltd		102.92 (102.92)		
Leela Fashions Pvt. Ltd		0.25 (0.25)		
Sale of residential flats				
Leela Lace Holdings Pvt. Ltd.		222.00 -		
Remuneration paid				
Mr. Vivek Nair			200.70 (241.92)	
Mr. Dinesh Nair			200.70 (241.92)	

Particulars	Subsidiaries	Associates	₹ lakhs	
			Key Management Personnel	Relative of Key Management Personnel
Mr. Venu Krishnan			55.76 (167.28)	
Mr. Krishna Deshika			147.84 (148.80)	
Ms. Amruda Nair (upto 30th September, 2014)				23.05 (40.08)
Ms. Aishwarya Nair				46.20 (40.08)
Ms. Samyukta Nair				46.20 (40.08)
Sitting fees				
Mrs. Madhu Nair				0.70 (0.80)
Debit balance outstanding				
Leela Palaces & Resorts Ltd	(5,560.56)	-		
Leela Realty Ltd	(0.39)	-		
Leela Hospitality Pvt. Ltd.		113.58 (-)		
Leela Fashions Pvt. Ltd		26.20 -		
Credit balance outstanding				
Leela Lace Software Solutions Pvt. Ltd			176.73 (83.81)	
Leela Lace Holdings Pvt. Ltd			1,190.88 (721.77)	
Unsecured loans received				
Leela Lace Holdings Pvt. Ltd.			1,350.25 -	
Deposits given				
Leela Lace Holdings Pvt. Ltd.			7,273.51 (7,273.51)	
Rockfort Estate Developers Pvt. Ltd.				776.46 (776.46)
Allotment of shares				
Rockfort Estate Developers Pvt. Ltd.				3,500.00 (6,500.00)
Share application money received pending allotment				
Leela Lace Holdings Pvt. Ltd.				- (3,500.00)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

31.9 Details of leasing arrangements

		₹ lakhs	
Particulars		2014-15	2013-14
(i)	The Company as a lessor under various operating leases will receive fixed future and minimum rentals, as under:		
	not later than one year	964.86	894.27
	later than one year and not later than five years	3,142.99	2,510.50
	later than five years	1,030.77	767.62
(ii)	The Company has taken on operating lease certain assets, the minimum future rent payable on which are as follows:		
	not later than one year	1,408.44	1,573.05
	later than one year and not later than five years	3,780.09	4,305.47
	later than five years	26,263.70	27,259.73

31.10 Earnings per share

		₹ lakhs	
Particulars		2014-15	2013-14
Basic & Diluted			
	Net profit / (loss) for the year	(41,583.79)	(44,147.19)
	Weighted average number of equity shares	459,089,907	435,086,709
	Par value per share (₹)	2.00	2.00
	Earnings per share (₹)	(9.06)	(10.15)

In terms of our report attached

For PICARDO & CO

Chartered Accountants

Registration No : 107917W

K.V. Gopalakrishnayya

Partner

Membership No.21748

Dinesh Kalani

Company Secretary

Mumbai, 27th May 2015

Note : Since there are no extraordinary items, the Basic and Diluted value of earnings per share excluding/including extraordinary items is the same.

31.11 Pursuant to the Companies Act, 2013 (a) The Company has provided depreciation for the year on the basis of the useful life of fixed assets as prescribed in the Schedule II of the Companies Act, 2013 except in respect of certain assets as disclosed in the Accounting Policy on Depreciation resulting in higher depreciation of ₹ 3342.97 lakhs for the year. (b) In respect of fixed assets whose useful life has ended prior to 31st March 2014 an amount of ₹ 2884.26 lakhs (net of deferred tax ₹ 1289.77 lakhs) has been adjusted to the opening balance of Profit and Loss account. (c) depreciation on the revalued portion is charged to profit and loss account instead of the earlier practice of withdrawing from the revaluation reserve resulting in higher depreciation of ₹ 1221.39 lakhs for the year.

31.12 (a) Cost of IT Park at Chennai and the Land at Hyderabad for which the Company has entered into agreements to sell are considered as assets held for sale.

(b) As a security for the advance paid by a party pursuant to an agreement to sell the IT park at Chennai, a deed of simple mortgage of the said property is executed in their favour.

31.13 Based on the estimated realisable value, Company has provided for impairment amounting to ₹ 3268.68 lakhs in respect of an asset held for sale.

31.14 Previous year figures have been regrouped or re-arranged wherever necessary.

For and on behalf of the Board of Directors

Vivek Nair

Chairman and Managing Director

Dinesh Nair

Co- Chairman and Managing Director

Krishna Deshika

Director Finance & CFO

TEN YEAR FINANCIAL HIGHLIGHTS

(₹ lakhs)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
REVENUE ACCOUNTS										
Gross revenue	34,644.50	46,275.63	58,910.43	58,216.46	47,838.01	49,100.13	58,843.97	65,140.65	76,817.62	76,200.72
Expenditure (excluding interest)	16,938.48	19,916.68	28,503.59	29,747.60	32,493.35	33,415.18	55,326.50	52,875.97	57,323.95	79,450.48
Depreciation	3,245.42	3,375.41	4,534.05	6,539.42	6,832.74	6,295.92	10,223.54	13,867.33	18,065.31	24,009.69
Interest	3,299.98	4,032.89	3,556.02	2,672.80	2,446.81	5,608.31	32,125.06	40,534.25	50,163.00	19,757.65
Profit/(Loss) before tax	11,160.63	18,950.65	22,316.76	19,256.64	6,065.11	3,780.72	(38,831.14)	(42,136.90)	(48,734.64)	(47,017.10)
Profit from discontinuing operations	-	-	-	-	-	1,854.12	41,766.36	-	-	-
Tax expenses	3,837.00	6,326.58	7,318.32	4,758.18	1,963.00	1,850.99	1,072.05	1,208.91	4,587.45	(5,429.36)
Profit/(Loss) after tax	7,323.63	12,624.07	14,998.45	14,498.46	4,102.11	3,783.85	1,863.17	(43,345.81)	(44,147.19)	(41,587.74)
Net Transfer to General Reserves	731.73	1,400.00	8,900.74	1,100.00	115.00	-	-	-	-	-
Earning per share - Basic (In ₹)	1.93	3.41	3.97	3.84	1.09	0.99	0.48	(10.82)	(10.15)	(9.06)
Earning per share - Diluted (In ₹)	1.69	3.00	3.10	3.13	0.92	0.93	0.48	(10.82)	(10.15)	(9.06)
CAPITAL ACCOUNTS										
Share capital	11,246.12	7,406.06	7,556.50	7,556.50	7,556.50	7,756.50	7,756.50	8,373.02	9,032.25	9,332.17
Reserves and surplus	71,158.79	82,712.23	85,460.42	186,446.05	197,858.09	202,531.21	151,306.97	113,887.62	74,471.06	32,469.50
Share application money pending allotment									3,500.00	-
Borrowings	105,657.88	95,356.85	203,907.03	244,766.46	288,395.16	380,906.14	425,402.70	466,445.82	497,231.75	504,725.45
Gross Block	179,005.43	198,957.36	295,889.81	476,798.59	536,671.42	622,072.64	614,305.24	644,863.95	650,441.04	630,195.67
Net Block	154,552.45	171,080.62	262,251.32	436,952.90	493,322.75	562,069.54	557,700.76	576,539.17	569,129.81	530,825.04
Investments	5,991.78	5,991.79	28.18	4,623.69	4,613.83	4,614.08	4,624.38	4,624.38	4,624.38	9,000.25
The equity shares of the company were split into face value of Rs. 2 from Rs.10 per share on 15 September 2006. The EPS and book value per share from the financial year 2006-07 onwards is stated accordingly.										

NOTICE

NOTICE is hereby given that the THIRTY FOURTH ANNUAL GENERAL MEETING of HOTEL LEELAVENTURE LIMITED will be held at Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai- 400 056 on Tuesday, 22nd September, 2015 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - (a) the Audited Financial Statement of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and the Auditors thereon;
 - (b) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2015 and the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Krishna Deshika (DIN: 00019307), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) M/s. Picardo & Co, Chartered Accountants (Registration No. 107917W), who have offered themselves for reappointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and reimbursement of out of pocket expenses incurred by them in connection with the audit of the Accounts of the Company.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the resolution passed by the Members at the 32nd Annual General Meeting held on September 20, 2013 under Section 293(1)(d) of the Companies Act, 1956 and subject to the provisions of Section 180(1)(c), any other applicable provisions and rules, of the Companies Act, 2013, (including any statutory modification(s), amendments or re-enactment thereof, for the time being in force) and subject to the Memorandum and Articles of Association of the Company, the Members of the Company hereby approve, consent to and ratify the power of the Board of Directors of the Company (hereinafter referred to as the “Board” and which term shall be deemed to include any duly authorised committee(s) thereof, exercising for the time being, the powers conferred on the Board by this resolution), for borrowing from time to time and in any manner, any sum or sums of monies, upon such terms and conditions, with or without security, as the Board may in its absolute discretion think fit, which together with the money already borrowed by the

Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of its paid-up share capital and free reserves, provided however that the total sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed Rs.6,000 crores (Rupees Six Thousand Crores only) or the aggregate of paid-up share capital and free reserves, whichever is higher.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto, as it may deem fit, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the resolution passed under Section 293(1)(a) of the Companies Act, 1956 by the Shareholders at the 32nd Annual General Meeting held on September 20, 2013, and subject to the provisions of Section 180(1)(a), any other applicable provisions and rules, of the Companies Act, 2013, (including any statutory modification(s), amendments or re-enactment thereof, for the time being in force) and subject to the Memorandum and Articles of Association of the Company, the Members of the Company hereby approve, consent to and ratify the power of the Board of Directors of the Company (hereinafter referred to as the “Board” and which term shall be deemed to include any duly authorised committee(s) thereof, exercising for the time being, the powers conferred on the Board by this resolution), to create such charges, mortgages, hypothecations and pledges in addition to the existing charges, mortgages, hypothecations and pledges created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and substantial assets of the Company in certain events of default, in favour of the banks / financial institutions / NBFCs / lenders, other investing agencies and trustees for the holders of debentures / bonds and/or other securities / instruments to secure rupee / foreign currency loans and/or the issue of any securities / debentures whether partly / fully convertible or non-convertible and/or securities linked to ordinary shares and/or rupee / foreign currency convertible bonds / securities and/or bonds / securities with detachable share warrants and any other form of loan / borrowing of whatever nature or by whatever name called (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 6,000 crores (Rupees Six Thousand Crores only), or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take such actions and steps, including delegation of authority,

as may be necessary and to settle all matters arising out of and incidental thereto, as it may deem fit, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 42, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules framed under the said Act (including any amendments, modifications, variation or reenactment thereof) (the “Companies Act”), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (“SEBI”) including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “ICDR Regulations”), the Government of India (“GOI”), the Reserve Bank of India (“RBI”), and / or any other appropriate regulatory authorities as may be required, and clarifications, if any, issued thereon from time to time, the equity listing agreements entered into by the Company with the stock exchanges where the Company’s equity shares of face value of ₹ 2 each (the “Equity Shares”) are listed (the “Listing Agreement”), and subject to any approval, consent, permission and / or sanction as may be necessary from the GOI, RBI, SEBI, the stock exchanges, the Foreign Investment Promotion Board and / or any other appropriate regulatory authorities as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any Committee thereof constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution to the extent permitted by law, including the Finance Committee of the Board) and the enabling provisions of the Memorandum and Articles of Association of the Company, consent, approval and authority of the Board is hereby accorded to create, offer, issue and allot Equity Shares, Global Depository Receipts (“GDRs”), American Depository Receipts (“ADRs”), Foreign Currency Convertible Bonds (“FCCBs”), fully convertible debentures / partly convertible debentures, preference shares convertible into Equity Shares, and / or any other financial instruments convertible into or linked to Equity Shares, with or without detachable warrants, with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form, whether rupee denominated or denominated in foreign currency (hereinafter, collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, in the course of international and / or domestic offering(s) in one or more foreign markets, by way of a public issue or a private placement, including by way of placement of Equity Shares to qualified institutional buyers (as defined in the ICDR Regulations) in accordance with Chapter VIII of the ICDR Regulations, to any

person, including but not limited to foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), foreign institutional financial institutions, promoters of the Company, Indian and / or multilateral financial institutions, mutual funds, non-resident Indians, employees of the Company and / or any other categories of investors, whether they be holders of Equity Shares or not (collectively, referred to as the “Investors”), at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made, to the exclusion of all other categories of Investors, at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary as may be decided by the Board in its absolute discretion at the time of issue of Securities, such that the total amount, including premium, raised through the issuance of the aforesaid Securities does not exceed ₹1,000 crores in one or more currencies and in one or more offerings / tranches.

RESOLVED FURTHER THAT in case of the issue of the Securities by way of a qualified institutions placement to qualified institutional buyers (as defined in the ICDR Regulations) in accordance with Chapter VIII of the ICDR Regulations, the “Relevant Date” for determining the floor price of the Securities shall mean, in case of allotment of Equity Shares, the date of the meeting in which the Board or the Finance Committee of the Board decides to open the proposed issue of the Equity Shares, and in case of convertible Securities, either the date of the meeting in which the Board or the Finance Committee of the Board decides to open the issue of the convertible Securities or the date on which the holders of such convertible Securities become entitled to apply for the Equity Shares, as provided under Chapter VIII of the ICDR Regulations.

RESOLVED FURTHER THAT:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- (b) the relevant date for the purposes of determining the floor price of the Securities would be in accordance with the guidelines prescribed by SEBI, RBI, the GOI through its various departments or any other regulator, as applicable, and the pricing of any Equity Shares issued upon the conversion of the Securities shall be made subject to and in compliance with the applicable adjustments in the applicable rules, guidelines and statutory provisions;
- (c) the number of Equity Shares to be issued and the number and / or conversion price in relation to Equity Shares that may be issued and allotted on conversion of the convertible Securities that may be issued pursuant to this resolution, shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring; and
- (d) the Equity Shares that may be issued by the Company shall rank paripassu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, issue of additional Equity Shares, variation of the conversion price of the Securities or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Securities at such premium as may be decided by the Board or such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of the Securities or as may be necessary in accordance with the terms of the issue / offering and all such Equity Shares shall rank paripassu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be from the relevant financial year in which they are allotted and / or as provided under the terms of the issue / relevant offering documents.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint lead managers, underwriters, guarantors, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and such other agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more recognized (national and international) stock exchange(s).

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to all necessary approvals, to the Board to secure, if necessary, all or any of the above mentioned Securities to be issued, by the creation of mortgage and / or charge on all or any of the Company's immovable, movable and / or intangible assets, both present and future in such form and manner and on such terms and conditions as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s) / offering(s), including the type of Security to be issued and allotted, the class of investors to whom the Securities are to be offered / issued and allotted, number of Securities to be issued and allotted in each tranche, issue price, face value, number of Equity Shares or other securities upon conversion or redemption or cancellation of Securities, premium or discount amount on issue / conversion of Securities / exercise of warrants / redemption of Securities / rate of interest / period of conversion or redemption, finalisation and approval of the preliminary as well as final offer documents, listings on one or more stock exchanges in India and / or abroad and fixing of record date or book closure, entering into or execution of all such agreements / arrangements/

memoranda of understanding / documents, authorising the Director(s) or any officer(s) of the Company to sign for and on behalf of the Company the offer document(s), agreement(s), arrangements(s), memoranda of understanding, application(s) authority letter(s) or any other documents, affidavits, undertakings, certificates and related or incidental matters as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the issue(s) / offering(s), allotment and conversion of any of the aforesaid Securities, utilization of issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders 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.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee of Directors or any executive Director or Directors or any other officer or officers of the Company to give effect to this resolution.

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. K. Hemalatha (DIN: 07241869), who was appointed as an Additional Director by the Board of Directors of the Company with effect from 12th August, 2015 and who holds office of Director up to the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, as may be necessary, approval of the Company be and is hereby accorded for the re-appointment of Mr. Vivek Nair (DIN:0005870) as the Chairman & Managing Director of the Company for a further period of five years from 1st April, 2016 to 31st March, 2021, on such remuneration, perquisites and benefits, as set out in the annexed Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of re-

appointment of Mr. Vivek Nair, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the overall ceilings specified in Section 196, 197, 203 read with Schedule V in to the Companies Act, 2013, or any statutory amendment or re-enactment thereof.

RESOLVED FURTHER THAT pursuant to all the applicable provisions of the Companies Act, 2013, the remuneration, as set out in the annexed Statement to the Notice, be paid as minimum remuneration to Mr. Vivek Nair, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution”.

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, as may be necessary, approval of the Company be and is hereby accorded for the re-appointment of Mr. Dinesh Nair (DIN:0006609) as the Co-Chairman & Managing Director of the Company for a further period of five years from 1st April, 2016 to 31st March, 2021, on such remuneration, perquisites and benefits, as set out in the annexed Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of re-appointment of Mr. Dinesh Nair, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the overall ceilings specified in Section 196, 197, 203 read with Schedule V in to the Companies Act, 2013, or any statutory amendment or re-enactment thereof.

RESOLVED FURTHER THAT pursuant to all the applicable provisions of the Companies Act, 2013, the remuneration, as set out in the annexed Statement to the Notice, be paid as minimum remuneration to Mr. Dinesh Nair, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution”.

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Sections 196,

197, 203 and Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals, as may be necessary, approval of the Company be and is hereby accorded for the re-appointment of Mr. Krishna Deshika (DIN:0019307) as the Director - Finance & CFO of the Company for a further period of five years from 17th January, 2016 to 16th January, 2021, on such remuneration, perquisites and benefits, as set out in the annexed Statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the terms of re-appointment of Mr. Krishna Deshika, including relating to remuneration, as it may, at its discretion, deem fit, from time to time, provided however that the remuneration after the alteration/variation shall not exceed the overall ceilings specified in Section 196, 197, 203 read with Schedule V in to the Companies Act, 2013, or any statutory amendment or re-enactment thereof.

RESOLVED FURTHER THAT pursuant to all the applicable provisions of the Companies Act, 2013, the remuneration, as set out in the annexed Statement to the Notice, be paid as minimum remuneration to Mr. Krishna Deshika, in the event of absence or inadequacy of profits in any financial year during the tenure of his appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution”.

**By order of the Board of Directors
For Hotel Leelaventure Limited**

**Anandghan Bohra
Company Secretary**

Registered Office:

The Leela, Sahar
Mumbai - 400 059

CIN: L55101MH1981PLC024097

Mumbai, 12th August, 2015

NOTES FOR MEMBERS ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXY SHALL NOT VOTE EXCEPT ON A POLL. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
2. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 in respect of special business to be transacted at the meeting is annexed hereto. The statutory registers and the relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 19th September, 2015 to Tuesday, the 22nd September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
6. Members are requested to:
 - (i) send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matters and bank account details to Company's Registrars at their office at Sharepro Services (India) Pvt. Ltd., 13 A / B Samhita Warehousing Complex, 2nd Floor, Off Andheri Kurla Road, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri East, Mumbai - 400 072;
 - (ii) consolidate shareholding in multiple folios in the same name or in the same order of names into a single folio;
 - (ii) notify immediately any change of address: (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and (ii) to the Company at its Registered Office or its Registrar & Transfer Agent, Sharepro Services (India) Private Limited in respect of their physical shares, if any, quoting their folio number;
 - (iii) note that in terms of section 72 of the Companies Act, 2013, they are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are requested to send their requests in the prescribed form in duplicate to the registered office of the Company or the Registrars. The nomination forms will be made available to the members on request.
7. For security reasons and for proper conduct of the Meeting, entry to the venue of the Meeting will be regulated by the Attendance Slip. Members / proxies attending the Meeting are requested to bring their Attendance Slip complete in all respects and signed at the place provided thereat and handover at the entrance of the Meeting Hall. Members holding shares in dematerialized form are requested to carry their depository account number and the depository participant identification number. Members / Proxies are also requested to bring their copy of the Annual Report to the Meeting.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the 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.
9. Please note that in terms of applicable SEBI circulars, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card for transfer / transmission / deletion / transposition of securities. Requests without attaching copies of PAN card, for transfer / deletion / transmission and transposition of shares of the Company in physical form will be returned under objection.
10. The Company has designated an exclusive email ID viz. investor.service@ theleela.com to enable the investors to post their grievances, if any, and monitor its redressal.
11. Members desiring any relevant information or clarifications on the Accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance of the meeting, so as to enable the Management to compile the information and provide replies at the meeting.
12. Pursuant to Section 124 of the Companies Act, 2013, the dividend amounts which remain unpaid / unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government. The Company has already transferred the unpaid or unclaimed dividends upto the financial year 2006-07 to the IEPF. Members who have not yet encashed the dividend warrant(s) for the financial year 2007-08 or onwards, are requested to send their claim to the Company/ Registrar, for issue of pay order / demand draft in lieu thereof, after verification. The Company has filed / uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Ministry of Corporate Affairs and on the Company's web-site also.
13. Electronic copy of the Annual Report for the financial year 2014-15 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
14. Electronic copy of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip is being sent in the permitted mode.
15. Please note that the Notice of the 34th Annual General Meeting and the Annual Report for the financial year 2014-15 will also be available on the Company's website www.theleela.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor.

service@theleela.com or to the Registrar's e-mail id: hotelleela@shareproservices.com.

16. Process and manner for members opting for e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password for remote e-voting.

Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password noted in step (i) above. Click Login. If you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User details/ password", option available on www.evoting.nsdl.com.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Hotel Leelaventure Limited"

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to vsundaramfcs1@hotmail.com with a copy marked to evoting@nsdl.co.in

B. 1. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote E-voting Event Number) USER ID
PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15th September, 2015.

V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 25th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

VII. 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 AGM through ballot paper.

VIII. Mr. V. Sundaram, Practising Company Secretary (Membership No. 2023) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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 shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.theleela.com and on the website of NSDL immediately

after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited & National Stock Exchange of India Limited, Mumbai.

17. (a) For the benefit of Members who do not have access to e-voting facility, a Ballot Form is being sent along with the Notice of the Annual General Meeting, to enable them to send their assent or dissent by post. Detailed instructions on voting through post are given on the reverse of the Ballot Form.
- (b) The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through post within the prescribed time to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- (c) Members have option to vote either through e-voting or through physical Ballot Form. If a member has opted for e-voting, then he / she should not vote through the physical Ballot Form also and vice-a-versa. However, in case members have cast their votes both via physical ballot and e-voting, then the voting through e-voting shall prevail and the voting done through the physical ballot shall be treated as invalid.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Under the Section 293(1)(d) of the Companies Act, 1956 ("CA 1956"), the Board of Directors of a company required the consent of the shareholders by way of an ordinary resolution for borrowing monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the company, that is to say, reserves not set apart for any specific purpose.

In terms of Section 180(1)(c) of the Companies Act, 2013 ("Act"), which came into effect on September 12, 2013, the Board of Directors cannot, except with the consent of the Company in general meeting by way of a special resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company. Further, as per the General Circular 4/2014 dated March 25, 2014, issued by the Ministry of Corporate Affairs ("MCA"), an ordinary resolution passed under Section 293 of the CA 1956 prior to September 12, 2013, with reference to borrowings (subject to limits prescribed) and/or creation of security on assets of the company, would be construed as sufficient for the purpose of compliance with the provisions of Section 180 of the Act, for a period of one year from the date of notification of Section 180 of the Act. The MCA has also clarified by way of General Circular 32/2014 that resolutions approved or passed by companies under the relevant provision of the CA 1956 during the period from September 1, 2013 to March 31, 2014, can be implemented in accordance with the provisions of CA 1956 subject to the condition that the implementation of the resolution commenced prior to April 1, 2014. Such transitional arrangement is available in terms of the aforesaid MCA General Circular 32/2014 for a period of one year from the passing of the resolution or six months of the commencement of the corresponding provision under the Act, whichever is later.

Thus, previously, the approval of the Shareholders for the borrowing in excess of the aggregate of paid-up share capital and free reserves was to be provided by way of an ordinary resolution under Section 293(1)(d) of the CA 1956. The Shareholders of the Company had, through postal ballot, approved borrowing limits in excess of the aggregate of paid-up capital and free reserves, upto a limit of Rs. 5,000 crores on April 19, 2011. Subsequently, the Shareholders of the Company at the 32nd Annual General Meeting held on September 20, 2013 had, in terms of Section 293(1)(d) of the CA 1956, accorded their consent to the Board of Directors for borrowing up to Rs. 6,000 crores or the aggregate of paid-up capital and free reserves, whichever is higher.

The Shareholders may kindly note that there is no change proposed in the borrowing limits and the current proposal is only to comply with the requirement of passing of a special resolution under Section 180 of the Act.

Accordingly, the approval of the Members by way of a special resolution is being sought.

The Directors commend the special resolution for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the proposed special resolution.

Item No. 5

Under the Section 293(1)(a) of the CA 1956, the Board of Directors of a company required the consent of the shareholders by way of an ordinary resolution to sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

In terms of Section 180(1)(a) of the Act, which came into effect on September 12, 2013, the Board of Directors cannot, except with the consent of the Company in general meeting by way of a special resolution, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The creation of mortgage and/or charge by the Company of its movable and/or immovable properties, in favour of the lenders/ agent(s)/trustees, with a power to take over the management and substantial assets of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 180(1)(a) of the Act. Further, as per the MCA General Circular 4/2014 dated March 25, 2014, an ordinary resolution passed under Section 293 of the CA 1956 prior to September 12, 2013, with reference to borrowings (subject to limits prescribed) and/or creation of security on assets of the company, would be construed as sufficient for the purpose of compliance with the provisions of Section 180 of the Act, for a period of one year from the date of notification of Section 180 of the Act. The MCA has also clarified by way of General Circular 32/2014 that resolutions approved or passed by companies under the relevant provision of the CA 1956 during the period from September 1, 2013 to March 31, 2014, can be implemented in accordance with the provisions of CA 1956 subject to the condition that the implementation of the resolution commenced prior to April 1, 2014. Such transitional arrangement is available in terms

of the aforesaid MCA General Circular 32/2014 for a period of one year from the passing of the resolution or six months of the commencement of the corresponding provision under the Act, whichever is later.

Thus, previously, the approval of the Shareholders for disposal of whole or substantially the whole of the assets of an undertaking was to be provided by way of an ordinary resolution under Section 293(1) (a) of the CA 1956. The Shareholders of the Company had approved creation of mortgage and charges by postal ballot held on April 19, 2011. Subsequently, the Shareholders of the Company at the 32nd Annual General Meeting held on September 20, 2013 had, in terms of Section 293(1)(a) of the CA 1956, accorded their consent to the Board of Directors for creating mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the lenders/ agent(s)/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, to secure loans of the Company within applicable limits.

Accordingly, the approval of the Members by way of a special resolution is being sought.

The Directors commend the special resolution for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the proposed special resolution.

Item No. 6

The Company had a debt of ₹ 5,034 Crores, as on 31st March, 2015. The Company has been evaluation various options to deleverage its Balance Sheet, including fresh capital. Further, the Company will also require funds to meet the normal capital expenditure, expenditures for renovations and expansions, to pursue new opportunities, for promotional / brand building exercise and for general corporate purposes. The Board of Directors of the Company has been exploring various fund raising options. The funds so raised will strengthen business of the Company as the Board may in its absolute discretion deem fit. One of the options available for the Company to raise funds is by way of issue of equity / equity linked instruments.

Accordingly, the Company proposes to create, offer, issue and allot Securities, including the Equity Shares or GDRs, ADRs, represented by Equity Shares of the Company, FCCBs, partially / fully convertible debentures convertible into Equity Shares, preference shares and such other securities through various modes which may include public issue(s), private placement(s), including placement of Equity Shares to qualified institutional buyers (as defined in the ICDR Regulations) in accordance with Chapter VIII of the ICDR Regulations, or a combination thereof at such time or times, as stated in the resolution, for an amount not exceeding ₹ 1,000 crores (including premium) at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion, including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers to be appointed.

Accordingly, the detailed terms and conditions for the offer will be determined by the Board in its sole discretion and in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be necessary considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

Pursuant to Section 62 of the Companies Act, 2013 and the listing requirements of the Stock Exchanges, whenever it is proposed to increase the subscribed capital of a company by a further issue and allotment of shares, such shares needs to be offered to the existing shareholders in the manner laid down in the said section unless the shareholders decide otherwise in a general meeting. The Company makes the following disclosures pursuant to Rule 13 (2) (d) of the Companies (Share Capital and Debentures) Rules, 2014 in this explanatory statement:

(i) Objects of the issue:

To repay part of the debts, to meet normal capital expenditure, renovations, expansions, and new opportunities for growth, promotional as well as brand building exercise and for general corporate purposes.

(ii) Total number of shares or other securities to be issued:

Securities worth upto ₹ 1,000 crores (including premium) will be allotted and issued. The details of such number of Securities can only be decided when the type of issue, price and the prospective investors are finalised in accordance with the SEBI rules and regulations on or prior to the issue of Securities.

(iii) Price or price band at/within which the allotment is proposed:

Price band will be determined in accordance with applicable laws and regulations including SEBI rules and regulations on or prior to the issue of Securities.

(iv) Basis on which the price has been arrived at along with report of the registered valuer:

Such securities will be valued as per the applicable law including SEBI rules and regulations applicable at the time of issue of the Securities.

(v) Relevant date with reference to which the price has been arrived at:

Relevant date will be determined in accordance with the applicable law including SEBI rules and regulations applicable at the time of issue of Securities.

(vi) Class or classes of persons to whom the allotment is proposed to be made:

At this juncture, the class or classes of persons to whom the allotment is proposed is not definitely identified. Such persons will be identified on or prior to the date of issue of such Securities in accordance with applicable law including SEBI rules and regulations applicable to the Company.

(vii) Intention of promoters, directors or key managerial personnel to subscribe to the offer:

At this point in time, the proposed allottees of Securities have not been decided and hence these details cannot be determined at this point.

(viii) Proposed time within which the allotment shall be completed:

Proposed time of completion of allotment will be determined in accordance with the applicable law including SEBI rules and regulations prior to the issue of Securities, once the type of Securities to be issued are decided. However it is intended that this resolution be acted upon within one year from the date of the resolution.

(ix) Names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Depending on the type of Securities issued and the persons to whom it is issued in accordance with applicable law including SEBI rules and regulations, the post preferential offer capital and names of the proposed allottees will be determined. At this juncture, it is not possible to determine the post preferential offer capital of the Company or of the proposed allottees.

(x) Change in control, if any, in the company that would occur consequent to the offer:

Depending on the type of Securities and the persons to whom such securities would be offered, at this juncture, it is not possible to determine the same.

(xi) Number of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:

During the financial year 2014-15, the Company has allotted 1,49,95,715 Equity Shares of ₹ 2 each a premium of ₹21.34 to Rockfort Estate Developers Private Limited, promoter group entity, on preferential basis.

(xii) Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

There will be no Securities issued for consideration other than cash.

(xiii) The pre-issue and post issue shareholding pattern of the company:

Depending on the type of Securities issued in accordance with applicable law including SEBI rules and regulations, the pre and post shareholding pattern will be determined. At this stage this cannot be determined.

The consent of the shareholders is therefore being sought pursuant to provisions of Section 62 and other related provisions of the Act and the listing agreements entered into with the stock exchanges, authorizing the Board to raise additional capital by further issue of equity shares, equity linked securities in such manner or on such terms as the Board may deem fit as proposed in the resolution. The raising of capital pursuant to this resolution is subject to force-majeure circumstances and conducive capital market environment.

The Directors recommend the resolution for approval of the members of the Company.

None of the Key Managerial Personnel (KMP), Directors of the Company or their relatives are concerned or interested in the proposed resolution except to the extent of his/her holding of equity shares and to the extent of his/her subscribing to equity shares/equity linked securities if and when issued as also to the extent of subscription by a financial institution / company / body corporate in which the KMP, Director or his / her relative may be directly or indirectly interested.

Item No. 7

Ms. K. Hemalatha, [A.C.A., Diploma in International Trade Law, International Airport Professional (IAP)], aged 58 years, joined the

Board of the Company in place of Mr. Anil Kumar Sharma, with effect from 12th August, 2015 as a Nominee of Airports Authority of India ("AAI"). AAI is entitled to appoint their nominee on the Board of the Company in terms of clause 19(a) of the Lease Deed dated 7th February, 1996 signed by the Company with AAI in respect of 11,000 sq. mtrs. of land leased to the Company at Mumbai.

Ms. K. Hemalatha has over 25 years of experience as a Senior Financial and Operational Professional managing regional Airports and directing and improving corporate financial operations both in manufacturing and services sector. She has held various senior positions at AAI such as Airport Director (Coimbatore), Regional Executive Director (North-Eastern Region) and General Manager – Finance. At present, she is the Regional Executive Director for the Western Region and is responsible for strategy, planning, development, growth, expansion and modernization, finances and day-to-day operations and management of all 28 Airports across the Western Region.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. K. Hemalatha for the office of Director of the Company.

The Company has received from Ms. K. Hemalatha (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014 and (ii) intimation in Form DIR-8 in terms of (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Board recommends the resolution for appointment of Ms. K. Hemalatha as director, liable to retire by rotation, for the approval of the members.

Ms. K. Hemalatha is not related to any director of the Company and does not hold by herself or for any other person on a beneficial basis, any shares in the Company.

Except Ms. K. Hemalatha, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the proposed resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 8

The members had reappointed Mr. Vivek Nair as Vice Chairman and Managing Director for a period of 5 years from 1st April, 2011 to 31st March, 2016. He was elevated as Chairman & Managing Director with effect from 7th February, 2013.

In view of his present term expiring on 31st March, 2016, the members' approval is sought to reappoint him for a period of five years with effect from 1st April, 2016 to 31st March, 2021 and pay him the remuneration as laid down herein. The reappointment and payment of remuneration to Mr. Vivek Nair have been approved by the Nomination and Remuneration Committee. The recommendation of the Nomination and Remuneration Committee is subject to the approval of the members and the Central Government as laid down under Section II Part II of Schedule V of the Companies Act, 2013, if required.

The remuneration and other terms as approved by the Board for re-appointment of Mr. Vivek Nair are as follows:

Sr. No.	Particulars	Proposed Remuneration
1	Basic pay	Rs.17,921,360 per annum as remuneration which will also be the minimum remuneration in the event of no profit or inadequacy of profits
2	Commission	1 % of the net profit.
3	Perquisites:	
(i)	Leased Furnished Accommodation / Lease Rent	Actuals
(ii)	Use of chauffer driven Company car and telecommunication facilities at residence (valued as per Income Tax Act / Rules)	As per the Rules of the Company
(iii)	(i) P.F. (ii) Gratuity	12% of the basic salary Half Month's salary for each year of completed service.
(iv)	Other benefits (a) Personal Accident Insurance Policy (b) Mediclaim Policy for self and family	As per the Rules of the Company
(v)	Leave Encashment	Balance of all leaves subject to a maximum of 30 days per annum as per the Rules of the Company.
4	Annual increment	Not exceeding 20% of CTC.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

Mr. Vivek Nair shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

A draft of the Agreement proposed to be entered into between the Company and Mr. Vivek Nair in connection with his re-appointment and remuneration as Chairman & Managing Director of the Company, is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results.

Information as required in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013,

The particulars as required to be disclosed in in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013 are as follows:

I. GENERAL INFORMATION:

- (1) **Nature of Industry: Hotel / Hospitality Industry**
- (2) **Date of commencement of commercial production:**

The Company has six owned hotels and two managed hotels.

The details of commencement of operations are as follows:

(a)	Owned Hotels:	Date of commencement
(1)	The Leela, Mumbai	October 1986
(2)	The Leela, Goa	September 1990
(3)	The Leela Palace, Bangalore	July 2001
(4)	The Leela Palace, Udaipur	April 2009
(5)	The Leela Palace, New Delhi	April 2011
(6)	The Leela Palace, Chennai	January 2013
(b)	Managed Hotels:	
(1)	The Leela Ambience Gurgaon Hotel & Residences Delhi (NCR) Gurgaon	-
(2)	The Leela Kovalam	-

- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

- (4) **Financial performance based on given indicators:**

₹ Lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012-13
Turnover	76,200.72	76,817.62	65,140.65
EBIDTA	15,078.00	19,493.67	12,264.68
PAT/(Loss)	(41587.74)	(44147.19)	(43,345.81)
EPS (₹)	(9.06)	(10.15)	(10.82)
Net Block of Fixed Assets	530,825.04	569,129.81	576,539.17
Net Worth	(38,602.98)	1,552.02	42,438.28

- (5) **Foreign Investments or collaborations, if any: NIL**

II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background details:**

Mr. Vivek Nair, B.A. (Hons.), Post Graduate in Hotel Management Program, aged 63 years, has been the Managing Director of the Company since 1983, Vice Chairman & Managing Director since 1996 and Chairman & Managing Director since 2013.

Mr. Vivek Nair has been responsible for the day to day operations of the Company under the overall superintendence, direction and control of the Board. Under Mr. Vivek Nair's able leadership, the Company has achieved phenomenal growth and could set up hotels at various locations and also its asset base has recorded manifold increase. Due to his expertise in the overall management of the Company, the Company could build enviable brand equity through sustained quality standards and marketing arrangements. The Company has also bagged several awards and received accolades for its various hotels.

After graduating from St. Xavier's College, Mumbai, Mr. Vivek Nair underwent a post graduate program in hotel management

from Cornell University's School of Hotel Administration in Ithaca, New York, USA and has over 35 years of rich experience. He is a Council Member of the World Travel and Tourism Council, India Initiative (WTTC-II). He is a Central Governing Council Member of the Services Export Promotion Council (SEPC) of the Government of India and is currently the Secretary of the Federation of Hotel & Restaurant Associations of India (FHRAI), the apex body representing the hospitality industry which represents more than 3800 hotels and restaurants in the country.

Mr. Vivek Nair is a director on the following other companies:

S. No.	Name of the Company
1	Tourism Finance Corporation of India Limited
2	Leela Lace Holdings Private Limited
3	Mumbai International Convention and Exhibition Centre Limited
4	Leela Capital and Finance Limited
5	Leela Palaces and Resorts Limited
6	Leela Realty Limited
7	Armcess Engineers Private Limited
8	Leela Housing Private Limited
9	Elegant Eateries Private Limited
10	Aushim Soft Private Limited
11	Zillion Hotels & Resorts Private Limited
12	Rockfort Estate Developers Private Limited
13	Leela Lace Estates Private Limited
14	L. M. Realtors Private Limited
15	Emmel Realtors And Developers Private Limited
16	The Federation of Hotel and Restaurant Associations of India
17	Bowling and Billiards Association of India

(2) Past remuneration:

In terms of the approval of the Ministry of Corporate Affairs, the Company has paid ₹ 179.21 Lakhs as remuneration to Mr. Vivek Nair for the financial year 2014-15 plus Company's contribution to P.F. aggregating ₹ 21.51 Lakhs.

(3) Recognition or Awards:

The Company's hotels have received numerous awards in the past. Some of the important awards conferred to the hotels of the Company in the last three years have been included in the Annual Report. The awards were conferred on the Company because of the outstanding contribution of all the Directors of the Company, including Mr. Vivek Nair and managerial personnel and other staff members of the Company.

(4) Job profile and his suitability:

Mr. Vivek Nair has been responsible for the management of

the Company under the overall superintendence, direction and control of the Board. Under Mr. Vivek Nair's able leadership, the Company has achieved phenomenal growth, set up hotels at various locations, built enviable brand equity through sustained quality standards and marketing arrangements, and has bagged many awards and received accolades for its hotel various units in the last few years. In view of his professional qualification and experience, he is considered most suitable for the said job profile.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Vivek Nair has been specified in the explanatory statement above.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the appointee.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Mr. Vivek Nair is the Chairman & Managing Director and thus receives Directors' remuneration. He is a promoter director and is related to Mr. Dinesh Nair, Co-Chairman & Managing Director and Mrs. Madhu Nair, Director. He is not related to any other director or Key managerial personnel.

Mr. Vivek Nair holds 477,460 equity shares in the Company in his name and 7,92,335 equity shares jointly with Mr. Dinesh Nair, as trustees of Krishnan Nair Leela Family Trust.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

The Company has built super luxury hotels in Udaipur, Delhi and Chennai with a total investment of about ₹ 3,500 Crores. Further, the Company has also invested about ₹ 350 Crores in land in Pune, Hyderabad, Bangalore, Agra and Ashtamudi, and about ₹ 150 Crores for a business park in Chennai. These investments were planned to be funded by a combination of equity and debt and accordingly FCCBs of about USD 100 million and Euro 60 million were issued. However, due to depressed equity market, the FCCBs did not get fully converted to equity and the Company had to redeem the said FCCBs. The Company had a debt of ₹ 5,038 Crores, as on 31st March, 2015. The Company has been incurring losses during the last three years due to interest on the above loans. The Company would incur losses, till such time interest expenditure is reduced. The Company is exploring sale of some of the assets and also proposing to raise capital to reduce the debts. The Company generates operating profits, if the interest expenditure is excluded.

(2) Steps taken or proposed to be taken for improvement:

The Company generates operating profit, if the interest expenditure is excluded. The Company is exploring sale of

some of the assets and raising capital to reduce the debts. The Company also has taken steps to increase the revenues and reduce operating costs.

The Company has adopted an "Asset Light Strategy" for future growth. Pursuant to this strategy, the Company plans to operate hotels through Management Contracts, instead of owning the hotels. The Company has executed a Memorandum of Understanding with several reputed developers to manage the hotels and residences being developed by them.

(3) Expected increase in productivity and profits in measurable terms:

The steps taken by the Company to increase the revenues and cost reduction, including sale of assets and fund raising plans to reduce the outstanding loans would improve performance and profitability of the Company in the medium to long term.

IV. DISCLOSURES:

The other relevant disclosures as prescribed / required have been mentioned in the Board of Directors' Report under the heading "Corporate Governance", attached to the Annual Report, are reproduced hereunder.

The remuneration packages of the Executive Directors comprise of salaries and allowances, contribution to provident funds, etc. The payments made during the financial year 2014-15 are as follows:

₹ Lacs

Name of the Executive Directors	Designation	Salary and Allowances	Company's contribution to Provident Fund
Mr. Vivek Nair	Chairman & Managing Director	179,19,996	21,50,000
Mr. Dinesh Nair	Co-Chairman & Managing Director	179,19,996	21,50,000
Mr. Venu Krishnan*	Deputy Managing Director	50,00,000	5,76,000
Mr. Krishna Deshika	Director- Finance & CFO	132,00,000	15,84,000

* upto 31st July, 2014.

The Company is not paying any bonus, pension, performance linked incentives, etc. to the executive directors. The Company also has not issued any stock options to the Executive / Non-executive Directors during the financial year 2014-15.

The Service Agreement with the Managing Directors provides for a notice period of six months and with Director- Finance & CFO provides for a notice period of 3 months. Severance fees have not been defined in the service agreements.

Item No. 9

Mr. Dinesh Nair was last appointed by the Members through a postal

Ballot held on 7th April, 2011 for a period of five years w.e.f. 1st April, 2011, and his term will expire on 31st March, 2016.

In view of his present term expiring on 31st March, 2016, the members' approval is sought to reappoint him for a period of five years with effect from 1st April, 2016 to 31st March, 2021 and pay him the remuneration as laid down herein. The reappointment and payment of remuneration to Mr. Dinesh Nair have been approved by the Nomination and Remuneration Committee. The recommendation of the Nomination and Remuneration Committee is subject to the approval of the members and the Central Government as laid down under Section II Part II of Schedule V of the Companies Act, 2013, if required.

The remuneration and other terms as approved by the Board for re-appointment of Mr. Dinesh Nair are as follows:

Sr. No.	Particulars	Proposed Remuneration
1	Basic pay	Rs.17,921,360 per annum as remuneration which will also be the minimum remuneration in the event of no profit or inadequacy of profits
2	Commission	1 % of the net profit.
3	Perquisites:	
(i)	Leased Furnished Accommodation / Lease Rent	Actuals
(ii)	Use of chauffer driven Company car and telecommunication facilities at residence (valued as per Income Tax Act / Rules)	As per the Rules of the Company
(iii)	(i) P.F. (ii) Gratuity	12% of the basic salary Half Month's salary for each year of completed service.
(iv)	Other benefits (a) Personal Accident Insurance Policy (b) Medclaim Policy for self and family	As per the Rules of the Company
(v)	Leave Encashment	Balance of all leaves subject to a maximum of 30 days per annum as per the Rules of the Company.
4	Annual increment	Not exceeding 20% of CTC.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

Mr. Dinesh Nair shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall not be liable to retire by rotation.

A draft of the Agreement proposed to be entered into between the Company and Mr. Dinesh Nair in connection with his re-appointment

as Co-Chairman & Managing Director of the Company, is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results.

Information as required in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013,

The particulars as required to be disclosed in in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013 are as follows:

I. GENERAL INFORMATION:

(1) Nature of Industry: Hotel / Hospitality Industry

(2) Date of commencement of commercial production:

The Company has six owned hotels and two managed hotels. The details of commencement of operations are as follows:

(a)	Owned Hotels:	Date of commencement
(1)	The Leela, Mumbai	October 1986
(2)	The Leela, Goa	September 1990
(3)	The Leela Palace, Bangalore	July 2001
(4)	The Leela Palace, Udaipur	April 2009
(5)	The Leela Palace, New Delhi	April 2011
(6)	The Leela Palace, Chennai	January 2013
(b)	Managed Hotels:	
(1)	The Leela Ambience Gurgaon Hotel & Residences Delhi (NCR) Gurgaon	-
(2)	The Leela Kovalam	-

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

₹ Lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012-13
Turnover	76,200.72	76,817.62	65,140.65
EBIDTA	15,078.00	19,493.67	12,264.68
PAT/(Loss)	(41587.74)	(44147.19)	(43,345.81)
EPS (₹)	(9.06)	(10.15)	(10.82)
Net Block of Fixed Assets	530,825.04	569,129.81	576,539.17
Net Worth	(38,602.98)	1,552.02	42,438.28

(5) Foreign Investments or collaborations, if any: NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Mr. Dinesh Nair, aged 59 years, is a graduate in Commerce. Mr. Dinesh Nair took over management of Leela Scottish Lace Private Limited in the early 1980s and focused on the American Juniors Sportswear market. He was instrumental in ensuring

rapid growth in sales, transforming Leela Scottish Lace Private Limited into one of the largest manufacturers and exporters of fashion garments from India to the United States. Mr. Dinesh Nair has been associated with our Company since its inception, and has over 35 years of experience in management, administration, exports, marketing, materials and hotel management.

Mr. Dinesh Nair is actively involved in various hotel and commercial projects of the Company. Under his able guidance and supervision, the Company could set up the hotels and commercial premises in Bangalore, Udaipur, New Delhi and Chennai.

Mr. Dinesh Nair has been responsible for the day to day operations of the Company under the overall superintendence, direction and control of the Board. Under Mr. Dinesh Nair's able leadership, the Company has achieved phenomenal growth and could set up hotels at various locations and also its asset base has recorded manifold increase. Due to his expertise in the overall management of the Company, the Company could build enviable brand equity through sustained quality standards and marketing arrangements. The Company has also bagged several awards and received accolades for its various hotels

Mr. Dinesh Nair is a director on the Board of the following other companies:

S. No.	Name of the Company
1	Leela Palaces and Resorts Limited
2	Leela Realty Limited
3	Mumbai International Convention and Exhibition Centre Limited
4	Leela Capital and Finance Limited
5	Leela Lace Holdings Private Limited
6	Leela Lace Software Solutions Private Limited
7	Armcess Engineers Private Limited
8	Leela Capital and Finance Limited
9	Leela Housing Private Limited
10	Elegant Eateries Private Limited
11	Season Apparels Private Limited
12	Zillion Hotels & Resorts Private Limited
13	Rockfort Estate Developers Private Limited
14	Leela Lace Estates Private Limited
15	Emmel Realtors and Developers Private Limited
18	Leela Lace Builders Private Limited
19	Leela Fashions Private Limited
20	Palakkad Infrastructure Private Limited

(2) Past remuneration:

In terms of the approval of the Ministry of Corporate Affairs, the Company has paid ₹ 179.21 Lakhs as remuneration to Mr. Dinesh Nair for the financial year 2014-15 plus Company's contribution to P.F. aggregating ₹ 21.51 Lakhs.

(3) Recognition or Awards:

The Company's hotels have received numerous awards in the past. Some of the important awards conferred to the hotels of the Company in the last three years have been included in the Annual Report. The awards were conferred on the Company because of the outstanding contribution of all the Directors of the Company, including Mr. Dinesh Nair and managerial personnel and other staff members of the Company.

(4) Job profile and his suitability:

Mr. Dinesh Nair has been responsible for the day to day operations of the Company under the overall superintendence, direction and control of the Board. Under Mr. Dinesh Nair's able leadership, the Company has achieved phenomenal growth and could set up hotels at various locations and also its asset base has recorded manifold increase. Due to his expertise in the overall management of the Company, the Company could build enviable brand equity through sustained quality standards and marketing arrangements. The Company has also bagged lot of awards and received accolades for its various hotels. In view of his professional qualification and experience, he is considered most suitable for the said job profile.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Dinesh Nair has been specified in the explanatory statement above.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the appointee.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Mr. Dinesh Nair is the Co-Chairman & Managing Director and thus receives Directors' remuneration. He is a promoter director and is related to Mr. Vivek Nair, Chairman & Managing Director and Mrs. Madhu Nair, Director. He is not related to any other director or Key managerial personnel.

Mr. Dinesh Nair holds 374,050 equity shares in the Company in his name and 7,92,335 equity shares jointly with Mr. Vivek Nair, as trustees of Krishnan Nair Leela Family Trust.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

The Company has built super luxury hotels in Udaipur, Delhi and Chennai with a total investment of about ₹ 3,500 Crores. Further, the Company has also invested about ₹ 350 Crores in land in Pune, Hyderabad, Bangalore, Agra and Ashtamudi, and about ₹ 150 Crores for a business park in Chennai. These investments were planned to be funded by a combination of equity and debt and accordingly FCCBs of about USD 100 million and Euro 60 million were issued. However, due to depressed equity market, the FCCBs did not get fully converted

to equity and the Company had to redeem the said FCCBs. The Company had a debt of ₹ 5,038 Crores, as on 31st March, 2015. The Company has been incurring losses during the last three years due to interest on the above loans. The Company would incur losses, till such time interest expenditure is reduced. The Company is exploring sale of some of the assets and also proposing to raise capital to reduce the debts. The Company generates operating profits, if the interest expenditure is excluded.

(2) Steps taken or proposed to be taken for improvement:

The Company generates operating profit, if the interest expenditure is excluded. The Company is exploring sale of some of the assets and raising capital to reduce the debts. The Company also has taken steps to increase the revenues and reduce operating costs.

The Company has adopted an "Asset Light Strategy" for future growth. Pursuant to this strategy, the Company plans to operate hotels through Management Contracts, instead of owning the hotels. The Company has executed a Memorandum of Understanding with several reputed developers to manage the hotels and residences being developed by them.

(3) Expected increase in productivity and profits in measurable terms:

The steps taken by the Company to increase the revenues and cost reduction, including sale of assets and fund raising plans to reduce the outstanding loans would improve performance and profitability of the Company in the medium to long term.

IV. DISCLOSURES:

The other relevant disclosures as prescribed / required have been mentioned in the Board of Directors' Report under the heading "Corporate Governance", attached to the Annual Report, are reproduced hereunder.

The remuneration packages of the Executive Directors comprise of salaries and allowances, contribution to provident funds, etc. The payments made during the financial year 2014-15 are as follows:

₹ Lacs

Name of the Executive Directors	Designation	Salary and Allowances	Company's contribution to Provident Fund
Mr. Vivek Nair	Chairman & Managing Director	179,19,996	21,50,000
Mr. Dinesh Nair	Co-Chairman & Managing Director	179,19,996	21,50,000
Mr. Venu Krishnan*	Deputy Managing Director	50,00,000	5,76,000
Mr. Krishna Deshika	Director-Finance & CFO	132,00,000	15,84,000

* upto 31st July, 2014.

The Company is not paying any bonus, pension, performance linked incentives, etc. to the executive directors. The Company also has not issued any stock options to the Executive / Non-executive Directors during the financial year 2014-15.

The Service Agreement with the Managing Directors provides for a notice period of six months and with Director- Finance & CFO provides for a notice period of 3 months. Severance fees have not been defined in the service agreements.

Item No. 10

Appointment of Mr. Krishna Deshika as Director – Finance & CFO for a period of five years w.e.f. 17th January, 2011 was approved by the Members through a postal Ballot held on 7th April, 2011 and his present term will expire on 16th January, 2016.

In view of his present term expiring on 17th January, 2016, the members' approval is sought to reappoint him for a period of five years with effect from 16th January, 2016 to 17th January, 2021 and pay him the remuneration as laid down herein. The reappointment and payment of remuneration to Mr. Krishna Deshika have been approved by the Nomination and Remuneration Committee. The recommendation of the Nomination and Remuneration Committee is subject to the approval of the members and the Central Government as laid down under Section II Part II of Schedule V of the Companies Act, 2013, if required.

The remuneration and other terms as approved by the Board for re-appointment of Mr. Krishna Deshika are as follows:

Sr. No.	Particulars	Proposed Remuneration
1	Basic pay	₹ 13,200,000 per annum as remuneration which will also be the minimum remuneration in the event of no profit or inadequacy of profits
2	Perquisites and allowances:	
(i)	Use of chauffeur driven Company car and telecommunication facilities at residence (valued as per Income Tax Act / Rules)	As per the Rules of the Company
(ii)	P.F.	12% of the basic salary
(iii)	Gratuity	Half Month's salary for each year of completed service.
(iv)	Other benefits:	
	(a) Personal Accident Insurance Policy	As per the Rules of the Company
	(b) Medclaim Policy for self and family	
3	Leave Encashment	Balance of all leaves subject to a maximum of 30 days per annum as per the Rules of the Company.
4	Annual increment	Not exceeding 20% of CTC.

The monetary value of the perquisites shall be valued as per the provisions of the Income Tax Act / Rules wherever applicable and in absence of any such provision, perquisites shall be valued at actual cost.

Mr. Krishna Deshika shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) of Directors. He shall be liable to retire by rotation.

A draft of the Agreement proposed to be entered into between the Company and Mr. Krishna Deshika in connection with his re-appointment as Director – Finance & CFO of the Company, is available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. prior to the date of declaration of the results.

Information as required in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013

The particulars as required to be disclosed in in terms of Clause (iv) of Section-II of Part-II of Schedule V of the Companies Act, 2013 are as follows:

I. GENERAL INFORMATION:

- (1) Nature of Industry: Hotel / Hospitality Industry
- (2) Date of commencement of commercial production:

The Company has six owned hotels and two managed hotels. The details of commencement of operations are as follows:

(a)	Owned Hotels:	Date of commencement
(1)	The Leela, Mumbai	October 1986
(2)	The Leela, Goa	September 1990
(3)	The Leela Palace, Bangalore	July 2001
(4)	The Leela Palace, Udaipur	April 2009
(5)	The Leela Palace, New Delhi	April 2011
(6)	The Leela Palace, Chennai	January 2013
(b)	Managed Hotels:	
(1)	The Leela Ambience Gurgaon Hotel & Residences Delhi (NCR) Gurgaon	-
(2)	The Leela Kovalam	-

- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not Applicable.
- (4) Financial performance based on given indicators:

₹ Lacs

Particulars	FY 2014-15	FY 2013-14	FY 2012-13
Turnover	76,200.72	76,817.62	65,140.65
EBIDTA	15,078.00	19,493.67	12,264.68
PAT/(Loss)	(41587.74)	(44147.19)	(43,345.81)
EPS (₹)	(9.06)	(10.15)	(10.82)
Net Block of Fixed Assets	530,825.04	569,129.81	576,539.17
Net Worth	(38,602.98)	1,552.02	42,438.28

- (5) Foreign Investments or collaborations, if any: NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

Mr. Krishna Deshika (B.Com, LL.B, F.C.A, F.C.S.), aged 59 years, has nearly thirty five years of extensive experience in the field of Finance, Accounts, Company Secretarial, Legal and Commercial functions. He was with the JSW Group for about 15 years, with Millipore India Limited for 2 years and with HMT Limited for about 14 years. In JSW Group, he was the Director Finance of JSW Energy Limited till March 2007 and subsequently in his capacity as Joint Group CFO, was on the Board of JSW Bengal Steel Limited, JSW Energy (Bengal) Limited, JSW Aluminium Limited, JSW Cement Limited and JSW Infrastructure Limited.

Mr. Krishna Deshika joined the Company as the Chief Financial Officer with effect from 15th September, 2010 and was appointed as Director – Finance & CFO with effect from 17th January, 2011.

Mr. Krishna Deshika is a director on Board of the following other companies:

S. No.	Name of the Company
1	Leela Palaces and Resorts Limited
2	Leela Realty Limited
3	Mumbai International Convention and Exhibition Centre Limited

(2) Past remuneration:

In terms of the approval of the Ministry of Corporate Affairs, the Company has paid ₹ 144 Lakhs as remuneration to Mr. Krishna Deshika for the financial year 2014-15 plus Company's contribution to P.F. aggregating ₹17.28 Lakhs.

(3) Recognition or Awards:

The Company's hotels have received numerous awards in the past. Some of the important awards conferred to the hotels of the Company in the last three years have been included in the Annual Report. The awards were conferred on the Company because of the outstanding contribution of all the Directors of the Company, including Mr. Krishna Deshika and managerial personnel and other staff members of the Company.

(4) Job profile and his suitability:

Mr. Krishna Deshika is responsible for Finance, Accounts, Legal and Company Secretarial functions under the overall superintendence, direction and control of the Managing Directors. In view of his professional qualification and experience, he is considered most suitable for the said job profile.

(5) Remuneration proposed:

The remuneration proposed to be paid to Mr. Krishna Deshika has been specified in the explanatory statement above.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case

of expatriates the relevant details would be w.r.t. the country of his origin):

The proposed remuneration is comparable and competitive, considering the industry, size of the Company, the managerial position and the credentials of the appointee.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:

Mr. Krishna Deshika is not related to any directors or Key managerial personnel and does not hold any equity shares in the Company.

III. OTHER INFORMATION:

(1) Reasons of loss or inadequate profits:

The Company has built super luxury hotels in Udaipur, Delhi and Chennai with a total investment of about ₹ 3,500 Crores. Further, the Company has also invested about ₹ 350 Crores in land in Pune, Hyderabad, Bangalore, Agra and Ashtamudi, and about ₹ 150 Crores for a business park in Chennai. These investments were planned to be funded by a combination of equity and debt and accordingly FCCBs of about USD 100 million and Euro 60 million were issued. However, due to depressed equity market, the FCCBs did not get fully converted to equity and the Company had to redeem the said FCCBs. The Company had a debt of ₹ 5,038 Crores, as on 31st March, 2015. The Company has been incurring losses during the last three years due to interest on the above loans. The Company would incur losses, till such time interest expenditure is reduced. The Company is exploring sale of some of the assets and also proposing to raise capital to reduce the debts. The Company generates operating profits, if the interest expenditure is excluded.

(2) Steps taken or proposed to be taken for improvement:

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(3) Expected increase in productivity and profits in measurable terms:

The steps taken by the Company to increase the revenues and cost reduction, including sale of assets and fund raising plans to reduce the outstanding loans would improve performance and profitability of the Company in the medium to long term.

IV. DISCLOSURES:

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mentioned in the Board of Directors' Report under the heading "Corporate Governance", attached to the Annual Report, are reproduced hereunder.

The remuneration packages of the Executive Directors comprise of salaries and allowances, contribution to provident funds, etc. The payments made during the financial year 2014-15 are as follows:

₹ Lacs

Name of the Executive Directors	Designation	Salary and Allowances	Company's contribution to Provident Fund
Mr. Vivek Nair	Chairman & Managing Director	179,19,996	21,50,000
Mr. Dinesh Nair	Co-Chairman & Managing Director	179,19,996	21,50,000
Mr. Venu Krishnan*	Deputy Managing Director	50,00,000	5,76,000
Mr. Krishna Deshika	Director- Finance & CFO	132,00,000	15,84,000

* upto 31st July, 2014.

The Company is not paying any bonus, pension, performance linked incentives, etc. to the executive directors. The Company also has not issued any stock options to the Executive / Non-executive Directors during the financial year 2014-15.

The Service Agreement with the Managing Directors provides for a notice period of six months and with Director- Finance & CFO provides for a notice period of 3 months. Severance fees have not been defined in the service agreements.

By order of the Board of Directors
For Hotel Leelaventure Limited

Anandghan Bohra
Company Secretary

Registered Office:

The Leela,
Sahar,
Mumbai - 400 059
CIN: L55101MH1981PLC024097

Mumbai, 12th August, 2015

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES

Name of the Director	Date of Birth	Number of shares held	Expertise in Specific Functional areas	Qualifications	List of Companies in which outside Directorships held	Chairmanships / Memberships of Committees (includes only Audit Committee and Stakeholders Relationship Committee)
Ms. K. Hemalatha	12.03.1957	Nil	Finance, accounts and commercial functions	B.Sc., F.C.A., Diploma in International Trade Law, International Airport Professional	Nil	Nil
Mr. Vivek Nair	03.01.1952	477,460	Hotel Industry	B.A. Hons, Post Graduate in Hotel Management	Tourism Finance Corporation of India Limited Leela Capital and Finance Limited Mumbai International Convention and Exhibition Centre Limited Leela Palaces and Resorts Limited Leela Realty Limited Leela Lace Holdings Private Limited Armcess Engineers Private Limited Leela Housing Private Limited Elegant Eateries Private Limited Aushim Soft Private Limited Zillion Hotels & Resorts Private Limited Rockfort Estate Developers Private Limited Leela Lace Estates Private Limited L. M. Realtors Private Limited Emmel Realtors And Developers Private Limited The Federation of Hotel and Restaurant Associations of India Bowling and Billiards Association of India	Audit Committee Member - Leela Capital and Finance Limited

Name of the Director	Date of Birth	Number of shares held	Expertise in Specific Functional areas	Qualifications	List of Companies in which outside Directorships held	Chairmanships / Memberships of Committees (includes only Audit Committee and Stakeholders Relationship Committee)
Mr. Dinesh Nair	24.12.1955	374,050	Hotel Industry	B.Com	Leela Palaces and Resorts Limited Leela Realty Limited Mumbai International Convention and Exhibition Centre Limited Leela Capital and Finance Limited Leela Lace Holdings Private Limited Leela Lace Software Solutions Private Limited Armcess Engineers Private Limited Leela Capital and Finance Limited Leela Housing Private Limited Leela Fashions Private Limited Elegant Eateries Private Limited Season Apparels Private Limited Zillion Hotels & Resorts Private Limited Rockfort Estate Developers Private Limited Leela Lace Estates Private Limited Emmel Realtors and Developers Private Limited Leela Lace Builders Private Limited Palakkad Infrastructure Private Limited	Audit Committee Member - Leela Capital and Finance Limited
Mr. Krishna Deshika	21.10.1955	Nil	Finance, accounts, company secretarial, legal and commercial functions	B.Com, LL.B., F.C.A, F.C.S.	Leela Palaces and Resorts Limited Leela Realty limited Mumbai International Convention and Exhibition Centre Limited	Member of Stakeholders' Relationship Committee - Hotel Leelaventure Limited



THE LEELA

PALACES HOTELS RESORTS

HOTEL LEEAVENTURE LIMITED

Registered Office: The Leela, Sahar, Mumbai -400059

CIN: L55101MH1981PLC024097: Website: www.theleela.com : E-mail: investor.service@theleela.com : Tel. +91 22 6691 1182 / 83

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]

Folio No. / Client Id and DP ID:

Name of the member(s):

Registered address:

E-mail Id:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

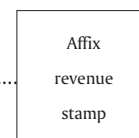
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on 22nd day of September, 2015 at 11.00 a.m. at Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai- 400 056 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For*	Against*
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2015		
2	To appoint a Director in place of Mr. Krishna Deshika, who retires by rotation and, being eligible, offers himself for re-appointment		
3	Re-appointment of M/s. Picardo & Co., Chartered Accountants, as Statutory Auditors and fixing of their remuneration		
4	Authority to Board of Directors to borrow in excess of paid up capital and free reserves		
5	Authority to Board of Directors for creation of charges/mortgages		
6	Enabling resolution for raising additional long term funds through Further Issue of Securities upto Rs. 1,000 Crores		
7	Appointment of Ms. K. Hemalatha as a Director		
8	Re-appointment and remuneration of Mr. Vivek Nair as Chairman & Managing Director for a period of 5 years.		
9	Re-appointment and remuneration of Mr. Dinesh Nair as Co-Chairman & Managing Director for a period of 5 years.		
10	Re-appointment and remuneration of Mr. Krishna Deshika as Director - Finance & CFO for a period of 5 years.		

Signed this..... day of..... 2015

Signature of shareholder



Notes:

- * 1. Please put a '√' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at The Leela, Sahar, Mumbai - 400 059 not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.



THE LEELA

PALACES HOTELS RESORTS

HOTEL LEEAVENTURE LIMITED

Registered Office: The Leela, Sahar, Mumbai -400059

CIN: L55101MH1981PLC024097: Website: www.theleela.com : E-mail: investor.service@theleela.com : Tel. +91 22 6691 1182 / 83

BALLOT FORM

1. Name and Registered Address :
of the Sole / First named
Shareholder

2. Name(s) of Joint Holder(s), (If :
any)

3. Registered Folio No./
DP ID No. and Client ID No.

4. No. of Share(s) held

5. I / We hereby exercise my / our vote(s) in respect of the resolutions set out in the notice of the 34th Annual General Meeting of the Company to be held on 22nd September, 2015 by recording my / our assent or dissent to the said Resolutions by placing tick (✓) mark in the appropriate box below:

Reso. No.	Description	No. of Shares	For	Against
			I/We assent to the resolutions	I/We dissent to the resolutions
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2015			
2	To appoint a Director in place of Mr. Krishna Deshika, who retires by rotation and, being eligible, offers himself for re-appointment			
3	Re-appointment of M/s. Picardo & Co., Chartered Accountants, as Statutory Auditors and fixing of their remuneration			
4	Authority to Board of Directors to borrow in excess of paid up capital and free reserves			
5	Authority to Board of Directors for creation of charges/mortgages			
6	Enabling resolution for raising additional long term funds through Further Issue of Securities upto Rs.1,000 Crores			
7	Appointment of Ms. K. Hemalatha as a Director			
8	Re-appointment and remuneration of Mr. Vivek Nair as Chairman & Managing Director for a period of 5 years.			
9	Re-appointment and remuneration of Mr. Dinesh Nair as Co-Chairman & Managing Director for a period of 5 years.			
10	Re-appointment and remuneration of Mr. Krishna Deshika as Director - Finance & CFO for a period of 5 years.			

Place:

Date:

Signature

INSTRUCTIONS

General Instructions:

1. This Ballot Form is provided for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. A Member can opt for only one mode of voting, i.e. either by e-voting or through Ballot. In case of Member(s) who cast their votes by both modes, then voting done through e-voting shall prevail and the Ballot Form of that Member shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Annual General Meeting (AGM) Notice.
4. Facility of voting through Poll paper shall also be made available at the AGM. Members attending the AGM, who have not already cast their vote by remote e-voting or through Ballot Form shall be able to exercise their right at the AGM.
5. The Scrutinizer will collate the votes cast at the AGM, votes downloaded from the e-voting system and votes received through post to declare the final result for each of the Resolutions forming part of the AGM Notice.
6. Members who have cast their vote by remote e-voting or through Ballot Form prior to the AGM may also attend the AGM, but shall not be entitled to vote again at the AGM.

Process and manner for Members opting to vote by using the Physical Ballot Form:

1. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. V. Sundaram, Practicing Company Secretary, in the enclosed self-addressed prepaid envelope. The envelope bears the name and address of the Registered Office of the Company, and is to the attention of the Scrutinizer. However, envelopes containing the Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expense of the Member, will also be accepted.
2. The Form should be signed by the Member as per the specimen signature registered with the Company / Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his/ her absence, by the next named joint holder. There will be one Form for every Folio/ Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
3. For shares held by Financial Institutions, companies, bodies corporate, trusts, societies, etc. the duly completed Form should be accompanied by a certified true copy of the Board Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory(ies).
4. Votes should be cast in case of each resolution, either in favour or against by putting the tick (P) mark in the column provided for assent/ dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the Member's total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
5. The voting rights of the shareholders shall be in proportion to their share of the paid-up equity share capital of the Company as on 15th September, 2015 ("Cut-Off Date") as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners. A person whose name is recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by Depositories as on the Cut-Off Date only shall be entitled to cast their vote.
6. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (5.00 p.m.) on 21st September, 2015. Ballot Forms received after this date will be strictly treated as if the reply from the Members has not been received.
7. A Member may request for a duplicate Ballot Form, if so required. However, the duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified at Sr. No.6 above.
8. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
9. The Scrutinizer's decision on the validity of a Ballot will be final.
10. Members are requested not to send any other paper along with the Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
11. The results of the voting shall be declared not later than two days from the conclusion of the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.theleela.com and communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd. and National Stock Exchange of India Ltd.
12. Members may address any query to the Company Secretary, at Tel. No. 91 22 6691 1182 / 83 ; Fax No. 91 22 6691 1458 or by e-mail to investor.service@theleela.com

For any assistance pertaining to • Room Reservations • Conferences • Weddings • Holiday Packages and weekend offers at The Leela Palaces, Hotels and Resorts, Please feel free to contact The Leela Reservations Worldwide and Sales offices below:

**THE LEELA PALACES,
HOTELS AND RESORTS**

THE LEELA MUMBAI
Sahar, Mumbai - 400 059
T. +91 (22) 6691 1234
F. +91 (22) 6691 1212

THE LEELA GOA
Mobor, Cavellissim, Goa - 403 731
T. +91 (832) 662 1234
F. +91 (832) 287 1059

THE LEELA PALACE BANGALORE
23, Old Airport Road, Bangalore - 560 008
T. +91 (80) 2521 1234
F. +91 (80) 2521 2222

THE LEELA PALACE UDAIPUR
Lake Pichola, P. O. Box No. 125
Udaipur - 313 001
T. +91 (294) 670 1234
F. +91 (294) 670 1212

THE LEELA PALACE NEW DELHI
Chanakyapuri, Diplomatic Enclave,
New Delhi - 110 023
T. +91 (11) 3933 1234
F. +91 (11) 3933 1235

THE LEELA PALACE CHENNAI
Adyar Sea face,
M.R.C Nagar, Chennai – 600 028
T. +91 (44) 3366 1234
F. +91 (44) 3366 1212

**THE LEELA AMBIENCE GURGAON HOTEL &
RESIDENCES DELHI (NCR) GURGAON**
Ambience Island, National Highway 8
Gurgaon - 122 002, DELHI N.C.R.
T. +91 (124) 477 1234
F. +91 (124) 477 1235

THE LEELA KOVALAM
Trivandrum - 695 527
T. +91 (471) 305 1234
F. +91 (471) 248 1522



**SALES AND MARKETING
OFFICES IN INDIA**

AHMEDABAD
Leela Palaces, Hotels & Resorts
B5 B-square, 7th Floor,
67-69 Shree Krishna Center,
Near Mithakhali Six Roads, Mithakhali,
Ahmedabad - 380009
Mobile: +91 972773 8331
karan.godhwani@theleela.com

BANGALORE
The Leela Palace Bangalore
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