



**THE LEELA**

PALACES HOTELS RESORTS



ANNUAL REPORT

**2018-19**

*The Leela Palace Udaipur has been voted  
‘Best Hotel in the World’ by  
Travel + Leisure USA, in their 2019 Readers’ Survey.*

HOTEL LEELAVENTURE LIMITED

[www.theleela.com](http://www.theleela.com)

**“The Best Hotel in the World.”** To be crowned with this title is the ultimate honour, a recognition we are proud of, having been endorsed by our delighted guests.

Our goal has always been to go beyond, and provide guests exemplary experiences during their stay with us. Replicating the region’s royal splendour and rich heritage, the fairy-tale begins the moment one glimpses The Leela Palace Udaipur. From the gentle tranquillity of Lake Pichola, to awe-inspiring Rajasthani opulence around every corner, we let guests savour the spectacular grandeur of a bygone era.

Indeed, we make each patron feel like royalty, with distinctive dining experiences amidst plush environs, spa therapies that rejuvenate body, mind and spirit, and exquisite art and artefacts adorning the décor. Modern-day luxury is not forgotten – with every latest amenity in place.

Crowning it all is the meticulous, attentive service from our staff, dedicated to making every moment magnificent.

All this, put together, has placed The Leela Palace Udaipur where it is today – **on top of the world.**

We are honoured to say that, in the same survey, ***The Leela Palace New Delhi*** was **rated No. 31** among the ***Top 100 Hotels in the World.*** The hotel was also ranked **No. 3** among the ***Top 10 City Hotels in Asia,*** a list in which ***The Leela Palace Bengaluru*** was ranked **No. 10.**



*Porte Cochere at The Leela Palace Bengaluru*



*Lobby Lounge at The Leela Palace New Delhi*

# 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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# Corporate Information

## BOARD OF DIRECTORS

Mr. Vivek Nair	Chairman & Managing Director
Mr. Dinesh Nair	Co-Chairman & Managing Director
Mr. Vinay Kapadia	Director
Mr. Vijay Sharma	Director
Ms. Saija Nair	Director

## CHIEF FINANCIAL OFFICER

Mr. Rajan Shah

## PRESIDENT

Mr. Rajiv Kaul

## COMPANY SECRETARY

Mr. Alen Ferns

## STATUTORY AUDITORS

N. S. Shetty & Co.  
Chartered Accountants

## SOLICITORS & ADVOCATES

Cyril Amarchand Mangaldas

## Registered & Corporate Office

The Leela Mumbai  
Sahar  
Mumbai 400 059  
E-mail: [investor.service@theleela.com](mailto:investor.service@theleela.com)  
Website: [www.theleela.com](http://www.theleela.com)

## Bankers / Financial Institutions

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

## Registrar & Transfer Agents

Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot No. 31-32,  
Gachibowli, Financial District,  
Nanakramguda,  
Hyderabad 500 032  
Tel: + 91 40 6716 2222 | Fax: + 91 40 2342 0814  
Toll Free No. 1800-3454-001  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)  
Website: [www.karvy.com](http://www.karvy.com)

Corporate Identity Number (CIN): L55101MH1981PLC024097

## 38<sup>th</sup> Annual General Meeting

Date | Thursday, 19<sup>th</sup> September 2019  
Time | 11.00 A.M.  
Venue | Rangsharda Auditorium, K. C. Marg,  
Bandra Reclamation, Bandra West,  
Mumbai - 400 050.

## Dear Members

Your Directors present the 38<sup>th</sup> Annual Report on the business and operations of your Company, together with the audited accounts for the year ended 31<sup>st</sup> March, 2019.

### 1. Financial Performance

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

₹ lakhs

Particulars	Financial Year 2018-19	Financial Year 2017-18
<b>Continuing Operations:</b>		
Total income	15,852.79	14,428.80
Less: Expenses other than finance costs and depreciation / amortisation	15,669.14	14,891.22
Less: Finance costs	39.66	12.70
Less: Depreciation and amortisation expenses	957.52	1,326.08
Profit/(loss) before exceptional items and Tax	(813.52)	(1,891.20)
Exceptional items - Profit/(loss) (net)	(2,966.11)	(3,293.68)
Profit/(loss) before Tax	(3,779.63)	(5,184.88)
Tax expense	-	-
<b>Profit/(loss) after Tax from continued operations (A)</b>	<b>(3,979.63)</b>	<b>(5,184.68)</b>
<b>Discontinued operations:</b>		
Profit/(loss) from discontinued operations	(8,109.85)	2,683.25
Tax expense from discontinued operations	-	-
<b>Profit/(loss) after Tax from discontinued operations (B)</b>	<b>(8,109.85)</b>	<b>2,863.25</b>
<b>Profit after Tax (A + B)</b>	<b>(11,889.48)</b>	<b>(2,321.63)</b>
Other comprehensive income / (loss), net of tax	22.09	137.08
<b>Total comprehensive income for the year</b>	<b>(11,867.39)</b>	<b>(2,184.55)</b>
EPS for continued operations	(0.60)	(0.96)
EPS for discontinued operations	(1.29)	0.53
EPS for continued and discontinued operations	(1.89)	(0.43)

### 2. Dividend

In view of losses, the Directors do not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2019.

### 3. Share Capital

There was no change in the share capital of the Company during the year. The issued and paid up share capital of the Company stands at ₹ 126,11,03,532 (Rupees one hundred twenty six crores eleven lakhs three thousand five hundred thirty two) divided into 63,05,51,766 (sixty three crores five lakhs fifty one thousand seven hundred sixty six) Equity Shares of face value of ₹ 2 (Rupees two) each.

### 4. Fixed Deposits

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

### 5. Subsidiary Company, its performance and financial position

Your Company has one wholly owned Subsidiary (WOS), viz. Leela Palaces and Resorts Limited. The net loss for the FY 2018-19 was ₹ 3.48 lakhs, compared to loss of ₹ 0.03 lakhs in FY 2017-18. During the year under review, your Company has not incorporated or acquired any company.

The WOS neither carried out any operations during the year nor has there been any material change in the nature of its business.

The Company has not attached the Balance Sheet, Profit and Loss Account and other documents of the WOS 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 the WOS 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 the WOS are also available on the Company's website at <https://www.theleela.com/the-leela/about-the-leela/investor-relations>.

The said WOS is a material subsidiary of the Company as per the threshold laid down under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy was revised effective from 1<sup>st</sup> April, 2019 in line with the amendments made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy has been uploaded on the Company's website.

The Audited Consolidated Financial Statements, prepared in accordance with Accounting Standards (Ind AS) as applicable to your Company form part of this Annual Report.

### 6. Secured Non-Convertible Debentures

During the year under review, the Company has not issued/allotted any Non-Convertible Debentures. In the financial year 2008-09, the Company had issued and allotted 12.50% Secured Redeemable Non-Convertible Debentures (NCD) of the face value ₹ 10,00,000 (Rupees ten lakhs) each on private placement basis aggregating to ₹ 90,00,00,000 (Rupees ninety crores) to LIC of India. The said NCDs are listed on the Wholesale Debt Market Segment of BSE Limited.

The Company had paid two installments towards redemption of principal amounting to ₹ 2,250 lakhs. The Company has not paid the third, fourth and fifth installments towards redemption of principal amount of ₹ 2,250 lakhs each on NCDs due since 30<sup>th</sup> September, 2016, 30<sup>th</sup> September, 2017 and 30<sup>th</sup> September, 2018 respectively. The Company has also been in default in payment of interest on the aforesaid NCDs and the interest is overdue since June 2017.

The total interest overdue as on 31<sup>st</sup> March, 2019 is ₹ 1,667.37 Lakhs.

The Company's operating cash flows are not sufficient to service its debts and the funds of the Company are escrowed with its lenders and the inflows and outflows are also monitored by the lenders. The Company can pay to LIC only on pro-rata basis. The Company has entered into a binding agreement to sell its business undertakings and pay its lenders out of the sale proceeds. Details of the binding agreement are explained in para 7(A) below. The Company is seeking the debenture holders' approval for a one time settlement of its debt.

The Trustee for the aforesaid Debentures is Axis Trustee Services Limited. The Details pursuant to Clause 53(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Report on Corporate Governance.

## 7. Significant Events during the year

### A. Sale of Business Undertakings to M/s. Brookfield

As the Members are aware, the Company has been evaluating various options for a viable restructuring, including sale/ monetization of non-core assets, sale of hotels, equity infusion and debt refinancing by investors in order to reduce debts.

In this regard, the Company has entered into a binding agreement with BSREP III India Ballet Pte. Ltd. ("Brookfield") for acquiring the Company's hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company's business of hotel management operations, as well as to purchase the 100% shareholdings of Leela Palaces and Resorts Limited (LPRL), which owns property and holds licenses for the development of a hotel in Agra. It is a composite proposal for the acquisition of the aforementioned hotels and related assets, as well as the "The Leela" brand and other associated brands and intellectual property rights as mentioned herein. Brookfield, through the Purchaser Entities, will purchase and consummate all of what is mentioned herein simultaneously.

The proposed consideration of ₹ 395,000 lakhs to be received from the transaction would be used to repay the existing lenders of the Company by way of one time settlement, after which all borrowings from all banks and financial institutions would have been repaid. Subsequent to the above transaction, the Company will continue to have and operate the hotel in Mumbai, land in Hyderabad and the joint development project of residential apartments with Prestige Developers in Bengaluru.

The Audit Committee and the Board of Directors of the Company, in its meeting held on 18<sup>th</sup> March, 2019, have approved the transaction. The Members of the Company have approved the transaction through a postal ballot on 24<sup>th</sup> April, 2019.

However, the Company is awaiting clearance and approval from the lenders and regulatory authorities for concluding the transaction.

### B. Legal notices/applications against the Company

- (i) JM Financial Asset Reconstruction Company Limited (JMFARC) has filed an application with National Company Law Tribunal (NCLT), Mumbai Bench against the Company, under Section 7 of the Insolvency and Bankruptcy Code, 2016. In view of the proposed transaction with Brookfield, the Company had sought time to enter into settlement. The matter is pending before NCLT for admission / filing of the settlement agreement.
- (ii) ITC Limited and its subsidiary, shareholders of the Company holding 8.72% of the equity share capital, have on 22<sup>nd</sup> April 2019 filed against the Company, a petition under Section 241 of the Companies Act, 2013 for oppression and mismanagement along with 2 applications for urgent hearing and for waiver of the requirement of minimum threshold of 10% shareholding in relation to the proposed transaction with BSREP III India Ballet Pte. Ltd. or its affiliates ("Brookfield"). The matter is pending before NCLT.
- (iii) Two minority shareholders i.e. ITC Limited and LIC have filed complaint with Securities Exchange Board of India (SEBI) against the aforesaid transaction with Brookfield, alleging violation of the provisions related to related party transactions and

oppression and mismanagement by the majority shareholders against minority shareholders. The Company is contesting their claim.

- (iv) Airport Authority of India (AAI) has filed a petition with Hon'ble Mumbai City Civil Court seeking injunction, restraining the Company from alienating / creating any kind of third party right, restructuring the assets, till such time the vacant and peaceful possession of the leased land from AAI along with the FSI as well as their dues are fully paid. The matter is being heard by the Hon'ble Court and the order of the court is awaited.

## 8. Material Changes and Commitments affecting Financial Position of the Company

There are no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31<sup>st</sup> March, 2019 and the date of the Directors' report i.e. 27<sup>th</sup> May, 2019 except those stated in Para No. 7A and 7B above.

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

No significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

However, attention of the Members is drawn to the legal proceedings pending against the Company as mentioned at Para No. 7B of this Board Report.

## 10. Directors and Key Managerial Personnel (KMP)

As on the date of this Report, the Company has Five (5) Directors consisting of Three (3) Independent Directors and Two (2) Whole-time Directors.

### a) Disqualification of Directors

In terms of the provisions of section 164(2)(b) of the Companies Act 2013, any person who is or has been a Director of a Company, which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall not be eligible to be re-appointed as a Director of that company or appointed in other company for a period of 5 years from the date of default. Moreover, pursuant to section 167(1)(a) a director incurring the disqualification under section 164(2) has to vacate his office of director in all other companies, other than the company which is in default under that sub-section. As explained in para 6 above, the Company has defaulted in payment of installments towards redemption of principal amounts due on Secured Redeemable Non-Convertible Debentures and also defaulted in payment of interest on the aforesaid Debentures. Accordingly, the disqualification under the aforesaid provision got triggered on 30<sup>th</sup> September, 2017 and is still continuing.

Hence, all directors of the Company are disqualified under section 164(2)(b) of the Companies Act, 2013.

### b) Appointment/Resignation from the Board of Directors

As mentioned in the previous Annual Report, Mr. Shereveer S. Vakil, Independent Director, resigned from the Board with effect from 26<sup>th</sup> April, 2018 due to his other pre-occupation. Mr. Vijay Sharma and Ms. Saija Nair were appointed as Directors of your Company at the previous Annual General Meeting for a period of five years with effect from 9<sup>th</sup> May, 2018 and 30<sup>th</sup> May, 2018 respectively.

During the year under review, Mrs. Anna Malhotra, Independent Director, passed away on 17<sup>th</sup> September, 2018, at the age of 91 years, after a prolonged illness. She joined the Board of Directors of the Company on 14<sup>th</sup> June, 1993 and was Member of various Committees of the Board. The Board places on record a deep sense of appreciation for her efforts and contribution towards the Company.

Pursuant to Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to have an Independent Director of the Company on the Board of its unlisted material subsidiary company, i.e. Leela Palaces and Resorts Limited. Mrs. Anna Malhotra was the Independent Director on the board of the said material subsidiary of the Company with effect from 12<sup>th</sup> February, 2015. Upon her death, she ceased to be the Director on the board of the said material subsidiary Company w.e.f. 17<sup>th</sup> September, 2018. The Company is unable to appoint an Independent Director of the Company on the board of the said material subsidiary company since all the Independent Directors are disqualified under section 164(2)(b) of the Companies Act, 2013.

Pursuant to Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is required to have minimum of six Directors with effect from 1<sup>st</sup> April 2019. Due to the disqualification under section 164(2) (b) of the Companies Act, 2013 getting triggered and still continuing, the Company is unable to get an additional Independent Director on the Board of the Company.

**c) Directors retiring by rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Section 149 of the said Act, at least 2/3<sup>rd</sup> of the total number of Directors, excluding Independent Directors, shall be liable to retire by rotation and out of the Directors liable to retire by rotation, at least 1/3<sup>rd</sup> of the Directors shall retire by rotation at every Annual General Meeting. In terms of Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one woman Director and not less than 50% of the Board shall comprise of Non-Executive Directors (NED).

Mr. Vivek Nair, Chairman & Managing Director and Mr. Dinesh Nair, Co-Chairman & Managing Director, Executive Directors of the Company, are not liable to retire by rotation in terms of their appointment. The Board of the Company does not have any Non-Independent, Non-Executive Director, who can be subjected to retire by rotation.

In view of the above, there are no Directors who are liable to retire by rotation at the ensuing Annual General Meeting.

**d) Declaration by Independent Director**

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. There has been no change in the circumstances affecting their status as independent directors of the

Company. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics.

**e) Woman Director**

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has complied with the requirement of having at least one Independent Woman Director on the Board of the Company. Ms. Saija Nair, Independent Director is the Women Director of the Company.

**f) Whole-time Directors**

Mr. Vivek Nair, Chairman & Managing Director and Mr. Dinesh Nair, Co-Chairman & Managing Director are the Whole-time Directors of the Company.

**g) Key Management Personnel (KMP)**

Mr. Vivek Nair, Chairman & Managing Director, Mr. Rajan Shah, Chief Financial Officer and Mr. Alen Ferns, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules-2014.

The Board has also appointed Mr. Rajiv Kaul, President, as the Key Managerial Personnel of the Company.

**11. 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 are circulated to the Directors in advance to enable them to plan their time schedule for effective participation in the meetings.

The Board of Directors met nine times during the year viz. on 9<sup>th</sup> May, 2018, 30<sup>th</sup> May, 2018, 11<sup>th</sup> June, 2018, 3<sup>rd</sup> July, 2018, 13<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 3<sup>rd</sup> January, 2019, 12<sup>th</sup> February, 2019 and 18<sup>th</sup> March, 2019. The intervening gap between two Meetings was within the period prescribed under the Companies Act, 2013 and Regulations 17 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. Detailed information on the meetings of the Board is included in the Report on Corporate Governance, which forms part of this Annual Report.

**12. Audit Committee**

The Audit Committee met nine times during the year under review. The Audit Committee is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Audit Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

**13. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee met five times during the year under review.

As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Nomination and Remuneration Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

#### 14. Nomination and Remuneration Policy

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

The said Policy of the Company, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Executive Directors, Non-Executive Directors, Independent Directors, Key Managerial Personnel and persons in the Senior Management of the Company, including criteria for determining qualifications, remuneration, positive attributes, independence of a Director and other matters as provided under sub-section (3) of Section 178 of the Companies Act, 2013 and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company web-link: <https://www.theleela.com/the-leela/about-the-leela/investor-relations>.

#### 15. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 & 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and of the Independent Directors individually as well as the Committees of the Board. The performance evaluation of all the Directors was also carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

#### 16. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee met two times during the year under review. As on the date of this Report, the Committee comprises of 4 Directors, i.e. three Independent Directors and the Chairman & Managing Director as a member.

The details with respect to the composition, roles, terms of reference, etc. of the Committee are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

#### 17. Other Committees of the Board

The Company has the following Non-mandatory Committees:

- (i) Finance Committee.
- (ii) Assets Sale and Financial Restructuring Committee.

#### 18. 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 state and confirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- (c) they have 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;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

#### 19. 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.

#### 20. Corporate Governance

A separate section on Corporate Governance standards followed by your Company, as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed as an Annexure to this report.

A Certificate from Mr. Prashant S. Mehta, Practicing Company Secretary, regarding compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Report on Corporate Governance.

#### 21. Whistle Blower Policy/ Vigil Mechanism

The Company has implemented a Whistle Blower Policy in terms of Section 177(9) &(10) of the Companies, 2013 and the Listing Regulation, pursuant to which whistle blowers can raise concerns relating to Reportable Matters (as defined in the policy) such as fraud, bribery, corruption, illegality, health and safety, environmental issues and wastage/ misappropriation of Company's funds/assets, violation of the Company's code of conduct, 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 the whistle blower who avails such mechanism. The vigil mechanism also provides direct access to the Members of the Audit Committee, including the Chairman 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 <https://www.theleela.com/the-leela/about-the-leela/investorrelations>.

#### 22. Risk Management

The Board has approved a Risk Management Policy, wherein all material risks faced by the Company are identified and assessed. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. 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.

#### 23. 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 into during the year were in the ordinary course of 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 financial year 2018-19 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 such transactions as approved by the Board is available on the website of the Company at [www.theleela.com/investorrelations](http://www.theleela.com/investorrelations). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

At the last Annual General Meeting held on 20<sup>th</sup> August, 2018, the Company had passed an ordinary resolution to sell/transfer 34,102 sq mts of land under Joint Development (JD) with M/s. Sky Realty Projects Private Limited owned by the Company in Yerwada, Pune to Leela Lace Holdings Pvt. Ltd, a related party. The proposal could not be concluded as M/s. Sky Realty Projects Private Limited, JD partner, did not provide their NOC for the sale of the said land. Subsequently the said land was sold to M/s. Sky Realty Projects Private Limited, JD partner, an unrelated party, as approved by the Board at its meeting held on 3<sup>rd</sup> January, 2019.

Your Directors draw attention of the members to Note No. 34.10 to the standalone financial statements, which give the related party disclosures.

#### 24. Internal Financial Control Systems and their adequacy

Your Company has in place adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. The Company has laid down standards, processes and structures which enable implementation of internal financial control across the organization and ensure that the same are adequate and operating effectively.

Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed. During the year the internal financial controls as laid down are adequate and were operating effectively.

The Company has appointed M/s. Baker Tilly DHC Private Limited, Chartered Accountants, as Internal Auditors who review the internal control systems of the Company and report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

#### 25. 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 31<sup>st</sup> March, 2019 is annexed as Annexure "II" to this Report and is also available on the website of the Company at [www.theleela.com/investorrelations](http://www.theleela.com/investorrelations).

#### 26. Loans, Guarantees or Investments

The Company has not granted any loan or given guarantee or made any investments during the year under review.

#### 27. 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 in the preceding financial years the Company is not required to form a CSR Committee nor required to contribute to the CSR activities as mandated under the provisions of section 135 of the Companies Act, 2013.

However, the Company continues to undertake CSR activities for the benefit of the local communities nearby its hotel properties, the details of which are disclosed separately in this Annual Report.

#### 28. Disclosure 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 employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee 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. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year no complaints pertaining to sexual harassment were received.

#### 29. Auditors

##### (a) Statutory Auditors and Auditors' Report

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 36<sup>th</sup> Annual General Meeting of the Company held on 18<sup>th</sup> September, 2017, had appointed M/s. N. S. Shetty & Co., Chartered Accountants, as the Company's Statutory Auditors for a period of five years, from the conclusion of the 36<sup>th</sup> Annual General Meeting till the conclusion of the 41<sup>st</sup> Annual General Meeting of the Company.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to their continued appointment and also a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder. The Statutory Auditors were present at the last Annual General Meeting.

During the period under review, even though there are no audit qualifications or adverse remarks, there are audit observations on the financial statements. The explanation for the same has been provided in Note No. 34.1, 34.2 and 34.3 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 the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Prashant S. Mehta, Practising Company Secretary, as its Secretarial Auditor to conduct the secretarial audit of the Company for the FY 2018-19. The report of Secretarial Auditor for the FY 2018-19 is annexed to this report as Annexure - III.

The Secretarial Auditor has made certain observations in his report. Paras 6, 10(a), 10(b) and 10(c) of the Board report gives details of disqualification of Directors, non-appointment of an additional Independent Director and non-availability of a director retiring by rotation. The Secretarial Auditors' observations read in the context of Paras 6, 10(a), 10(b) and 10(c) of the Board Report explain the status and the same may also be treated as the response to the Secretarial Audit observations.

##### (c) Reporting of Frauds by Auditors

During the year under review, no frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board Report.

### 30. Employee Remuneration

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, forms part of this report as Annexure-IV.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection at the Registered Office of the Company during working hours. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto, excluding the aforesaid particulars of employees. A copy of this statement may be obtained by the Members by writing to the Company Secretary.

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

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 like LED and energy efficient electrical equipments are installed extensively in all hotels.
- High efficiency HVAC systems used / retrofitted extensively in all hotels has reduced electrical consumption.
- Computerized Power Monitoring is implemented to monitor and control power consumption. UTC carrier / Wipro energy conservation program is been implemented in The Leela Palace Bangalore
- Main chiller plants and steam boilers have been tuned for best efficiency, to conserve energy.
- 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.
- The company has 23 windmills with a capacity of 13.5MW power, in the State of Maharashtra (4.5MW), Karnataka (5MW) and Tamil Nadu (4MW). Windmills continue to produce renewable energy for use in own hotels.
- The Leela Palace Delhi has installed the solar power generators on roof top.
- Boilers are being operated through Bio diesel which is produced through used kitchen oil.
- The Leela Palace Chennai and Leela Palace Delhi are LEED platinum rated buildings awarded by IGBC.
- Power is purchased at subsidized rate through open access, in two hotels.
- Heat pump has been installed in The Leela palace Chennai.
- Energy audit was conducted in The Leela Bangalore and The Leela Delhi and in progress for other hotels as well.

#### (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(3) of the Companies (Accounts) Rules, 2014,

are not applicable, as hotel is a 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 (including that of discontinued operations) during the year stood at ₹ 31,652.54 lakhs (previous year ₹ 28,590.96 lakhs) and foreign exchange outgo (including that of discontinued operations) during the year stood at ₹ 3,642.44 lakhs (previous year ₹ 4,509.58 lakhs).

### 32. Transfer of unclaimed dividend and Equity Shares to IEPF

Pursuant to applicable provisions of the Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investors Education & Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years. Further, according to the aforesaid Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.

As per the above provisions, all unclaimed dividend up to the financial year ended 31<sup>st</sup> March, 2011 has been transferred by the Company to the said Fund. The Company does not have any unclaimed dividend, which needs to be transferred to the said Fund. The Company has also transferred the shares in respect of which dividend remained unclaimed for seven consecutive years or more upto the financial year ended 31<sup>st</sup> March, 2011 to the IEPF Demat Account. Since there is no unclaimed dividend lying with the Company, there would be no further transfer of shares to the IEPF Authority.

The shares transferred to the IEPF Authority can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

### 33. Other Disclosures / Reporting

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions pertaining to these items during the year under review:

- (a) Details relating to deposits covered under Chapter V of the Act.
- (b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (d) Receipt of remuneration or commission from any of the subsidiaries by the Executive Directors of the Company.

### 34. Acknowledgements

The Board wishes to place on record its appreciation for the assistance and support received from the lenders, government, 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 attach immense importance to the contribution of the employees 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 as one of the finest hotel groups in India.

For and on behalf of the Board of Directors

Vivek Nair  
Chairman & Managing Director

Mumbai, May 27, 2019

**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	Name of the subsidiary	Leela Palaces and Resorts Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
4	Share capital	2,72,81,300
5	Reserves and surplus	54,51,89,561
6	Total assets	57,34,14,801
7	Total liabilities	57,34,14,801
8	Investments	-
9	Turnover - income	63,687
10	Profit/(Loss) before taxation	(3,47,921)
11	Provision for taxation	-
12	Profit/(Loss) after taxation	(3,47,921)
13	Proposed dividend	-
14	% 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: **Not Applicable**

**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**

Alen Ferns  
Company Secretary

Vivek Nair  
Dinesh Nair  
Rajan Shah

Chairman and Managing Director  
Co-Chairman and Managing Director  
Chief Financial Officer

Mumbai, May 27, 2019

## FORM NO. MGT – 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31<sup>st</sup> March, 2019

[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	20 <sup>th</sup> 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	Karvy Finteh Private Limited Karvy Finteh Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500032 Telephone +91-40-6716 2222 Fax +91-40-2342 0814 E-mail at <a href="mailto:ejnward.ris@karvy.com">ejnward.ris@karvy.com</a> Website: www.karvy.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	52.84%
2	Food and Beverage Services Activities - Food and Beverage	551	39.05%

#### 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)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year	
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares		
<b>A</b>	<b>Promoters / Promoter group</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ HUF	12,45,200	0	12,45,200	0.20	12,45,200	0	12,45,200	0.20	0
(b)	Central Government	0	0	0	0	0	0	0	0	0
(c)	State Government(s)	0	0	0	0	0	0	0	0	0
(d)	Bodies Corporate	29,60,49,519	0	29,60,49,519	46.95	29,60,49,519	0	29,60,49,519	46.95	0
(e)	Banks / FI	0	0	0	0	0	0	0	0	0
(f)	Any Others-Trust	7,92,355	0	7,92,355	0.13	7,92,355	0	7,92,355	0.13	0
	<b>Sub-total (A)(1):</b>	<b>29,80,87,074</b>	<b>0</b>	<b>29,80,87,074</b>	<b>47.27</b>	<b>29,80,87,074</b>	<b>0</b>	<b>29,80,87,074</b>	<b>47.27</b>	<b>0</b>
<b>2</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	0	0	0	0	0	0	0	0	0
(b)	Other Individuals	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(d)	Banks / FI	0	0	0	0	0	0	0	0	0
(e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>29,80,87,074</b>	<b>0</b>	<b>29,80,87,074</b>	<b>47.27</b>	<b>29,80,87,074</b>	<b>0</b>	<b>29,80,87,074</b>	<b>47.27</b>	<b>0</b>
<b>B</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds	250	0	250	0.00	250	0	250	0.00	0
(b)	Banks / FI	7,07,339	0	7,07,339	0.11	5,28,644	5,000	5,33,644	0.08	-0.03
(c)	Central Government	0	0	0	0	0	0	0	0	0
	State Government (s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	2,25,00,523	0	2,25,00,523	3.57	1,55,00,550	0	1,55,00,550	2.46	-1.11
(f)	FIs	12,57,905	0	12,57,905	0.20	13,56,498	0	13,56,498	0.22	0.02
(g)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(h)	Others (specify)	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>2,44,66,017</b>	<b>0</b>	<b>2,44,66,017</b>	<b>3.88</b>	<b>1,73,85,942</b>	<b>5,000</b>	<b>1,73,90,942</b>	<b>2.76</b>	<b>-1.12</b>
<b>2</b>	<b>Non-institutions</b>									
<b>(a)</b>	<b>Bodies Corporate</b>									
(i)	Indian	23,51,21,962	23,130	23,51,45,092	37.29	23,52,71,582	22,875	23,52,94,457	37.32	0.02
(ii)	Overseas	0	0	0	0	0	0	0	0	0
<b>(b)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	5,40,44,028	19,87,233	5,60,31,261	8.89	6,02,15,258	15,67,235	6,17,82,493	9.80	0.91

Category of Shareholders		No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	54,57,933	0	54,57,933	0.87	88,28,937	0	88,28,937	1.40	0.53
(c)	Others (specify)									
i)	NRI- holdings	61,48,161	37,10,120	98,58,281	1.56	31,85,117	35,28,620	67,13,737	1.06	-0.50
ii)	Trust	11,800	0	11,800	0.00	11,500	0	11,500	0.00	0.00
iii)	IEPF	14,94,308	0	14,94,308	0.24	24,42,626	0	24,42,626	0.39	0.15
	<b>Sub-Total (B)(2)</b>	<b>30,22,78,192</b>	<b>57,20,483</b>	<b>30,79,98,675</b>	<b>48.85</b>	<b>30,99,55,020</b>	<b>51,18,730</b>	<b>31,50,73,750</b>	<b>49.97</b>	<b>1.12</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>32,67,44,209</b>	<b>57,20,483</b>	<b>33,24,64,692</b>	<b>52.73</b>	<b>32,73,40,962</b>	<b>51,23,730</b>	<b>33,24,64,692</b>	<b>52.73</b>	<b>0.00</b>
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>Grand Total (A+B+C)</b>	<b>624,831,283</b>	<b>57,20,483</b>	<b>63,05,51,766</b>	<b>100</b>	<b>62,54,28,036</b>	<b>51,23,730</b>	<b>63,05,51,766</b>	<b>100</b>	<b>0</b>

(ii) Shareholding of Promoters / Promoters' Group

Sl. No.	Shareholder's name	Shareholding at the beginning of the year (01.04.2018)			Shareholding held at the end of the year (31.03.2019)			% 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	29.92	99.97	18,86,49,985	29.92	82.56	0
2	Leela Lace Software Solutions Private Limited. (3 Folio )	5,36,42,359	8.51	99.89	4,75,42,359	7.54	80.08	-0.97
3	Leela Fashions Private Limited.	42,50,000	0.67	100	42,50,000	0.67	16.47	0
4	Rockfort Estate Developers Private Limited	4,95,07,175	7.85	68.18	5,56,07,175	8.82	60.70	0.97
5	Krishnan Nair Leela Family Trust (through Trustees Mr. Vivek Nair, Mr. Dinesh Nair and Mrs. Leela Nair Beneficiary)	7,92,355	0.13	0.00	7,92,355	0.13	0.00	0
6	Mr. Dinesh Nair	3,74,050	0.06	0.00	3,74,050	0.06	0.00	0
7	Mr. Vivek Nair	4,77,460	0.08	0.00	4,77,460	0.08	0.00	0
8	Ms. Amruda Nair	3,00,000	0.05	0.00	3,00,000	0.05	0.00	0
9	Mrs. P V Leela Amma Nair	75,000	0.01	0.00	75,000	0.01	0.00	0
10	Mrs. Lakshmi Nair	18,330	0.00	0.00	18,330	0.00	0.00	0
11	Mrs. Madhu Nair	360	0.00	0.00	360	0.00	0.00	0
		<b>29,80,87,074</b>	<b>47.27</b>	<b>94.00</b>	<b>29,80,87,074</b>	<b>47.27</b>	<b>76.58</b>	<b>0</b>

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

Sl. No.	Name of shareholder	Shareholding at the beginning (01.04.2018)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding* during the year (31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Leela Lace Holdings Private Limited	18,86,49,985	29.92	N.A.	0	N.A.	18,86,49,985	29.92
2	Leela Lace Software Solutions Private Limited	5,36,42,359	8.51	01/03/2019	-61,00,000	Interse transfer	4,75,42,359	7.54
3	Rockfort Estate Developers Private Limited	4,95,07,175	7.85	01/03/2019	61,00,000	Interse transfer	5,56,07,175	8.82
4	Leela Fashions Private Limited	42,50,000	0.67	N.A.	0	N.A.	42,50,000	0.67
5	Krishnan Nair Leela Family Trust (Through Trustees Mr. Vivek Nair And Mr.Dinesh Nair)	7,92,355	0.13	N.A.	0	N.A.	7,92,355	0.13
6	Mr. Vivek Nair	4,77,460	0.08	N.A.	0	N.A.	4,77,460	0.08
7	Mr. Dinesh Nair	3,74,050	0.06	N.A.	0	N.A.	3,74,050	0.06
8	Ms. Amruda Nair	3,00,000	0.05	N.A.	0	N.A.	3,00,000	0.05
9	Mrs. P V Leela Amma Nair	75,000	0.01	N.A.	0	N.A.	75,000	0.01
10	Mrs. Lakshmi Nair	18,330	0.00	N.A.	0	N.A.	18,330	0.00
11	Mrs. Madhu Nair	360	0.00	N.A.	0	N.A.	360	0.00

\* There is no change in the promoters shareholding during the year.

(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 of the year (01.04.2018)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding at the end of the year (31.03.2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	JM Financial Asset Reconstruction Co. Ltd.	16,39,43,459	26.00	N.A.	0	N.A.	16,39,43,459	26.00
2	ITC Limited	4,99,53,055	7.92	N.A.	0	N.A.	4,99,53,055	7.92
3	Life Insurance Corporation of India	1,31,28,96	2.08	N.A.	0	N.A.	1,31,28,96	2.08
4	LIC of India Market Plus Growth Fund	62,97,242	1.00	01/04/2018				
				15/02/2019	-3,25,000	Market Sale	59,72,242	0.95
				22/02/2019	-6,64,003	Market Sale	53,08,239	0.84
				01/03/2019	-9,22,000	Market Sale	43,86,239	0.70
				08/03/2019	-6,60,000	Market Sale	37,26,239	0.59
				15/03/2019	-18,83,000	Market Sale	18,43,239	0.29
				22/03/2019	-7,50,000	Market Sale	10,93,239	0.17
				29/03/2019	-5,70,499	Market Sale	5,22,740	0.08
				31/03/2019	0		5,22,740	0.08
5	Russell Credit Limited	48,39,907	0.77	N.A.	0	N.A.	48,39,907	0.77
6	Innovations Investment Management India Private Ltd.	44,19,361	0.70	N.A.	0	N.A.	44,19,361	0.70

7	LIC of India Future Plus Growth Fund	18,34,568	0.39	01/04/2018					
				15/02/2019	-3,75,471	Market Sale	14,59,097	0.23	
				22/02/2019	-1,00,000	Market Sale	13,59,097	0.22	
				29/03/2019	-1,50,000	Market Sale	12,09,097	0.19	
				31/03/2019	0		12,09,097	0.19	
8	Polaris Banyan Holding Private Limited	13,44,222	0.21	N.A	0	N.A.	13,44,222	0.21	
9	Chalakkal Krishnan Kutty	10,33,500	0.16	01/04/2018					
				23/11/2018	-10,33,500	Market Sale	0	0.00	
				31/03/2019	0		0	0.00	
10	Indur Kirpalani	7,87,743	0.12	01/04/2018					
				20/04/2018	-250000	Market Sale	5,37,743	0.09	
				08/06/2018	2,65,161	Market Purchase	8,02,904	0.13	
				15/06/2018	24,839	Market Purchase	8,27,743	0.13	
				06/07/2018	-34,153	Market Sale	7,93,590	0.13	
				03/08/2018	20,173	Market Purchase	8,13,763	0.13	
				10/08/2018	13,513	Market Purchase	8,27,276	0.14	
				16/11/2018	-16,475	Market Sale	8,10,801	0.13	
				23/11/2018	-4,75,000	Market Sale	33,5801	0.06	
				30/11/2018	-800	Market Sale	3,35,001	0.06	
				14/12/2018	-3,00,000	Market Sale	35,001	0.01	
				31/03/2019	0		35,001	0.01	
11	Bishwanath Prasad Agrawal	0	0.00	01/04/2018					
				22/06/2018	10,00,000	Market Purchase	10,00,000	0.16	
				31/03/2019	0		10,00,000	0.16	
12	Chetna Pankaj Gopani	0	0.00	01/04/2018					
				24/08/2018	15,858	Market Purchase	15,858	0.00	
				31/08/2018	20,000	Market Purchase	35,858	0.01	
				07/09/2018	10,000	Market Purchase	45,858	0.01	
				26/10/2018	90,000	Market Purchase	1,35,858	0.02	
				16/11/2018	50,000	Market Purchase	1,85,858	0.03	
				30/11/2018	1,37,000	Market Purchase	3,22,858	0.05	
				07/12/2018	19,149	Market Purchase	3,42,007	0.05	
				14/12/2018	1,80,851	Market Purchase	5,22,858	0.08	
				04/01/2019	2,00,000	Market Purchase	7,22,858	0.11	
				22/02/2019	32,142	Market Purchase	7,55,000	0.12	
				31/03/2019	0		7,55,000	0.12	
13	Dr Rajeev Choudhary	30,000	0.00	01/04/2018					
				06/04/2018	6,55,000	Market Purchase	6,85,000	0.11	
				29/06/2018	20,000	Market Purchase	7,05,000	0.11	
				31/03/2019	0		7,05,000	0.11	



(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 (01.04.2018)		Cumulative shareholding at the end of the year (31.03.2019)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr. Vivek Nair	4,77,460	0.08	4,77,460	0.08
2	Mr. Dinesh Nair	3,74,050	0.06	3,74,050	0.06
3	Mrs. Anna Malhotra (upto 17 <sup>th</sup> September, 2018)	2,500	0.00	N.A.	N.A
4	Mr. Vinay Kapadia	0	0.00	0	0.00
5	Mr. Shereveer S. Vakil (upto 26 <sup>th</sup> April, 2018)	0	0.00	N.A.	N.A
6	Mr. Vijay Sharma (w.e.f. 9 <sup>th</sup> May, 2018)	N.A.	N.A	0	0.00
7	Ms. Saija Nair (w.e.f. 30 <sup>th</sup> May, 2018)	N.A.	N.A	0	0.00
8	Mr. Krishna Deshika (upto 9 <sup>th</sup> May, 2018)	0	0	N.A.	N.A
9	Mr. Rajan Shah (w.e.f. 10 <sup>th</sup> May, 2018)	N.A.	N.A	0	0
10	Mr. Alen Ferns	0	0.00	0	0.00

V. INDEBTEDNESS

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

₹ Lakhs

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	366,166.88	11,955.25	-	378,122.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued	1,787.35	-	-	1,787.35
<b>Total (I + ii + iii)</b>	<b>367,954.23</b>	<b>11,955.25</b>	<b>-</b>	<b>379,909.48</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	3,727.25	-	-	3,727.25
Reduction	10,871.67	6,212.59	-	17,084.26
Net Change	(7,144.42)	(6,212.59)	-	(13,357.01)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	355,295.21	5,742.66	-	361,037.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued	5,514.60	-	-	5,514.60
<b>Total (i + ii + iii)</b>	<b>360,809.81</b>	<b>5,742.66</b>	<b>-</b>	<b>366,552.47</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ Lakhs

Sl. No.	Particulars of Remuneration	Name of Director/WTD/Manager*		Total Amount
		Mr. Vivek Nair CMD	Mr. Dinesh Nair CCMD	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0		
	- Others, please specify		0	0
5	Others, please specify	0	0	0
	<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Ceiling as per the Act</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

\* The Executive Directors did not draw any remuneration during the Financial Year 2018-19.

B. Remuneration to other Directors

₹ Lakhs

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mrs. Anna Malhotra (upto 17/09/2018)	Mr. Vinay H. Kapaida	Mr. Shereveer S. Vakil (upto 26/04/2018)	Mr. Vijay Sharma (w.e.f. 09/05/2018)	Ms. Saija Nair (w.e.f. 30/05/2018)	
1	Independent Directors						
	Fee for attending board / committee meetings	0	7.80	0.30	5.10	5.40	18.60
	Commission	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>7.80</b>	<b>0.30</b>	<b>5.10</b>	<b>5.40</b>	<b>18.60</b>
2	<b>Particulars of Remuneration</b>						
	<b>Other Non-Executive Directors</b>						<b>Total Amount</b>
	Fee for attending board / committee meetings						0
	Commission						0
	Others, please specify						0
	<b>Total (2)</b>						<b>0</b>
	<b>Total (B) = (1+2)</b>						<b>18.60</b>
	<b>Total Managerial Remuneration</b>						<b>18.60</b>
	<b>Overall Ceiling as per the Act</b>	<b>Not Applicable, as the Company has incurred loss.</b>					

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

₹ Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	CFO Mr. Krishna Deshika (upto 09/05/2018)	CFO Mr. Rajan Shah (w.e.f. 10/05/2018)	Company Secretary Mr. Alen Ferns	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	40.66*	71.44	19.25	131.35
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0.13	0.35	0	0.49
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- Others, please specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>40.80</b>	<b>71.79</b>	<b>19.25</b>	<b>131.84</b>

\* Including full and final settlement of his legal dues.

**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.

**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ended on 31st March, 2019**  
**Form No. MR-3**

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

To  
The Members,  
**Hotel Leelventure Limited**  
Mumbai.

CIN: L55101MH1981PLC024097.

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 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 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable during the audit period)*
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable during the audit period)* and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; *(Not Applicable during the audit period)*
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.
- (vi) I have relied on the representation and information provided by the Company and its officers for systems and mechanism framed 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 generally complied with the following laws as specifically applicable to the Company:
  - a. Income Tax Act, 1961 and other Indirect Tax laws;
  - b. Environment Protection Act, 1986;
  - c. Water (Prevention and control of pollution) Act, 1974;
  - d. Air (Prevention and control of pollution) Act, 1981;
  - e. Motor Vehicles Act, 1988
  - f. Factories Act, 1948;
  - g. All applicable 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, bonus, provident fund, ESIC, compensation etc;
  - h. Maharashtra State Profession Tax Act, 1975 & Rules made thereunder;
  - i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013;
  - j. GST Act & Rules made thereunder;
  - k. Hazardous Chemical Rules;
  - l. Hazardous Waste Management Rules, 2016;
  - m. Indian Contract Act, 1872
  - n. Bombay Shops & Establishment Act, 1948;
  - o. Food, Safety and Standards Act, 2006 and Rules, 2011 with allied rules and regulations;
  - p. Prevention of Food Adulteration Act, 1954;
  - q. The Legal Metrology Act, 2009;
  - r. The Legal Metrology (Packaged Commodities) Rules, 2011;
  - s. Employees Compensation (Amendment) Act, 2009;
  - t. Luxury Tax Act;
  - u. Entertainment Tax;
  - v. All other laws applicable to the Hospitality and Hotel industry and in particular Food & Beverages, the list of which was provided by the Company.

I have also examined compliance with the applicable provisions of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with:
  - a. BSE Limited

b. National Stock Exchange of India Limited.

To the best of my knowledge and belief, during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors and a Woman Director. 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. During the year under review there were changes in the Key Managerial Personnel and the required compliance was carried out with the provisions of the Act. *However, I report the following:*

1. *The Company has been in default in payment of principal amount since September, 2016 and interest since March, 2017 to LIC of India, the debenture holder. The Company has intimated the said defaults to the stock exchanges in April, 2018. Due to the aforesaid default which is still continuing, all the Directors of the Company are disqualified under Section 164(2)(b) of the Companies Act, 2013.*
2. *The Company has not complied with the provisions of Section 152 of the Companies Act, 2013 read with Section 149 of the said Act, wherein the Directors are liable to retire by rotation at every Annual General Meeting.*
3. *The Company's Independent Director is not appointed as Director on the Board of Directors of the unlisted material subsidiary i.e. Leela Palaces and Resorts Limited after 17<sup>th</sup> September, 2018 as required under Regulation 24 of the SEBI (LODR) Regulations, 2015.*

Adequate notices of Board and Committee Meetings have been given to all the Directors. Agenda and detailed notes 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.

Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.

Based on review of compliance mechanism established by the Company and on the basis of Compliance Certificates issued by the Company Secretary, I am of the opinion that 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 members may note that during the period under review:

1. The Company in its last Annual General Meeting held on 20<sup>th</sup> August, 2018, had passed an ordinary resolution to sell/transfer of 34,102 sq mts of land under Joint Development with M/s. Sky Realty Projects Private Limited owned by the Company in Yerwada, Pune to Leela Lace Holdings Pvt. Ltd, a related party. Subsequently the proposal could not be concluded as M/s. Sky Realty Projects Private Limited, JD partners did not provide their NOC and the said land was sold to the said JD partner, an unrelated party, as approved by the Board at its meeting held on 3<sup>rd</sup> January, 2019.

2. The Company had conducted a Postal ballot for sale of the Company's following undertakings / shareholding in wholly owned subsidiary to BSREP III India Ballet Pte. Ltd. or its affiliates ("Brookfield") as special resolutions as under:

1. Approval for sale of the Company's Delhi Hotel Undertaking;
2. Approval for sale of the Company's Bengaluru Hotel Undertaking;
3. Approval for sale of the Company's Chennai Hotel Undertaking;
4. Approval for sale of the Company's Udaipur Hotel Undertaking;
5. Approval for sale of the Company's Hotel Operations Undertaking;
6. Approval for sale of the Company's shareholding in Leela Palaces and Resorts Limited;

*The Special Resolutions were passed by the shareholders of the Company on 24<sup>th</sup> April, 2019. The Results of the Postal Ballot was declared on 26<sup>th</sup> April, 2019 subject to restrictions imposed by SEBI that none of the transactions proposed in the Postal ballot notice dated 18<sup>th</sup> March, 2019 are acted upon till further directions from SEBI.*

3. JM Financial Asset Reconstruction Company Limited a shareholder and Asset reconstruction company has filed application with NCLT Mumbai, against the Company under Section 7 of the Insolvency and Bankruptcy Code, 2016 relating to recovery of its dues.
4. ITC Limited, shareholder of the Company, filed a petition under Section 241 of the Companies Act, 2013 for oppression and mismanagement and the matter is pending before NCLT.
5. ITC Limited and LIC have filed compliant with SEBI against sale of Company's undertakings/shareholding in wholly owned subsidiary to Brookfield, alleging violation of the provisions relating to related party transactions and oppression and mismanagement against minority shareholders.
6. Airport Authority of India (AAI) has filed a petition with Hon'ble Mumbai City Civil Court seeking injunction, restraining the Company from alienating / creating any kind of third party right, restructuring the assets, till such time the vacant and peaceful possession of the leased land from AAI along with the FSI as well as their dues are fully paid. The matter is being heard by the Hon'ble Court and the order of the court is awaited.

For P Mehta & Associates.

Practicing Company Secretaries

**Prashant S. Mehta**

(Proprietor)

ACS No. 5814

C.P. No. 17341

Date: May 27, 2019

Place: Mumbai

## ANNEXURE TO SECRETARIAL AUDITORS' REPORT

To  
The Members  
Hotel Leelventure Limited  
Mumbai.  
CIN: L55101MH1981PLC024097.

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

1. Maintenance of Secretarial Records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurances about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, I believe that the processes and practices, I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company. I have relied on the statutory report provided by the Statutory Auditors as well as Internal Auditors of the company for the financial year ending 31<sup>st</sup> March, 2019.
4. I have obtained the management representation wherever required about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For P Mehta & Associates.  
Practicing Company Secretaries

**Prashant S. Mehta**  
(Proprietor)  
ACS No. 5814  
C.P. No. 17341

Date: May 27, 2019  
Place: Mumbai

### DETAILS OF RATIO OF REMUNERATION OF DIRECTORS AND RELATED DISCLOSURES

The ratio of the remuneration of each Director to the median employees' 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	<div style="display: flex; justify-content: space-between;"> <div style="width: 80%;"> <p>Mr. Vivek Nair Chairman &amp; Managing Director (CMD)</p> <p>Mr. Dinesh Nair Co-Chairman &amp; Managing Director (CCMD)</p> </div> <div style="width: 15%; text-align: center;"> <p>NA</p> <p>NA</p> </div> </div>
(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	<p>The Executive Directors did not draw any salary during the financial year 2018-19. Mr. Rajan Shah, who was working as Vice President – Finance, was elevated and appointed as the Chief Financial Officer with revised remuneration with effect from 10<sup>th</sup> May, 2018. He did not receive any further increment during the financial year 2018-19.</p> <p>The Company Secretary did not receive any increment during the financial year 2018-19.</p>
(iii)	The percentage increase in the median remuneration of employees	The median remuneration of the employees in the financial year has been increased by 3.7%
(iv)	The number of permanent employees on the rolls of Company	There were 2265 permanent employees as on 31 <sup>st</sup> March, 2019.
(v)	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average percentage increase in salaries of employees other than the managerial personnel in the Financial Year is 9.15%.</p> <p>Since no remuneration was paid to Executives Directors, the percentage increase in the managerial remuneration is not applicable.</p>
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	Yes, it is confirmed.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. Overview of Industry

As per one of the leading industry survey report, in the year 2018, at an all India level, occupancy is the highest for the last 10 years and the average room rate is also the highest since 2012. Occupancy levels were at 66% during the financial year 2018-19 as against 64% in the previous year. Average rate grew at 6.25% in 2018. It indicates that markets are now on a steady path of recovery.

RevPAR growth in year 2018 witnessed a growth of 9.6% over previous year and it is touching level of ₹ 4,000. As per one industry survey report, at this rate, RevPAR will take another five years to reach at the level of boom period of 2006-2008.

On an average, 90,000 rooms were sold per day. Markets, other than the key markets have increased supply share from 28% in 2014 to 33% in 2018. The leisure market remains under served with only 19% inventory share. Bangalore and New Delhi achieved 7% ADR growth. Delhi and Mumbai had occupancy of 70%, both markets achieved over 11% RevPar growth. While occupancy dropped in Bangalore due to continued supply addition, its RevPar crossed ₹ 4,000 mark for the first time since the last 8-9 years. In second year continuously, Goa has lost occupancy.

F&B and banquets continue to carry significant revenue share, increasing even at lower tier hotels. MICE and weddings will remain key business elements.

### 2. The Leela - Dynamism in our strides

Your Company operates nine hotels with 2,688 guest rooms. The details of the hotels are as follows:

(a)	Owned Hotels:	No. of Rooms
(1)	The Leela, Mumbai	391
(2)	The Leela Palace, Bengaluru	357
(3)	The Leela Palace, Udaipur	80
(4)	The Leela Palace, New Delhi	254
(5)	The Leela Palace, Chennai	326
	<b>Total</b>	<b>1,408</b>
(b)	Managed Hotels:	
(1)	The Leela Ambience Gurgaon Hotel & Residences Delhi (NCR), Gurugram	411
(2)	The Leela, Kovalam	183
(3)	The Leela, Goa	206
(4)	The Leela Ambience Convention Hotel, Delhi	480
	<b>Total</b>	<b>1,280</b>
	<b>Grand Total</b>	<b>2,688</b>

Apart from above 9 hotels, the Company has taken over Prestigious Mahatma Mandir Convention Centre at Gandhinagar in the year 2018 under management contract. The Company did a success event of Vibrant Gujarat in January 2019.

It is the Company's endeavor to ensure that each of its hotels become the market leaders in terms of RevPAR 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

Global Hotel Alliance is today the world's largest alliance of independent luxury hotel brands. Based on the airline alliance model,

the alliance currently has more than 30 member brands, all with their own unique character, encompassing over 550 upscale and luxury hotels, spread across 75 countries. GHA uses a shared technology platform to operate an award winning, multi-brand loyalty program, DISCOVERY. Currently the total DISCOVERY membership base has crossed 14 million worldwide members. DISCOVERY is about making your stay and travel unforgettable. Discovery program believes that rewarding members with authentic, memorable experiences is much more valuable than collecting points. With this in mind, DISCOVERY instead rewards travelers with Local Experiences. Designed by our local experts, these specially curated experiences offer members the access to a large selection of exclusive activities which are not easily available to the general public.

#### (ii) Preferred Hotels & Resorts

The Preferred Hotels & Resorts (PHR) represents over 850 independent and distinctive hotels, resorts & residences across 85 countries. Through its five global collections – Legend, LVX, Lifestyle, Connect, and Preferred Residences – Preferred Hotels & Resorts connects discerning travelers to the singular luxury hospitality experience that meets their needs and life and style preferences for each occasion. Preferred Hotels & Resorts brings strategic advantage through its Global Sales team comprising of 80 sales associates covering Corporate, Group & Leisure segments in 30 global offices.

### 3. B. Sales, Marketing and PR Representations

The Leela Palaces, Hotels and Resorts continue to engage the services of Sales representation companies across key geographies in the world. These companies are assigned the responsibility to engage with the major tour operators and retail agencies in their respective source markets. These are: Mason Rose in UK, Kartagener Associates Inc. in North America; CA- Hotel Consulting in France and other French speaking markets of Belgium and Switzerland; and H&W Enterprise, sro in Russia & CIS.

### 4. Investment in Technology

CRS & Distribution platform - Sabre: The Company has recently signed-up with Sabre Hospitality Solutions to switch our Central Reservations System & Distribution Platform to Sabre CRS. This will help the company to direct connect with all the 4 Global Distribution Systems, OTA's, Metasearch partners & b2b channels. The switchover is being carried out in various phases so as to stabilize the processes and prevent any revenue leakages, which was the case with the earlier service provider Oracle.

#### Business Intelligence platform – Revnomix

Business intelligence (BI) comprises the strategies and technologies used by enterprises for the data analysis of business information. BI technologies provide historical, current and predictive views of business operations. Common functions of business intelligence technologies include reporting, online analytical processing, analytics, data mining, process mining, complex event processing, business performance management, benchmarking, predictive analytics and prescriptive analytics. BI technologies can handle large amounts of structured and sometimes unstructured data to help identify, develop and otherwise create new strategic business opportunities. They aim to allow for the easy interpretation of these big data. Identifying new opportunities and implementing an effective strategy based on insights can provide businesses with a competitive market advantage and long-term stability.



## 5. Awards and Accolades

### The Leela Palace Chennai

- *TripAdvisor 2019 Travellers' Choice™ awards* – ranked #25 among “Top 25 Luxury Hotels of India”, January 2019
- *Conde Nast Traveller Top 50 Restaurant Awards*– China XO, December 2018
- *BBC Food Awards* – China XO wins for the best Asian Restaurant in South Zone, December 2018
- *Hotelier India Awards* – Balamurali P, Laundry Manager of the Year, December, 2018.
- *BW Hotelier India Awards* – Hitesh Sangwan, awarded F&B Manager of the Year, March 2018
- *Booking.com* – 9 out of 10, Guest Review Award 2018
- *Hotels.com* – 9.4 out 10, Loved by Guests Most Wanted Award 2018
- *Agoda.com* – Gold Circle Award 2018
- *MakeMyTrip.com* – 4.4 out of 5, Top Rated Hotel 2018-19

### The Leela Palace Udaipur

- Preferred Hotels & Resorts, Preferred Award of excellence --“Hotel of the Year”-March 2019
- Travel + Leisure India & South Asia for Best Luxury Hotel in India – November 2018
- *BW Hotelier's Indian Hospitality Summit and Awards 2018* - Jury Award for Outstanding Performance: Rajesh Namby, March 2018
- TripAdvisor ranked # 2 in Top 25 Hotels in India – January 2018
- TripAdvisor ranked # 4 in Top 25 Best Luxury Hotels in India – January 2018
- TripAdvisor ranked # 7 in Top 25 Hotels in Asia – January 2018
- TripAdvisor ranked # 13 in Top 25 Hotels in the World – January 2018
- TripAdvisor ranked # 16 in Top 25 Luxury Hotels in Asia – January 2018

### The Leela Palace New Delhi

- *2019 Tripadvisor Travelers' Choice Winner*, The Leela Palace New Delhi, February 2019
- *The Times Food & Nightlife Awards 2019* – Le Cirque, The Best Italian Premium Dining in Delhi, March 2019
- *Eazydiner Foodie Awards, Vir's Choice Awards* - Hotel of the year – The Leela Palace New Delhi, March 2019
- Travel+Leisure Delicious Food awards 2018, Best Italian restaurant - Le Cirque, The Leela Palace New Delhi, August 2018
- *BBC Good FOOD Awards 2018* Best Italian restaurant - Le Cirque, The Leela Palace New Delhi, June 2018
- *BBC Good FOOD Awards 2018* Best Design Restaurant- Megu, The Leela Palace New Delhi, June 2018
- *Epicurean Guild Awards 2018* –Megu- Best Japanese Restaurant, January 2018
- *India Wine Awards 2018*, Outstanding World-class wine list - Le Cirque, October 2018

- *India Wine Awards 2018*, Best wine program offering best experiences to its patrons, October 2018
- *Conde Nast UK Reader's Choice awards*, 'The 20 best hotels in Asia & the Indian subcontinent 2018' October 2018
- *Conde Nast USA Reader's Choice awards*, 'Top Hotels in India' October 2018
- 'Favourite Indian Business Hotel' at *Conde Nast Traveller Readers' Travel Awards 2018*, November 2018
- 'Most Valued Hotel Partner' at *Expedia Group, Annual Partner Awards 2018*, December 2018
- Megu ranked 12<sup>th</sup> among top 50 restaurants in India at *Conde Nast Traveller Top Restaurant Awards 2018*, December 2018
- *Conde Nast Traveler Gold List 2019* - The hotel made to the list of world's best 78 hotels, resorts and cruises, December 2018
- North India Best Employer Awards 2018 at *13<sup>th</sup> Employer Branding Awards*, December 2018
- Winner for *2018 Gold Circle Award* by AGODA, December 2018
- Ranked amongst Top 25 Luxury Hotels – India by *TripAdvisor 2019 Travellers' Choice*
- *Conde Nast Traveller – Middle East Gold List 2019*- The hotel made to the list of world's best 41 hotels, resorts and cruises, February 2019
- National Best Employer Brand 2018 at *13<sup>th</sup> Employer Branding Awards, February 2019*
- 101 Top HR minds – India and Hotel Industry – Abhishek Anand
- Hotelier India Awards 2018, Unsung Hero of the year – Preeti Makhija

### The Leela Palace Bangalore

- *Times Food & Nightlife awards 2019 – Library Bar, In the category of Best Luxury Bar in Nightlife, December 2018*
- *Hotelier India Awards (10<sup>th</sup> Edition) – Pratik Vashisht, Front Office Manager of the Year (winner), December 2018*
- *Restaurant India 2018 Awards – South India Edition, Jamavar, Best Indian Restaurant in Bengaluru, December 2018*
- *Food Food India Awards 2018 (Editorial Choice Awards) , National Awards, General Manager of the year- Kunal Chauhan, December 2018*
- *Food Food India Awards 2018 (Editorial Choice Awards) , National Awards, Callebaut pastry Chef of the year- Avijit Ghosh, December 2018*
- *Food Food India Awards 2018 (Jury Choice Awards) , National Awards, Best Restaurant Design- Jamavar, December 2018*
- *BBC Good Food - Food Food Awards 2018, South India, Best North Indian Restaurant (Five-Star Hotel) – Jamavar, September 2018*
- *BBC Good Food - Food Food Awards 2018, South India, Best Restaurant Design – Jamavar, September 2018*
- *BBC Good Food - Food Food Awards 2018, South India, Chef of the Year (Five-Star Hotel) – Chef Farman Ali, September 2018*
- *BBC Good Food - Food Food Awards 2018, South India, Best Patisserie Chef – Chef Avijit Ghosh, September 2018*

- *BBC Good Food - Food Food Awards 2018, South India, General Manager of the year –Mr.Kunal Chauhan, September 2018*
- *Zee Business Travel Awards, “Best Luxury Hotel” in India, September 2018*
- *India Wine Awards, Le Cirque Signature for “Excellence in Restaurant Wine Program”, September 2018*
- *Preferred Hotels & Resorts 2018 Awards of Excellence, “Hotel of the Year – India, Middle East & Africa”, May 2018*
- *BW Hotelier India Awards 2018 – Shalabh Arora, DoSM, awarded “DoSM of the Year - South Region”, March 2018*
- *BW Hotelier India Awards 2018 – Bhaskar Masineni, Corporate Chief Engineer, awarded “Special jury for outstanding performance”, March 2018*
- *BW Hotelier India Awards 2018 – Mir Zafar Ali, Executive Chef, awarded “ Executive Chef of the Year - National level”, March 2018*
- *Times Food and Night Life Awards – Le Cirque Signature voted “Best European in premium dining”, January 2018*
- *Eazydiner Awards – People’s Choice – Citrus as Best Café in Hotel, July 2018*
- *Eazydiner Awards – Vir Sanghvi’s Choice – Chef Purushotham J Naidu for Lifetime Achievement Award, July 2018*

#### **The Leela Goa**

- *Asian Voice Political and Public Life Awards 2019- Awarded Best International Resort of the Year, March 2019*
- *FoodFood India Awards 2018 (National)- Awarded Best Resort of the Year, December 2018*

#### **The Leela Ambience Gurugram Hotel And Residences**

- *The Times Food & Nightlife awards 2019- Best All Day Dining Award 2019- Spectra, March, 2019*
- *The Times Food & Nightlife awards 2019- Bar With Best Ambience: Rubicon Bar, March, 2019*
- *Eazydiner foodie awards 2019- Spectra being awarded the Best All Day Dining Restaurant, March, 2019*
- *Eazydiner foodie awards 2019- The Innovative Hotelier of the year: General Manager, Jaideep Anand, March, 2019*
- *Hospitality India Magazine- Hotelier of the year, luxury segment- Mr. Jaideep Anand, General Manager, October, 2018*
- *T+L’s First Reader’s Choice Food Awards, The Delicious Food Awards 2018- The Leela Patisserie-The Best Patisserie Hotel, August, 2018*
- *Food Food Awards 2018 & Chocolate Summit (North)- Nidhi Verma, PR Person of the year, June, 2018*
- *Food Food Awards 2018 & Chocolate Summit (North)- Anurag Barthwal, Callebaut Pastry Chef of the year, June, 2018*
- *Food Food Awards 2018 & Chocolate Summit (North), Best Hotel, June, 2018*
- *The Times Food & Nightlife awards– Rubicon awarded Best Bar with ambience - Luxurious Night Life, March 2018*

- *The Times Food & Nightlife awards - Spectra awarded Best Restaurant for Best Global cuisine Gurgaon, March 2018.*
- *The Times Food & Nightlife awards – The Leela Patisserie awarded Best Bakery, March 2018*
- *BW Indian Hospitality Awards – Nidhi Verma awarded PR & Marcom Manager of the year, National, March 2018*
- *BW Indian Hospitality Awards – Anil Kumar awarded Chief Engineer of the year, North zone, March 2018*

#### **The Leela Ambience Convention Hotel, Delhi**

- *Hospitality India – 14<sup>th</sup> Annual International Travel Awards 2018 - Award for the Best Luxury Convention Hotel in India, October 2018*
- *Today’s Traveller Awards - Award for the Best Luxury MICE Hotel, August 2018*

#### **The Leela Mumbai**

- *Best of India .Biz Awards- Sameer Sud, General Manager, awarded the title of ‘India’s Top 10 Hospitality General Managers’, December 2018*
- *India Wine Awards 2018- Le Cirque Signature recognized as a top wine destination in India, September 2018*
- *India Wine Awards 2018- Le Cirque Signature honoured for housing one of the most outstanding, world-class wine lists in the country, September 2018*
- *Safari India South Asia Travel Awards 2018- Sameer Sud, General Manager, presented with the title of ‘Best Professional in Hospitality’, September 2018*
- *Indian Sommelier Championship 2018- Gaurav Dixit, Introductory Sommelier and Assistant Restaurant Manager, awarded the 1<sup>st</sup> Runner-Up position, September 2018*
- *FoodFood Awards 2018 (West) - Abhisek Basu, Executive Assistant Manager-Food & Beverage, recognized as the ‘F&B Person of the Year’, August 2018*
- *Wine Spectator Award of Excellence 2018 – Le Cirque Signature honoured for having one of the most outstanding restaurant wine lists in the world, July 2018*
- *Stars of the Industry Awards – Sameer Sud, General Manager, conferred with the title of ‘Hospitality Super Star’, February 2018*

#### **The Leela - Corporate**

- *Travel + Leisure USA World’s Best Awards – The Leela Palaces, Hotels and Resorts ranked the #7 in the ‘Top 15 Hotel Brands in the World’, July 2018*

#### **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.

The Company’s gearing has reached high levels due to the investments

made in the hotels in Udaipur, Delhi and Chennai and plots of land at Agra and Hyderabad. Because of the recession thereafter in the Hotel Industry, the expected profitability estimates could not be achieved. Also due to the 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 mentioned under point 14 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 protect the safety and security of its customers. In addition to the physical security measures, the Company has also taken sufficient 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 firm 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

A focused attention on attracting the best talent available in the market, which could help the Company to drive a culture oriented towards high performance and excellence.

The Company has implemented an effective customer feedback system which is yielding good results. This platform helps the team to align all its efforts in delivering relevant high quality services to the guests whilst seeking to constantly improve on standards. Industrial relations throughout the year were cordial in all the hotels of the Company.

As on 31<sup>st</sup> March, 2019, the total manpower was 3781 (including contract labour and fixed term contractors).

#### 10. Corporate Social Responsibility and Environmental Initiatives

Your Company recognizes the need to minimise the adverse impact of its operations, on the environment. The Company maintains large gardens in and around 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 Bengaluru Unit has established and implemented an Occupational Health and Safety Management System which satisfies OHSAS 18001.

Under a well-designed program, the Company:

- complies with the requirements of all relevant statutory, regulatory and other provisions.
- provides and maintains safe & healthy work place through operational procedures, safe systems and methods of work.
- provides sufficient information, instruction, training and supervision to enable all employees to identify, minimize and manage hazards and to contribute positively to safety at work.
- organises audits and mock drills on site to ensure that operations are in compliance with health and safety management requirements and for emergency preparedness.
- ensures 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.
- seeks continuous occupational health and safety improvements through the establishment of safety management objectives, targets and programs.

#### 12. Expansion / upgradation Plans

In order to resolve the Company's debt problem, the Company has entered into a binding agreement with BSREP III INDIA BALLETT PTE. LTD. ("Brookfield") on 18<sup>th</sup> March, 2019 to sell its hotel business undertakings, hotel operations business, 100% shareholding in its subsidiary company and all intellectual property owned by the Company used in and held for use in the hotel owned and managed by it. As part of the transaction, the Company and the Promoters of the Company have agreed to certain exclusivity, non-compete and non-solicit restrictions. Hence, the Company is not planning for any expansion in the near future.

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

The financial statements for the year ended on 31<sup>st</sup> March, 2019 has been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time.

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

**Discontinued operations:**

Since the Company has entered into a framework agreement with BSREP III INDIA BALLETT PTE. LIMITED (Brookfield) on 18<sup>th</sup> March, 2019 to sell its hotel business undertaking at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and hotel operations business and its 100% shareholding in its subsidiary company which owns property at Agra and all intellectual property owned by the Company used in and held for use in the hotel owned and managed by it, and the shareholders of the Company have approved the transaction through Postal ballot on 24<sup>th</sup> April, 2019, the accounting standard IndAS 105 "Non-current assets held for sale and Discontinued operations" becomes applicable.

As required by IndAS 105, the assets and liabilities covered in the Brookfield transaction are shown as "Assets included in disposal group(s) held for sale" and "Liabilities included in disposal group(s) held for Sale" in the Balance Sheet as on 31<sup>st</sup> March, 2019. The profit / loss of the business undertakings proposed to be sold has been classified as profit / loss from 'discontinued operations' and profit and loss for the corresponding previous year ended 31<sup>st</sup> March, 2018 has been restated / reclassified accordingly.

**Operational revenue from continuing operation:**

The revenue from operations was ₹ 15,434.43 lakhs in FY 2018-19 against ₹ 13,783.52 lakhs in FY 2017-18.

Food & Beverages increased by 14%.

Room Revenue increased by 10% mainly due to increase in occupancy.

Other income was ₹ 418.36 lakhs in FY 2018-19 as compared to ₹ 645.28 Lakhs in FY 2017-18.

Total revenue was ₹ 15,852.79 lakhs in FY 2018-19 against ₹ 14,428.80 lakhs FY 2017-18.

**Operating Expenses:**

Food & Beverages consumption increased by 11% as compared to last year.

Employee Benefit expenses increased by 4% as compared to last year.

**Finance costs and interest liability:**

Finance cost increased by ₹ 26.96 Lakhs as compared to previous year.

**Depreciation and Amortization:**

Depreciation and amortization expenses for the year was ₹ 957.52 lakhs as against ₹ 1,326.08 lakhs in previous year.

**Other expenses:**

Other expenses amounted to ₹ 8,295.99 lakhs as against ₹ 7,981.53 lakhs, an increase by 4%.

**Profit/ (Loss) after Tax:**

The Company incurred a (loss) of ₹ (3,779.63) lakhs during the FY 2018-19 as against a (loss) of ₹ (5,184.88) lakhs during the previous year from continued operations. The net (loss) from both the continued and discontinued operations was ₹ (11,889.48) lakhs during the FY 18-19 as compared to ₹ (2,321.63) lakhs during the previous year. The total loss during the current financial year was higher mainly on account of the Exchange rate loss of ₹ 7,992.04 lakhs on the foreign currency loans classified under discontinuing operations.

**Property, Plant and Equipment (PPE):**

The net Property, Plant, Equipment, capital work in progress, intangible assets, investment property and assets held for sale as on 31<sup>st</sup> March, 2019 was ₹ 26,983.91 lakhs as against ₹ 3,74,499.34 lakhs as on the last day of the previous year. The carried value of PPE as on 31<sup>st</sup> March, 2019 is substantially lower as the PPE of the hotel undertaking proposed to be sold are classified as Assets included in disposal group(s) held for sale.

**Secured and Unsecured Loans:**

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

Particulars	31.3.2019	31.3.2018
<b>Secured Loans:</b>		
Long term debt	71,052.24	3,07,305.08
Current Maturities of Long Term Debt	2,84,242.97	58,861.80
Interest accrued on borrowings	5,514.60	2,625.73
Unsecured Loans	5,742.66	11,955.25
<b>Total</b>	<b>3,66,552.47</b>	<b>3,80,747.86</b>

**Share Capital:**

As on 31<sup>st</sup> March, 2019, the paid up Equity share capital of the Company stood at ₹ 12,611.04 lakhs divided into 63,05,51,766 equity shares of the face value ₹ 2 each, same as in the previous year.

**Transfer to Reserves**

In absence of distributable profits / earnings, it is not proposed to transfer any amount to reserves for the financial year 2018-19.

**Net worth:**

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

Particulars	31-Mar-19	31-Mar-18
Share Capital	12,611.04	12,611.04
Reserves & Surplus	13,957.91	25,825.30
<b>TOTAL</b>	<b>26,568.95</b>	<b>38,436.34</b>
Less:		
Revaluation Reserve	32,574.38	33,377.27
Intangible Assets / Intangible Assets under development	61.82	229.02
<b>Net worth</b>	<b>(6,067.25)</b>	<b>4,830.05</b>

**Financial Ratios:**

Since, the Company as on 31<sup>st</sup> March, 2019 has classified the assets of the hotel undertaking proposed to be sold as "Assets included in disposal group(s) held for sale", the financial ratios for the financial year ended 31<sup>st</sup> March, 2019 are not comparable with the financial ratios of the previous financial year.

**Return on Net-worth:**

The Company has reported a Net loss for the current and the previous financial year and therefore the return on net-worth is negative for the current financial year ending 31<sup>st</sup> March, 2019 and the previous year.

#### 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 31<sup>st</sup> March, 2014. Due to the continued economic recession, the Company could not sell the hotel. The CDR Empowered Group in their meeting held on 28<sup>th</sup> June, 2014 declared the CDR as failed and approved exit of the Company from the CDR system. Pursuant thereto, on 30<sup>th</sup> 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 Limited (JMFARC) and 1 lender with exposure of about 1% of the CDR debt, to Phoenix ARC Private Limited.

The Company sold its Goa hotel in December 2015 for ₹ 72,112 lakhs and the entire net proceeds were used for debt reduction. The Company has also been using EBIDTA and realisations from non-core assets for debt servicing.

At present, the Company has received a proposal from BSREP III India Ballet Pte. Ltd. or its affiliates ("**Brookfield**") for acquiring the Company's hotel undertakings in Delhi, Bengaluru, Chennai and Udaipur as well as the Company's business of hotel management operations, as well as to purchase the 100% shareholdings of LPRL, which owns property and holds licenses for the development of a hotel in Agra. It is a composite proposal for the acquisition of the aforementioned hotels and related assets, as well as the "The Leela" brand and other associated brands and intellectual property rights. Brookfield, through the Purchaser Entities, will purchase and consummate all of what is mentioned herein simultaneously.

The Audit Committee and the Board of Directors of the Company, in its meeting held on 18<sup>th</sup> March, 2019, have approved the Transaction. The Members of the Company have approved the transaction through a postal ballot on 24<sup>th</sup> April, 2019.

The proposed consideration of ₹ 395,000 lakhs to be received from the transaction would be used to repay the existing lenders of the Company by way of one time settlement, after which all borrowings from all banks and financial institutions would have been repaid. Subsequent to the above transaction, the Company will continue to have and operate the hotel in Mumbai, certain land in Hyderabad (valued at about ₹ 4,000 lakhs) and the joint development project of residential apartments with Prestige Developers in Bengaluru (the balance value of which is about ₹ 9,000 lakhs).

However, the Company is awaiting clearance and approval from the lenders and regulatory authorities for concluding the transaction.

#### 15. Cautionary Statement

Statements made in the Management's Discussion 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 based on the "forward-looking statements".

## CORPORATE SOCIAL RESPONSIBILITY

The Leela Palaces, Hotels and Resorts have continued to build on its tradition of CSR programs designed to protect the environment and benefit underprivileged communities, especially children.

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 nine hotels in major cities and resorts around the country, has donated ₹ 21.70 lakh towards Kerala Chief Minister's Relief Fund for granting relief to families and individuals distressed in the floods.

Renewing brand's commitment towards protecting our environment, The World Environment Day was commemorated by planting myriad tree saplings at The Leela properties as well as adjoining areas to promote greening and benefit surrounding communities. The efforts were further bolstered with destination-specific activities, such as The Leela Udaipur's team helping local authorities clean up the country's oldest artificial Lake Pichola to initiating day-long Leela cleaning drives of the beach by The Leela Goa.

The Group also reaffirmed its pledge towards protecting the environment by participating in Earth Hour 2018, an initiative of the World Wildlife Fund (WWF), the worldwide movement to celebrate the commitment to our planet. All signage's and non-essential lights at The Leela properties around the country were turned down and the essential lights were dimmed to safe level.

On the social sustainability front, The Leela continued its involvement with nurturing underprivileged communities, conducting donation drives for children as part of charitable giving, continuing skill-based training for the youth, and providing on-going support to local artisans while promoting traditional craftsmanship.

Each property further strengthened partnerships with local NGOs for charitable donations, including, daily meals, clothing, shoes and books to underprivileged children and in old aged homes. In addition, The Leela Palace New Delhi observed a Hand Hygiene Day by distributing soap and sanitizers to vulnerable children, of Navyug School, Laxmi Bai Nagar and pledging to donate soap on a monthly basis.

A report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

## 1. Company's Philosophy

The Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical, accountable and transparent governance practices. Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. The Company has also implemented several best Corporate Governance practices as prevalent globally. The 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

The composition of the Board and category of directors as on 31<sup>st</sup> March, 2019 is as follows:

Category	Name of Directors	Designation	No. of Shares held	Name of outside listed entities where the person is a director and the category of directorship
Promoter Directors	Mr. Vivek Nair	Chairman & Managing Director	477,460	NIL
	Mr. Dinesh Nair	Co-Chairman & Managing Director	374,050	NIL
Independent Directors	Mrs. Anna Malhotra <sup>1</sup>	Director	2,500	NIL
	Mr. Vinay H. Kapadia	Director	NIL	NIL
	Mr. Vijay Sharma <sup>2</sup>	Director	NIL	NIL
	Ms. Saija Nair <sup>3</sup>	Director	NIL	NIL
	Mr. Shereveer Shereyar Vakil <sup>4</sup>	Director	NIL	NIL

<sup>1</sup> Ceased to be a Director with effect from 17<sup>th</sup> September, 2018 due to death.

<sup>2</sup> Joined the Board with effect from 9<sup>th</sup> May, 2018

<sup>3</sup> Joined the Board with effect from 30<sup>th</sup> May, 2018

<sup>4</sup> Resigned from the Board with effect from 26<sup>th</sup> April, 2018

## Skills / expertise / competence of the Board of Directors

The Company's Board of Directors has identified the following skills / expertise / competencies to function and discharge their responsibilities effectively:

- Industry knowledge;
- Accounts and Finance;
- Corporate Governance;
- Legal and compliance;
- Strategic expertise;
- Marketing; and
- General Management.

The Directors possess experience and knowledge in diverse fields, such as hoteliering, marketing, business development, banking, finance, legal, administration, corporate governance, etc. They collectively also display integrity, interpersonal skills, interest in the organisation, its business and the people, and take active participation at deliberations in the meeting.

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. Necessary disclosures regarding Committee positions in other public companies as on 31<sup>st</sup> March, 2019, have been made by the Directors.

dealings with the outside world, besides keeping important segments of the society adequately informed. The Code of Conduct for Board Members and Senior Management adopted by the Board of Directors in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31<sup>st</sup> March, 2019 the Company's Board of Directors consists of five Directors out of which two are Executive Directors and the remaining three are Independent, Non-Executive Directors. Out of the two Executive Directors one is the Chairman & Managing Director (CMD) and the other is a Co-Chairman & Managing Director (CCMD). The Company also has a Woman Independent Director.

In the opinion of the Board, all Independent Directors of the Company are persons of integrity and possess relevant experience and do not hold more than 2% shareholding / voting power in the Company. They are not related to any of the promoters, Directors, holding, subsidiary or associate companies and are independent of the management.

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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.

As mentioned in the previous Annual Report, Mr. Shereveer S. Vakil, Independent Director, resigned from the Board with effect from 26<sup>th</sup> April, 2018 due to his other preoccupations.

None of the Director is related to any other Director except Mr. Vivek Nair and Mr. Dinesh Nair, who are promoter group Directors.

## 2.2 Board Meetings and Attendance

During the financial year 2018-19 the Board of Directors met 9 times i.e. on 9<sup>th</sup> May, 2018, 30<sup>th</sup> May, 2018, 11<sup>th</sup> June, 2018, 3<sup>rd</sup> July, 2018, 13<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 3<sup>rd</sup> January, 2019, 12<sup>th</sup> February, 2019 and 18<sup>th</sup> March, 2019 and the gap between two Board meetings did not exceed four calendar months. 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 them to take informed decisions.

Attendance of each Director at the Board Meetings, 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	Position	Attendance at Board Meetings*		Attendance at AGM held on 20 <sup>th</sup> August, 2018	No. of Directorships in listed companies as on 31 <sup>st</sup> March, 2019 (including the Company)***	No. of Committee positions held in listed companies (including the Company)**		No of Shares and convertible instruments held by Directors
			No. of Board Meetings held during the tenure of the Director in 2018-19	No. of Board Meetings attended during the financial year 2018-19			Chairman of Committees	Member of Committees	
Mr. Vivek Nair	Executive Directors	Chairman & Managing Director	9	9	Yes	1	0	2	477,460
Mr. Dinesh Nair		Co-Chairman & Managing Director	9	9	Yes	1	0	0	374,050
Mrs. Anna Malhotra <sup>1</sup>	Non-Executive Independent Directors (NEID)	Director	5	0	No	N.A.	N.A.	N.A.	2500
Mr. Vinay H. Kapadia		Director	9	9	Yes	1	2	0	0
Mr. Vijay Sharma <sup>2</sup>		Director	9	7	Yes	1	0	2	0
Ms. Saija Nair <sup>3</sup>		Director	8	7	Yes	1	0	2	0
Mr. Shereveer Shereyar Vakil <sup>4</sup>		Director	0	0	N.A.	N.A.	N.A.	N.A.	N.A.

<sup>1</sup> Ceased to be a Director with effect from 17<sup>th</sup> September, 2018 due to death.

<sup>2</sup> Joined the Board with effect from 9<sup>th</sup> May, 2018

<sup>3</sup> Joined the Board with effect from 30<sup>th</sup> May, 2018

<sup>4</sup> Resigned from the Board with effect from 26<sup>th</sup> April, 2018

\* No. of Board Meetings indicated is with reference to date of join/cessation of the Director.

\*\* "Committees" considered for this purpose are those specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. Audit Committee and Stakeholders' Relationship Committee.

\*\*\* None of the Directors of the Company are on the Board of any other listed companies.

## 2.3 Separate meeting of the independent Directors

During the year, a separate meeting of the Independent Directors of the Company was held on 12<sup>th</sup> February, 2019, which was attended by all the Independent Directors.



## 2.4 Familiarization Program for Independent Directors

The Board has adopted a Familiarization Program for Independent Directors of the Company. The Program aims to provide insights into the Company to enable the Independent Directors to understand the industry and also the business model and business operations of the Company to enable them to contribute significantly to the Company.

This Familiarization Program has been uploaded on the Company's website and the web link for the same is <https://www.theleela.com/img/footer/about-leela/investor-relations/corporate-governance-policy/Policy%20on%20Familiarization%20Program%20for%20Independent%20Directors.pdf>.

## 2.5 Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve persistent and consistent improvement in the governance of the Company at the Board level. The Board intends to establish and follow "best practices" in Board governance in order to fulfill its fiduciary obligation to the Company.

The Company has in place a structured questionnaire, which has been prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors expressed their satisfaction with the evaluation process.

## 3. Audit Committee

The Audit Committee of the Board is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the scope and terms of reference.

The powers and role of the Audit Committee are also in consonance with Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

As on 31<sup>st</sup> March, 2019, the Committee had four Directors comprising of three Independent Directors and one Executive Director. The members have experience in banking, finance, accounting and legal matters. The Co-Chairman & Managing Director, Chief Financial Officer and President are permanent invitees for the meetings. The Statutory Auditors and Internal Auditors also attend the meetings as permanent invitees. The Company Secretary acts as the Secretary to the Audit Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 20<sup>th</sup> August, 2018. During the year under review, the Committee met nine times i.e. 9<sup>th</sup> May, 2018, 30<sup>th</sup> May, 2018, 11<sup>th</sup> June, 2018, 3<sup>rd</sup> July, 2018, 13<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018, 3<sup>rd</sup> January, 2019, 12<sup>th</sup> February, 2019 and 18<sup>th</sup> March, 2019. The Committee generally meets on the day of the Board meeting, except when otherwise considered expedient.

## 3.1 Audit Committee meetings and attendance of the members

The particulars of members of the Committee and the details of meetings attended by its members during the financial year 2018-19 are as follows:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Vinay H. Kapadia	Chairman	NEID	9	9
Mr. Vivek Nair	Member	WTD (CMD)	9	9
Mr. Vijay Sharma <sup>1</sup>	Member	NEID	9	7
Ms. Saija Nair <sup>2</sup>	Member	NEID	8	7

<sup>1</sup> Inducted as a Member with effect from 9<sup>th</sup> May, 2018.

<sup>2</sup> Inducted as a Member with effect from 30<sup>th</sup> May, 2018.

## 3.2 Role and terms of reference of the Audit Committee

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

- (1) 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.
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. 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;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report.
- (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (6) 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.

- (7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- (8) Approval or any subsequent modification of transactions of the Company with related parties.
- (9) Scrutiny of inter-corporate loans and investments.
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (11) Evaluation of internal financial controls and risk management systems.
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (13) 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.
- (14) Discussion with internal auditors of any significant findings and follow up there on.
- (15) 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.
- (16) 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.
- (17) 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.
- (18) To review the functioning of the whistle blower mechanism.
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The audit committee also reviews the following information:

- (1) Management discussion and analysis of financial condition and results of operations.
- (2) Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors.
- (4) Internal audit reports relating to internal control weaknesses.
- (5) The appointment, removal and terms of remuneration of the chief internal auditor.
- (6) Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1);

- b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Audit Committee also looks into the matters that are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of Section 177 of the Companies Act, 2013.

#### 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Nomination and Remuneration Committee consisted of 3 Independent Directors and the Company's Chairman as a member.

The Nomination & Remuneration Committee's role and terms of reference are in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met five times i.e. 25<sup>th</sup> April, 2018, 9<sup>th</sup> May, 2018, 30<sup>th</sup> May, 2018, 12<sup>th</sup> February, 2019 and 18<sup>th</sup> March, 2019.

##### 4.1 Nomination and Remuneration Committee Meetings and Attendance

The particulars of members of the Committee and the details of meetings attended by its members during the financial year 2018-19 are as follows:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Shereveer S. Vakil <sup>1</sup>	Member	NEID	1	1
Mr. Vivek Nair	Member	WTD (CMD)	5	4
Mr. Vinay H. Kapadia	Member	NEID	5	5
Mr. Vijay Sharma <sup>2</sup>	Chairman	NEID	4	2
Ms. Saija Nair <sup>3</sup>	Member	NEID	2	2

<sup>1</sup> Ceased to be a Member with effect from 26<sup>th</sup> April, 2018 due to resignation.

<sup>2</sup> Inducted as a Member and Chairman with effect from 9<sup>th</sup> May, 2018.

<sup>3</sup> Inducted as a Member with effect from 30<sup>th</sup> May, 2018.

##### 4.2 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:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

- (3) Devising a policy on diversity of board of directors;
- (4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (6) Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### 4.3 Remuneration Policy for Directors

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, the Board, upon the recommendation of Nomination and Remuneration committee, 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:

The Company has uploaded the Remuneration Policy / Criteria on its website and the same can be accessed from the following weblink: <https://www.theleela.com/img/footer/about-leela/investor-relations/corporate-governance-policy/Policy%20on%20Remuneration%20Policy%20-%20Criteria.pdf>.

#### 4.4 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, subject to shareholders' and regulatory approvals.

The remuneration packages of the Executive Directors comprise of salaries and allowances, contribution to provident funds, etc. During the financial year 2018-19, the Company did not pay managerial remuneration to its Executive Directors.

The remuneration payable, if any, to the Executive Directors would be 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.

#### Remuneration of Non-Executive Directors (NEDs)

The NEDs are paid remuneration by way of 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 and other regulatory guidelines, as amended from time to time. Any change in sitting fees shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The NEDs are entitled to reimbursement of expenses for participation in the meetings of the Board and Committee thereof. The NEDs are paid sitting fees of ₹ 30,000 for attending each meeting of the Board or Committee thereof.

The details of sitting fees paid during the financial year 2018-19 are given below:

Name of the Non-Executive Directors	Sitting Fees Paid (Rupees)
Mr. Vinay H. Kapadia	7,80,000
Mr. Vijay Sharma <sup>1</sup>	5,10,000
Ms. Saija Nair <sup>2</sup>	5,40,000
Mr. Shereveer S. Vakil <sup>3</sup>	30,000
Mrs. Anna Malhotra <sup>4</sup>	0

<sup>1</sup> Joined the Board with effect from 9<sup>th</sup> May, 2018

<sup>2</sup> Joined the Board with effect from 30<sup>th</sup> May, 2018

<sup>3</sup> Resigned from the Board with effect from 26<sup>th</sup> April, 2018

<sup>4</sup> Ceased to be a Director with effect from 17<sup>th</sup> September, 2018 due to death.

Notes:

a. The Company did not pay any amount to Directors by way of commission.

b. The Company has not issued any stock options to its Directors.

#### 5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Resolutions, 2015, including the scope, role and terms of reference. The Company Secretary acts as the Secretary to the Committee.

As on 31<sup>st</sup> March 2019, the Committee comprises of three Independent, Non-Executive Directors and one Executive Director. The Chairman of the Committee is an Independent, Non-Executive Director. During the year under review, the Committee met twice on 25<sup>th</sup> May, 2018 and 12<sup>th</sup> November, 2018.

#### 5.1 Stakeholders' Relationship Committee Meetings and Attendance

The particulars of members and the details of meetings attended by its members during the financial year 2018-19 are given below:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Vinay H. Kapadia	Chairman	NEID	2	2
Mr. Vivek Nair	Member	WTD	2	1
Mr. Vijay Sharma <sup>1</sup>	Member	NEID	2	1
Ms. Saija Nair <sup>2</sup>	Member	NEID	1	1

<sup>1</sup> Inducted as a Member with effect from 9<sup>th</sup> May, 2018.

<sup>2</sup> Inducted as a Member with effect from 30<sup>th</sup> May, 2018.

Mr. Alen Ferns, 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 47 share transfers comprising 35,575 shares and processed 324 requests for dematerialization of 3,48,935 shares. There were no valid requests pending for share transfers at the end of the year.

## 5.2 Role and terms of reference of Stakeholders' Relationship Committee

The role of the committee shall inter-alia include the following:

- (1) Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

## 5.3 Number of complaints received and redressed during the year 2018-19

Opening Balance	Received during the year 2018-19	Resolved during the year 2018-19	Closing Balance
0	2	2	0

The above complaints were related to non-receipt of Annual Report. None of the Complaints were pending for a period exceeding 30 days. All requests for transfer of shares have been processed on time and there are no transfers pending for more than 15 days.

## 6. General Body Meetings and Postal Ballot

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

#### (a) General Body Meetings

Financial Year	General Meeting	Date / Time	Location	Special Resolutions passed
2017-18	37 <sup>th</sup> AGM	20.08.2018 at 11.00 a.m.	St. Andrews Auditorium, St. Domnic Road, Bandra West, Opposite Arya Vidya Mandir School, Behind Holy Family Hospital, Mumbai – 400 050	NIL
2016-17	36 <sup>th</sup> AGM	18.09.2017 at 10.30 a.m.	Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai – 400 056	<b>Resolution No. 4:</b> Approval for increase in subscribed capital of the Company caused by the exercise of option attached to the loan raised to convert such loan into shares
2015-16	35 <sup>th</sup> AGM	20.09.2016 11.00 a.m.	Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai – 400 056	NIL

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

#### 6.2 Postal Ballot

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules 2014, members were provided with the facility to cast their vote electronically through the e-voting services provided by Karvy Fintech Private Limited, on all resolutions set forth in the Postal Ballot Notice. Members were also given an option to vote by physical Ballot.

During the financial year 2018-19 the Company conducted a postal ballot exercise. The particulars of resolutions passed through Postal Ballot during the financial year are as follows:

Sr. No.	Particulars of the resolution	Total No. of valid votes	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% of votes	No. of votes	% of votes
1	Approval for sale of the Company's Delhi Hotel Undertaking	533907288	462379346	86.6029	71527942	13.3971
2	Approval for sale of the Company's Bengaluru Hotel Undertaking	533907288	462378545	86.6028	71528743	13.3972
3	Approval for sale of the Company's Chennai Hotel Undertaking	533907288	462378045	86.6027	71529243	13.3973
4	Approval for sale of the Company's Udaipur Hotel Undertaking	533907288	462379295	86.6029	71528048	13.3971
5	Approval for sale of the Company's Hotel Operations Undertaking	533907483	462377903	86.6026	71529580	13.3974
6	Approval for sale of the Company's shareholding in Leela Palaces and Resorts Limited	533906802	462377405	86.6026	71529397	13.3974

The voting rights were reckoned as on the paid-up value of the shares registered in the names of the members as on 18<sup>th</sup> March, 2019. The physical Ballots were returnable by 24<sup>th</sup> April, 2019. The E-Voting portal was open for voting from 26<sup>th</sup> March, 2019 to 24<sup>th</sup> April, 2019. The resolutions were passed on 24<sup>th</sup> April, 2019.

Mr. Prashant S. Mehta, Practicing Company Secretary, was the scrutinizer for the above postal ballot. The Results of the Postal Ballot was declared on 26<sup>th</sup> April, 2019, subject to restrictions imposed by SEBI that none of the transactions proposed in the Postal ballot notice dated 18<sup>th</sup> March, 2019 are acted upon till further directions from SEBI.

## 7. Disclosures

### 7.1 Disclosures on materially significant related party transactions

During the financial year 2018-19, there have been no materially significant related party transactions, monetary transactions or relationships between the Company and its directors, the management, subsidiaries and relatives. Suitable disclosures as required by the Accounting Standards (AS-18) have been made in the notes to the Financial Statements.

The Policy on materiality of related party transactions and also in dealing with related party transactions as approved by the Board is available on the website of the Company at <https://www.theleela.com/img/footer/about-leela/investor-relations/corporate-governance-policy/Policy%20on%20Related%20Party%20Transactions.pdf>.

### 7.2 Disclosure on Non-compliances by the Company related to Capital Markets.

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/ Vigil Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has implemented the 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'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 such mechanism. The Vigil mechanism also provides direct access to the Members of the Audit Committee, including the chairman of the Audit Committee. The functioning of the Vigil mechanism is 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](http://www.theleela.com).

### 7.4 CMD / CFO Certification

The CMD and the CFO have issued the certificate as required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Company has in place a detailed Code of Conduct for Board Members and Senior Management adopted by the Board of Directors in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Code of Conduct is available on the website of the Company. The members of

the Board and senior management of the Company have submitted their affirmation on compliance with the code for the effective period. A declaration by the Chairman & Managing Director affirming compliance to the Code of Conduct is appended to this Report.

### 7.6 Code of Conduct for Prevention of Insider Trading

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

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 during the period when the Trading Window is closed and while in possession of unpublished price sensitive information in relation to the Company. The Company has also formulated "Policy for Inquiry" in case of leak of UPSI, which forms part of the Insider Trading Code.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. The Company has also formulated a Policy for Determination of "Legitimate Purposes" which forms part of 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

The above documents are displayed on the Company's website viz. [www.theleela.com](http://www.theleela.com).

### 8. Certificate of Compliance with Corporate Governance and disqualification of Directors

A certificate from Mr. Prashant S. Mehta, practicing Company Secretary regarding compliance with the conditions of Corporate Governance forms part of this Annual Report.

A certificate from Mr. Prashant S. Mehta, practicing Company Secretary regarding disqualification of directors on the Board of the Company forms part of this Report.

### 9. Subsidiary Company

The Company has one wholly owned Subsidiary, viz. Leela Palaces and Resorts Limited which is a material unlisted Indian subsidiary. The minutes of the subsidiary company are periodically placed before the Board and reviewed by the Board of Directors. The Policy was revised effective from April 1, 2019 in line with the amendments made to the Listing Regulations. The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website <https://www.theleela.com/img/footer/about-leela/investor-relations/corporate-governance-policy/Policy%20for%20Determining%20Material%20Subsidiaries.pdf>. The Company is unable to appoint an Independent Director of the Company on the Board of the said subsidiary since all the directors of the Company are disqualified under Section 164(2)(b) of the Companies Act, 2013.

### 10. Means of Communication

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and the Company's web-site. Information, latest updates and announcements made by the Company can

be accessed at Company's website: <https://www.theleela.com/img/footer/about-leela/investor-relations>. It also includes inter-alia the following:

- Quarterly /Half-Yearly /Annual Financial Results
- Quarterly Shareholding Pattern
- Annual Reports
- Quarterly Corporate Governance Report
- Investor Presentations
- Postal Ballot

The financial Results of the Company are published in the prescribed proforma within 48 hours of the conclusion of the meeting of the Board in which they are considered, at least in one English newspaper circulating in the whole or substantially the whole of India and in one Vernacular newspaper of the State of Maharashtra where the Registered Office of the Company is situated. The Company regularly publishes its financial results in Free Press Journal and Navashakti.

## 11. General Shareholder Information

### 11.1 Company Information

i)	CIN	L55101MH1981PLC024097
ii)	Registration Date	20 <sup>th</sup> 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) <b>Owned hotels:</b> (1) The Leela Mumbai, Sahar, Mumbai – 400 059 (2) The Leela Palace Bengaluru, 23, Old Airport Road, Bengaluru – 560 008 (3) The Leela Palace Udaipur, Lake Pichola, P.O. Box No. 125, Udaipur – 313 001 (4) The Leela Palace New Delhi, Diplomatic Enclave, Chanakyapuri, New Delhi – 110 023 (5) The Leela Palace Chennai, Satyadev Avenue Extension, MRC Nagar, Raja Annamalapuram, Chennai- 600 028 (B) <b>Managed hotels and Residences:</b> (1) The Leela Ambience Gurgaon Hotel & Residences, Ambience Island, National Highway – 8, Gurugram – 122 002, Delhi N.C.R.

	(2) The Leela Kovalam, Trivandrum – 695 527, Kerala
	(3) The Leela Goa, Mobor, Cavelossim, Goa – 403 731
	(4) The Leela Ambience Convention Hotel, Delhi 1, CBD, Near Yamuna Sports Complex, Maharaja Surajmal Marg, New Delhi, Delhi 110032

### 11.2 38<sup>th</sup> Annual General Meeting

Day / Date	Time	Venue
Thursday, 19 <sup>th</sup> September, 2019	11.00 A.M.	RangSharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra West, Mumbai - 400 050

### 11.3 Financial Calendar for the Year

Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
Dividend Payment	The Company has not proposed any dividend for the financial year ended 31 <sup>st</sup> March, 2019.
Book Closure Dates	Monday, 16 <sup>th</sup> September, 2019 to Thursday, 19 <sup>th</sup> September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
<b>Unaudited Financial reporting for the quarter ending (tentative)</b>	
30 <sup>th</sup> June, 2019	August, 2019
30 <sup>th</sup> September, 2019	November, 2019
31 <sup>st</sup> December, 2019	February, 2020
31 <sup>st</sup> March, 2020	May, 2020
Annual General Meeting for the year ending 31 <sup>st</sup> March, 2020	August / September, 2020

### 11.4 E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by Karvy Fintech Pvt. Ltd.

### 11.5 Stock Exchanges

<b>Listing on Stock Exchanges</b>	<b>Equity Shares:</b>
	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
	<b>Non-convertible Debentures:</b>
	Whole-sale Debt Market Segment BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
<b>Listing Fees</b>	The Company has paid the annual listing fees to the Stock Exchanges for the financial year 2019-20.

### 11.6 Stock Market Data

The monthly high / low prices of the equity shares of the Company from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019 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-18	21.5	17.2	2623084	35160	21.5	17.25	19931799	10739
May-18	18.65	16.55	1103118	35322	18.7	16.5	5449233	10736
Jun-18	20.3	16.3	1751432	35423	20.4	16.4	8841786	10714
Jul-18	17.15	14.6	594999	37607	17.15	14.55	3046085	11357
Aug-18	17.5	15.55	985896	38645	17.25	15.5	3822394	11681
Sep-18	19.6	14.4	1026206	36227	18.5	14.35	3281670	10930
Oct-18	15.69	12.2	512575	34442	15.1	12.8	2962974	10387
Nov-18	18.78	8.61	6523990	36194	18.7	8.65	35171020	10877
Dec-18	17.15	11.75	4427008	36068	17.2	11.7	21851623	10863
Jan-19	16.25	13.55	813449	36257	16.2	13.4	4693052	10831
Feb-19	14.31	9.62	1874495	35867	14.3	9.6	9823857	10793
Mar-19	13.38	9.95	3812472	38673	13.4	9.75	23075566	11624

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

### 11.7 Distribution of shareholding as on 31<sup>st</sup> March, 2019

Slab of Shareholding (No. of Shares)	No. of Shareholders	% of Total	No. of shares held	% of Total
Upto 5,000	81,415	94.66	3,06,78,738	4.87
5,001 to 10,000	2,467	2.87	93,97,107	1.49
10,001 to 20,000	1,145	1.33	87,76,367	1.39
20,001 to 30,000	302	0.35	37,73,709	0.6
30,001 to 40,000	165	0.19	29,79,310	0.47
40,001 to 50,000	114	0.13	26,67,040	0.42
50,001 to 1,00,000	191	0.22	70,22,711	1.11
Above 1,00,000	207	0.24	56,52,56,784	89.64
<b>TOTAL</b>	<b>86,006</b>	<b>100</b>	<b>63,05,51,766</b>	<b>100</b>

### 11.8 No. of Shares held in dematerialized and physical mode as on 31<sup>st</sup> March, 2019

Sr. No.	Particulars	No. of Shareholders	No. of Shares	% of total capital issued
1	Held in dematerialized form in NSDL	55,673	56,96,64,474	90.34
2	Held in dematerialized form in CDSL	28,487	5,57,63,562	8.84
3	Held in Physical form	1,846	51,23,730	0.81
	<b>Total</b>	<b>86,006</b>	<b>63,05,51,766</b>	<b>100</b>

### 11.9 Shareholding Pattern as on 31<sup>st</sup> March, 2019

Sr. No.	Category	No. of Shares held	% of Holding
1	Promoters (including persons acting in concert)	29,80,87,074	47.27
2	Banks / Public Financial Institutions / Insurance Companies	1,60,34,444	2.54
3	Bodies Corporate / Trusts	23,53,05,957	37.32
4	FIIIs	13,56,498	0.22
5	NRIs / OCBs	67,13,737	1.06
6	Resident Individuals	7,06,11,430	11.2
7	IEPF	24,42,626	0.39
	<b>Total</b>	<b>63,05,51,766</b>	<b>100</b>

As on 31<sup>st</sup> March, 2019, the Promoters have pledged 22,82,86,964 equity shares representing 36.20% of the paid up capital of the Company, which includes 15,94,19,794 equity shares representing 25.28% pledged by the promoter group companies in favour of the Security Trustee of the Company's Lenders.

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.

#### 11.10 Reconciliation of Share Capital Audit Report

As required by the Securities & Exchange Board of India (SEBI), quarterly audit of the Company's share capital is being carried out by a Practicing Company Secretary with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The report in regard to the same is submitted to BSE Limited and NSE Limited and is also placed before the Board of Directors.

#### 11.11 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 Practicing Company Secretary a half-yearly certificate of compliance with the share transfer formalities as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges concerned.

#### 11.12 Dematerialisation of shares

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) through whom they 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 would verify the same.

The Registrar would then request National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder are then 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.

#### 11.13 Outstanding ADR / GDR / Warrants and their impact on equity

During the financial year, the Company has not issued any ADR / GDR / any convertible securities.

#### 11.14 Commodity price risks and commodity hedging activities

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.

#### 11.15 Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

#### 11.16 Address for correspondence

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

##### (a) Compliance Officer :

<b>Name of the Compliance Officer</b>	Mr. Alen Ferns, Company Secretary
<b>Address</b>	The Leela, Sahar, Mumbai – 400 059
<b>Telephone</b>	+91-22-6691 1182/83
<b>Fax</b>	+91-22-6691 1458
<b>Designated E-mail ID for investor grievances</b>	investor.service@theleela.com

##### (b) Registrar & Share Transfer Agent for Equity Shares

Karvy Fintech Private Limited (Formerly Karvy Computershare Private Limited) has been appointed as one point agency for dealing with shareholders with effect from 18<sup>th</sup> June, 2016. Correspondence from Shareholders should be addressed to the Company's Registrar & Share Transfer Agent at the address mentioned below:

##### Karvy Fintech Private Limited

Unit: Hotel Leelaventure Limited

Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032

Tel : + 91 40 6716 2222 Fax : + 91 40 2342 0814

E-mail: einward.ris@karvy.com

Website: www.karvy.com ; Toll Free No: 1800 - 3454 – 001



#### 11.17 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

#### 11.18 Investor Correspondence – Contact Details

For Clarification / Queries	Contact Nos.
Company Secretary/ Secretarial Department	Tel. +91 22 6691 1182/3 Fax. +91 22 6691 1458
Exclusive E-mail ID for investor grievances	investor.service@theleela.com

#### 11.19 Debenture Trustee for Non-convertible Debentures and Scrip information

Trustee	Scrip Particulars	Scrip Code
Axis Trustee Services Limited, Ground 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

#### 12. Transfer of unpaid / unclaimed Dividend amount to Investor Education and Protection Fund

During the year under review, the Company has credited ₹ 6.19 lakhs, lying in the unpaid / unclaimed dividend accounts for the financial year 2010-11, 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. There is no unpaid / unclaimed dividend lying in the accounts of the Company as on date.

#### 13. Mandatory Transfer of Shares to Demat Account of Investors Education and Protection Fund Authority (IEPFA) in case of unpaid/ unclaimed dividend on shares for a consecutive period of seven years

Pursuant to the provisions of section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and refund) Rules, 2016 ("the rules"), all shares in respect of which dividend has not been en-cashed or claimed by the shareholders for seven consecutive years or more shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) Suspense Account.

The Company has sent out individual communication to the concerned Members whose shares are liable to be transferred to Investors Education and Protection Fund Authority (IEPFA) in order to take immediate action in the matter. As required under the IEPF Rules, the Company had also published a Notice informing the Members' who have not claimed their shares for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

The Company, after sending intimation to the shareholders, has transferred shares, in respect of which dividend was declared upto the financial year ended 31<sup>st</sup> March, 2011 and remained unclaimed, to the Investor Education and Protection Fund. The particulars of shares transferred to IEPF Suspense Fund are as follows:

Date of transfer	No. of shareholders involved	No. of shares	Dividend unpaid
7 <sup>th</sup> December, 2017	4,456	14,94,308	FY 2009-10
31 <sup>st</sup> October, 2018	3,165	9,48,318	FY 2010-11

The voting rights on the shares in IEPF Suspense Fund shall remain frozen till the rightful owners of such shares claim the shares.

As there is no unclaimed dividend lying with the Company, the Company is not required to transfer any shares to IEPFA in future.

#### 14. Disclosure in respect of Equity Shares transferred to Unclaimed Share Suspense Account

Pursuant to Regulation 39 and corresponding Schedule VI of the Listing regulations, the Company is required to transfer shares which remain unclaimed by the shareholders to an unclaimed share suspense account.

All the corporate benefits, if any, on the above shares would also be transferred to Unclaimed Suspense Account of the Company.

After sending reminders to the shareholders at their latest available address(es) with the Company, the Company had transferred 25,98,970 unclaimed equity shares lying with the Company to "Hotel Leelaventure Limited-Unclaimed Share Suspense Account" in May, 2015.

The shareholders can make their claim with the Company / RTA. The RTA / Company on proper verification of the shareholders' identity and other relevant documents would transfer the shares in their favour.

The disclosure as required under Regulation 34(3) read with Schedule VI of the Listing Regulations is given below:

Description	No. of Shareholders	No. of Equity Shares
A) Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 1 <sup>st</sup> April, 2018.	2,572	16,67,495
B) Particulars of shares transferred to Investor Education and Protection Fund Authority	413	2,21,040
C) Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year.	29	26,415
D) Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account at the year ended 31 <sup>st</sup> March, 2019. (D= A-B-C)	2,130	14,20,040

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

Shareholders may note that both the unclaimed dividend and shares transferred to the IEPF Authority can be claimed back by them after following the procedure prescribed under the IEPF Rules.

**15. Fees paid to the Statutory Auditors**

M/s. N S Shetty & Co., Chartered Accountants, are the statutory auditors of the Company. Total fee paid by the Company and its wholly-owned subsidiary, on a consolidated basis, to the auditors during the financial year 2018-19 is given below:

₹ Lakhs

Sr. No.	Particulars	Statutory Audit Fees	Other Services
1	Hotel Leelaventure Limited	30.00	10.52
2	Leela Palaces and Resorts Limited	0.15	-

**16. Disclosure in relation to 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 employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee 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. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints outstanding at the beginning of the year. During the year no complaints pertaining to sexual harassment were received. As such, no complaint remained pending at the end of the year.

**17. Recommendations of the Committees of the Board**

There are no recommendations of the committees of the Board which have not been accepted by the Board.

**18. Directors and Officers Liability Insurance (D&O)**

As per the provisions of the Act and in compliance with the Listing Regulations, the Company has a Directors and Officers (D&O) Liability Insurance policy on behalf of all Directors including Independent Directors and selected employees of the Company for indemnifying them against any liability in respect of any negligence, default, breach of duty, misstatement or errors in their managerial capacity.

**19. Adoption of Discretionary Requirements:**

The status of adoption of discretionary requirements of Regulation 27(1) as specified under Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided below:

**19.1 Non-Executive Chairperson:** Not applicable since the Company does not have a Non-Executive Chairperson.

**19.2 Separate posts of Chairman and Managing Director or CEO:** The Chairman's Office is not separate from that of the Managing Director.

**19.3 Shareholders' Rights:** The quarterly, half-yearly and annual financial results of the Company are published in English and Marathi newspapers having wide circulation, communicated to the Stock Exchanges and are uploaded on the Company's web-site.

**19.4 Modified opinion in Audit Report:** The Company's financial statement for the financial year 2018-19 does not contain any modified audit opinion. However, even though there is no audit qualification, there are audit observations.

**19.5 Reporting of Internal Auditor:** The Internal auditors of the Company report to Audit Committee. Executive Summary of the Internal Audit report 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.

**Dispatch of documents in electronic form (GREEN INITIATIVE)**

In terms of Section 20 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a company can send documents like notice, annual report, etc., in electronic form to its shareholders. Accordingly, the said documents are sent by e-mail to those members who have registered their e-mail addresses with their DP / the Company.

As part of "Green Initiative", Members who have not registered their e-mail addresses are requested to register their e-mail addresses, with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to write to the Company / Registrar for registration of e-mail address.

For and on behalf of the Board of Directors

**Vivek Nair**  
Chairman & Managing Director

Mumbai, 27<sup>th</sup> May, 2019

## DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

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 31<sup>st</sup> March, 2019.

**Vivek Nair**  
Chairman & Managing Director

Place: Mumbai  
Date: May 27, 2019

## CERTIFICATE ON CORPORATE GOVERNANCE

The Members  
Hotel Leelaventure Limited  
Leela Sahar  
Mumbai - 400059

I have examined the compliance of conditions of Corporate Governance by Hotel Leelaventure Limited ('the Company'), for the financial year ended 31<sup>st</sup> March, 2019 as stipulated and as required under Regulation 15(2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 is generally in compliance with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, except those reported in my Secretarial Audit report of even date.

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 P Mehta & Associates**  
Practicing Company Secretaries

Place: Mumbai  
Date: May 27, 2019

**Prashant S. Mehta**  
Proprietor  
ACS No. 5814  
C.P. No. 17341

## CERTIFICATE OF DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members  
**Hotel Leelaventure Limited**  
Leela Sahar  
Mumbai - 400059

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hotel Leelaventure Limited having CIN L55101MH1981PLC024097 and having registered office at Leela Sahar, Mumbai - 400059 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that *all of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been disqualified from being appointed or continuing as Directors of companies by the Ministry of Corporate Affairs as the Company has been in default in payment of principal amount since September, 2016 and interest since March, 2017 to LIC of India, the debenture holder. The Company has intimated the said defaults to the stock exchanges and the said default is still continuing.* However, the Directors of the Company have not been debarred by the Securities and Exchange Board of India or by any such statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Mr. Vivek Krishnan Nair	00005870	03/08/1983
2	Mr. Dinesh Krishnan Nair	00006609	03/08/1983
3	Mr. Vijay Sharma	00138852	09/05/2018
4	Ms. Saija Ramchandran Nair	03623949	30/05/2018
5	Mr. Vinay Hansraj Kapadia	07958301	07/10/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P Mehta & Associates**  
**Practicing Company Secretaries**

**Prashant S. Mehta**  
Proprietor  
ACS No. 5814  
C.P. No. 17341

Place: Mumbai  
Date: May 27, 2019

## CEO and CFO CERTIFICATION

The Board of Directors  
Hotel Leelaventure Limited  
Mumbai

1. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. 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.
4. We have indicated to the auditors and the Audit Committee:
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed to the notes to the financial statements; and
  - (iii) 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.

**Rajan Shah**  
Chief Financial Officer

**Vivek Nair**  
Chairman & Managing Director

Place: Mumbai  
Date: May 27, 2019

# INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the Members of Hotel Leelaventure Limited

Report on the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of **Hotel Leelaventure Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive Income), the Statement of Changes in equity and the Statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

## Basis for Opinion

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

## Emphasis of Matter

We draw attention to the following matters in notes to the standalone financial statements:-

Note 34.1 (b) relating to non-provision of interest payable to Asset Reconstruction Companies (ARCs) amounting to ₹87,321 lakhs for the year (previous year ₹78,873 lakhs). If the interest and other finance cost as notified by the ARCs were provided in the books of accounts, the loss for the year would have been higher by ₹87,321 lakhs (previous year ₹78,873 lakhs) and the interest liability till 31st March, 2019 would have been higher by ₹3,90,466 lakhs (previous year ₹3,03,145 lakhs). Further, the Other Equity would have been negative to the extent of ₹3,76,509 lakhs (previous year ₹2,77,320 lakhs).

Note 34.1(c) relating to a binding Agreement with BSREP III INDIA BALLETT PTE. LTD. (Brookfield) on 18th March, 2019 to sell its hotel business undertaking at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and hotel operations business and its 100% shareholding in its subsidiary Company which owns property at Agra and all intellectual property owned by the company used in and held for use in the hotels owned and managed by it, for an amount of ₹ 395,000 lakhs and one-time settlement with lenders out of the said proceeds, subject to their approval.

Note 34.1(d) & 34.1(e) relating to petition / complainants made by the minority shareholder/s to Securities & Exchange Board of India (SEBI) and National Company Law Tribunal (NCLT) alleging oppression and mismanagement by the majority shareholders against minority shareholders and restraining the company from completing or attempting to complete the transaction referred herein Note 34.1(c).

Note 34.2(a) relating to enhancement in lease rentals, unilateral termination of lease agreement of 18000 sq. mtrs. of land by Airports Authority of India (AAI) relating to Mumbai hotel and eviction proceedings initiated by them which the Company is legally contesting. Disputed amount not provided in the Books for the period up to 31st March, 2019 cumulatively amounts to ₹ 5,184 lakhs (previous year ₹3,877 lakhs).

Note 34.2(b) relating to the demands made by AAI relating to Royalty, Minimum Guarantee Fees in respect of 11000 sq. mtrs. of land in Mumbai cumulatively amounting to ₹80,705 lakhs up to 31st January, 2019 (Previous Year ₹28,537 lakhs up to 31st January, 2017) not provided in the Books as the liability is disputed and not crystalized as per the legal opinion and the additional cost the company may have to incur towards restoration of FSI, which is not ascertainable.

## Material uncertainty related to Going Concern

We draw attention to Note no.34.4 in the Standalone Financial Statements regarding the preparation of financial statements on going concern basis for the reasons stated therein. However, matters stated in Emphasis of Matter above indicate that a material uncertainty exists that may cast significant doubt on company's ability to continue as a going concern. As stated in Note no. 34.4, the appropriateness of assumption of going concern is dependent upon the conclusion of the transaction with Brookfield, one-time settlement of dues with the lenders and getting favorable judgment / orders in respect of disputes with Airports Authority of India and continuing the Mumbai Hotel operations.

Our conclusion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our Report:

Key audit matter	How our audit addressed the key audit matter
Assets included in disposal group(s) held for sale and liabilities included in disposal group(s) held for sale (Ref. Note No.34.3)	Obtained from the Management the Framework Agreement with proposed buyer, Board Resolution approving the proposed transaction, a special Resolution passed by shareholders through Postal Ballet.  Assessed the methodology used by the Management in identifying the Assets and Liabilities held for sale.
Contingent Liabilities in respect of claim made by Airport Authority of India (AAI) (Ref. Note No.34.2)	Obtained Lease Agreements and supplementary Agreement with Airport Authority of India (AAI). Correspondence from and with AAI, eviction orders judgment of Arbitrator, Judgment of Delhi High court. Petition filed before Supreme Court and their judgment. Petition filed before Eviction officer and their revised claim, various Legal opinions, case filed before Bombay City Civil Court.

#### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that, :
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone financial statements dealt with by this report are in agreement with the books of accounts.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. The matter described in paragraph relating to Emphasis of Matter 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 31st March, 2019 taken on record by the Board of Directors, all the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - h. As required by section 197(16) of the Act, we report that the Company has not paid/provided remuneration to its Director during the year.
  - i. 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 standalone financial statements (Refer Note 34.5 to the standalone 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 are 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 N S Shetty & Co.  
Chartered Accountants  
FRNo. : 0110101W

**N. S. Shetty**  
Partner  
M. No. 035083  
Place : Mumbai  
Date : 27th May, 2019



## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) Except disputes relating to the title deeds/renewal of lease agreement as detailed hereunder, according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties disclosed in the standalone Financial Statements are held in the name of the Company.

Particulars	Number of cases	Carrying value as on 31st March 2019 (₹ In lakhs)	Remarks
Land at Udaipur	-	2,437.96	Khata of some of the plots is not transferred in the name of the company
Land at Hyderabad	Five	1,269.01	Title deeds are under dispute
Building constructed on leasehold land at Mumbai	One	22,250.99	Lease agreement not renewed since 11th January, 2016 (refer Note 34.2) to the Standalone Financial Statements.

- ii. As explained to us, inventories were physically verified during the year by the Management at reasonable intervals. In our opinion the frequency of such verification is reasonable. The discrepancies noticed on such verification between the physical stock and book records were not material and have been properly dealt in the books of account.
- iii. The Company has not granted secured/unsecured loans to Companies, firms, Limited Liability Partnerships, or parties covered in the register maintained under Section 189 of the act during the year. Hence, reporting under clause 3 (iii) of the Order is not applicable to the company.
- iv. Attention is drawn to Note 34.10 to the standalone financial statements relating to overdue receivables from one private limited Company amounting to ₹ 138.62 lakhs in which directors are interested. Other than this, the Company has not granted any loans or provided any guarantees or security to the parties covered in Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments.
- v. The Company has not accepted any deposits within the meaning from Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules 2014 (as amended) during the year. Hence, reporting under clause 3(v) of the Order is not applicable to the company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company.
- vii. According to the information and explanations given to us in respect of Statutory dues :
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2019 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	FY 2005-06 to 2009-10	Matter remanded to joint Commissioner of Commercial Taxes (Appeals) Bangalore by High Court of Karnataka.
Rajasthan VAT Act, 2006	VAT with interest	49.92	FY 2011-12 to 2014-15	Rajasthan Tax Board, Ajmer
Finance Act, 1994	Service Tax, interest and penalty	2591.24	FY 2007-08 to 2011-12	CESTAT, Bangalore
Maharashtra VAT 2002	VAT with interest and penalty	897.36	FY 2007-08, 2009-10, 2011-12 and 2013-14	Jt. Commissioner of Appeals-VAT Mumbai
Maharashtra VAT 2002	VAT	39.73	FY 2008-09	VAT Tribunal, Mumbai
Finance Act 1994	Service Tax with Penalty	35.10	FY 2012-13 to 2015-16	Commissioner Appeal, New Delhi.

Name of the statute	Nature of Dues	Amount (in lakhs)*	Period to which the amount relates	Forum where dispute is pending
Finance Act 1994	Service Tax with Penalty	46.51	July 2012 to June 2017	Commissioner Appeal, Mumbai
Finance Act 1994	Service Tax with Penalty	122.94	July 2012 to March 2015	Commissioner Appeal, Mumbai
Finance Act, 1994	Service Tax and interest	1,316.56	FY 2007-08 to 2011-12	CESTAT, Mumbai
Finance Act, 1994	Service Tax and interest	22.52	FY 2003-04 to 2007-08, 2008-09 to 2009-10	CESTAT, Mumbai
Kerala Tax on Luxury 1976	Luxury Tax, interest and penalty	68.88	FY 2010-11, 2011-12	Deputy Commissioner of (Appeals), Thiruvananthapuram
KGST and KVAT Act	KGST and KVAT	46.58	FY 2011-12	Matter remanded back to the Assessing Officer by High Court.

\*Net of amounts paid under protest.

viii. (a) The Company has defaulted in repayment of dues to a debenture holder / banks during the year under review, the period and amount of defaults are as under.

Name of the Lender	Amount of default as at the balance sheet date (₹ In lakhs)	Period of Default
LIC- Debentures	8,417.37	Due since September 2016.
Bank of Baroda	6,346.72	Due since February 2014.
State Bank of India	17,871.25	Due since June 2016.

- (b) With regard to debts assigned to Asset Restructuring Companies (ARCs), the company has been pursuing for viable restructuring package. Total debt notified by them as on 31st March 2019 is ₹635,756 lakhs which includes finance cost of ₹390,466 lakhs not recognized in the accounts. [refer Note No 34.1(b)].
- (c) As explained, the Company did not have any outstanding loans or borrowing from Government during the year.
- ix The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and not availed any term loans from banks or financial institutions during the year. Hence reporting under clause 3 (ix) of the order is not applicable to the company.
- x. No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. Hence reporting under clause 3 (xi) of the order is not applicable to the company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Hence reporting under clause 3 (xii) of the order is not applicable to the company.
- xiii. In our opinion all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Hence reporting under clause 3 (xiv) of the order is not applicable to the company.
- xv In our opinion the Company has not entered into non-cash transactions with directors or persons connected with them covered under Section 192 of the Act during the year.
- xvi The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For N S Shetty & Co.  
Chartered Accountants  
FRNo. : 0110101W

N. S. Shetty  
Partner  
M. No. 035083  
Place : Mumbai  
Date : 27th May, 2019

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred in Para 2(g) under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **HOTEL LEELAVENTURE LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

#### **For N S Shetty & Co.**

Chartered Accountants  
FRNo. : 0110101W

**N. S. Shetty**

Partner  
M. No. 035083  
Place : Mumbai  
Date : 27th May, 2019

# BALANCE SHEET AS AT 31 MARCH, 2019

Particulars	Note No.	₹ Lakhs	
		As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	26,983.91	374,499.34
Capital work-in-progress		67.82	464.01
Investment Property	4	7,349.11	7,497.79
Intangible assets	5	61.82	229.02
Financial assets:			
Investments	6	-	9,037.47
Other financial assets	7	2,518.23	6,425.80
Tax assets (net)	8	2,956.38	1,985.82
Other non-current assets	9	2,246.80	7,155.39
<b>Total non-current assets</b>		<b>42,184.07</b>	<b>407,294.64</b>
<b>Current assets</b>			
Inventories	10	784.54	3,225.39
Financial assets			
Trade receivables	11	6,537.66	8,254.91
Cash and cash equivalents	12	2,899.10	2,039.78
Other balances with banks	13	-	154.41
Other financial assets	14	213.95	533.72
Other current assets	15	1,191.62	4,021.09
<b>Total current assets</b>		<b>11,626.87</b>	<b>18,229.30</b>
Non current assets held for sale		13,528.63	30,627.80
Assets included in disposal group(s) held for sale	34.3	351,549.07	-
<b>Total assets</b>		<b>418,888.64</b>	<b>456,151.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	12,611.04	12,611.04
Other equity	17	13,957.91	25,825.30
<b>Total Equity</b>		<b>26,568.95</b>	<b>38,436.34</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	71,052.24	307,305.08
Other financial liabilities	19	1,056.16	2,123.74
Provisions	20	578.88	1,664.36
<b>Total non-current liabilities</b>		<b>72,687.28</b>	<b>311,093.18</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	5,742.66	11,955.25
Trade payables	22		
Outstanding dues of MESE		1.10	14.86
Outstanding dues other than of MESE		6,304.60	9,609.00
Other financial liabilities	23	290,660.60	65,452.34
Other liabilities	24	875.84	3,679.44
Provisions	25	200.33	588.28
<b>Total current liabilities</b>		<b>303,785.13</b>	<b>91,299.17</b>
Liabilities classified as held for sale		4,786.87	15,323.05
Liabilities included in disposal group(s) held for sale	34.3	11,060.41	-
<b>Total equity and liabilities</b>		<b>418,888.64</b>	<b>456,151.74</b>
Notes forming part of the financial statements	1 to 36		

In terms of our report attached

For N S Shetty & Co  
Chartered Accountants  
Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty  
Partner  
Membership No. 035083

Alen Ferns  
Company Secretary

Vivek Nair  
Chairman and Managing Director  
Dinesh Nair  
Co-Chairman and Managing Director  
Rajan Shah  
Chief Financial Officer

Mumbai, 27th May, 2019

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

₹ Lakhs

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
<b>Income</b>			
Revenue from operations	26	15,434.43	13,783.52
Other income	27	418.36	645.28
<b>Total income</b>		<b>15,852.79</b>	<b>14,428.80</b>
<b>Expenses</b>			
Food and beverages consumed	28	1,330.32	1,189.86
Employee benefit expenses and payment to contractors	29	6,042.82	5,809.83
Finance costs	30	39.66	12.70
Depreciation and amortisation expenses	31	957.52	1,326.08
Other expenses	32	8,295.99	7,981.53
<b>Total Expenses</b>		<b>16,666.31</b>	<b>16,320.00</b>
<b>Profit/(loss) before exceptional items and Tax</b>		<b>(813.52)</b>	<b>(1,891.20)</b>
Exceptional items - Profit/(loss) (net)	33	(2,966.11)	(3,293.68)
<b>Profit/(loss) before Tax</b>		<b>(3,779.63)</b>	<b>(5,184.88)</b>
Tax expense		-	-
<b>Profit/(loss) after Tax from continued operations (A)</b>		<b>(3,779.63)</b>	<b>(5,184.88)</b>
<b>Discontinued Operations :</b>			
Profit/(loss) from discontinued operations		(8,109.85)	2,863.25
Tax expense from discontinued operations		-	-
<b>Profit/(loss) after Tax from discontinued operations (B)</b>	34.3	<b>(8,109.85)</b>	<b>2,863.25</b>
<b>Profit after Tax (A + B)</b>		<b>(11,889.48)</b>	<b>(2,321.63)</b>
<b>Other comprehensive income:</b>			
<b>Items that may not be reclassified to the statement of profit and loss</b>			
Remeasurement of defined benefit plan		22.09	137.08
Income tax relating to items that may not be reclassified to the statement of profit and loss		-	-
<b>Total other comprehensive income, net of tax</b>		<b>22.09</b>	<b>137.08</b>
<b>Total comprehensive income for the year</b>		<b>(11,867.39)</b>	<b>(2,184.55)</b>
<b>Earnings per share (of ₹ 2 each):</b>			
For continued operations		(0.60)	(0.96)
For discontinued operations		(1.29)	0.53
Basic & Diluted		<b>(1.89)</b>	<b>(0.43)</b>
Notes forming part of the financial statements	1 to 36		

In terms of our report attached

For N S Shetty & Co  
Chartered Accountants  
Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty  
Partner  
Membership No. 035083

Alen Ferns  
Company Secretary

Vivek Nair  
Dinesh Nair  
Rajan Shah

Chairman and Managing Director  
Co-Chairman and Managing Director  
Chief Financial Officer

Mumbai, 27th May, 2019

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

₹ Lakhs

Particulars		2018-19		2017-18	
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit/(loss) before exceptional items and Tax from continued operations		(813.52)		(1,891.19)
	Adjustments for:				
	Depreciation & amortisation	957.52		1,326.08	
	Interest charged	39.66		12.70	
	(Profit)/loss on sale of property, plant and equipment	(44.95)		17.05	
	Provisions/ liabilities written back	(53.49)		(84.16)	
	Provision for trade & other receivables	0.96		10.42	
	Interest income	(102.76)		(268.43)	
			796.94		1,013.66
	<b>Operating Profit before working capital changes</b>		(16.58)		(877.53)
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	31.67		(91.31)	
	Trade and other receivables	(421.24)		(729.71)	
	Other financial assets	126.31		(94.48)	
	Other assets	448.71		(1,257.29)	
	Adjustments for increase /(decrease) in operating liabilities:				
	Trade payables	(41.41)		1,664.52	
	Other financial liabilities	721.20		(659.49)	
	Other liabilities	(33.91)		222.93	
			831.33		(944.83)
<b>Cash generated from operating activities</b>		814.75		(1,822.36)	
Less : Direct Tax paid (net)		(970.55)		(404.75)	
<b>Net cash flow from operating activities</b>		(155.80)		(2,227.11)	
Net cash flow from discontinued activities		21,097.02		21,433.06	
<b>Net cash flow from continued and discontinued activities</b>		20,941.22		19,205.95	
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	<b>Inflows:</b>				
	Proceeds from sale of property, plant and equipment (net) (including advance receipts)		13,621.01		1,104.04
	Decrease in fixed deposits with banks		-		1,753.76
	Interest received		126.29		222.01
	<b>Outflows:</b>				
	Increase in fixed deposit with banks		(86.85)		-
	<b>Net cash flow from investing activities</b>		13,660.45		3,079.81
	Net cash flow from discontinued activities		(758.18)		(395.65)
	<b>Net cash flow from continued and discontinued activities</b>		12,902.27		2,684.16
C	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
	<b>Inflows:</b>				
	Proceeds from term borrowings		-		12,529.00
	<b>Less: Outflows</b>				
	Repayment of term borrowings		(25,194.94)		(25,110.01)
	Dividend paid (including transfer to Investor Education & Protection Fund)		(6.32)		(7.37)
	Interest paid		(39.66)		(12.70)
	<b>Net cash flow from financing activities</b>		(25,240.92)		(12,601.08)
	Net cash flow from discontinued activities		(7,463.04)		(8,838.14)
	<b>Net cash flow from continued and discontinued activities</b>		(32,703.96)		(21,439.22)
	<b>Net changes in cash and cash equivalents</b>		1,139.53		450.89
	<b>Cash and cash equivalents at the beginning of the year</b>		2,039.78		1,588.89
	<b>Cash and cash equivalents at the end of the year</b>		3,179.31		2,039.78
	Cash and cash equivalents from Continued Operations		2,899.10		1,007.81
Cash and cash equivalents from Discontinued Operations		280.21		1,031.97	
<b>Cash and cash equivalents from Continued &amp; Discontinued Operations</b>		3,179.31		2,039.78	

In terms of our report attached

For N S Shetty & Co  
Chartered Accountants  
Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty  
Partner  
Membership No. 035083

Alen Ferns  
Company Secretary

Vivek Nair  
Dinesh Nair  
Rajan Shah  
Chairman and Managing Director  
Co-Chairman and Managing Director  
Chief Financial Officer

Mumbai, 27th May, 2019

# STATEMENT OF CHANGES IN EQUITY

a) Equity share capital

₹ Lakhs

As at 1st April, 2017	9,332.17
Changes in the equity share capital during the year	3,278.87
As at 31st March 2018	12,611.04
Changes in the equity share capital during the year	-
As at 31st March 2019	12,611.04

b) Other equity

₹ Lakhs

Particulars	Reserves and surplus						Total
	Capital redemption reserve	Security premium	Debenture redemption reserve	General reserve	Retained earnings*	Other comprehensive income	
Balance as at 1 April 2017	8,750.00	41,115.40	6,750.00	6,445.39	(59,108.83)	(172.95)	3,779.01
Profit/(loss) for the year	-	-	-	-	(2,321.63)	-	(2,321.63)
Premium on issue of equity shares	-	24,230.84	-	-	-	-	24,230.84
Other comprehensive income for the year, net of tax	-	-	-	-	-	137.08	137.08
<b>Total comprehensive income for the year</b>	-	24,230.84	-	-	(2,321.63)	137.08	22,046.29
<b>Allocations/Appropriations</b>							
Transferred (to) / from retained earnings	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<u>8,750.00</u>	<u>65,346.24</u>	<u>6,750.00</u>	<u>6,445.39</u>	<u>(61,430.46)</u>	<u>(35.87)</u>	<u>25,825.30</u>
Balance as at 1 April 2018	8,750.00	65,346.24	6,750.00	6,445.39	(61,430.46)	(35.87)	25,825.30
Profit/(loss) for the year	-	-	-	-	(11,889.48)	-	(11,889.48)
Premium on issue of equity shares	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-	22.09	22.09
<b>Total comprehensive income for the year</b>	-	-	-	-	(11,889.48)	22.09	(11,867.39)
<b>Allocations/Appropriations</b>							
Transferred (to) / from retained earnings	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<u>8,750.00</u>	<u>65,346.24</u>	<u>6,750.00</u>	<u>6,445.39</u>	<u>(73,319.94)</u>	<u>(13.78)</u>	<u>13,957.91</u>

In terms of our report attached

For N S Shetty & Co  
Chartered Accountants  
Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty  
Partner  
Membership No. 035083

Alen Ferns  
Company Secretary

Vivek Nair  
Dinesh Nair  
Rajan Shah

Chairman and Managing Director  
Co-Chairman and Managing Director  
Chief Financial Officer

Mumbai, 27th May, 2019

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

## Note 1: Corporate Information

Hotel Leelaventure Limited ("HLVL" or the "Company") is a public limited company incorporated in India and has its registered office situated at "The Leela Mumbai", Sahar, Mumbai 400 059.

The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The financial statements for the year ended 31st March, 2019 were approved by the Board of Directors and authorised for issue on 27th May, 2019.

## Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements:

### (i) Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

### (ii) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the following:

- i) Defined benefit plans – plan assets measured at fair value.
- ii) Certain financial instruments which are measured at fair value at the end of each reporting period.
- iii) Assets held for sale (or disposal groups) –measured at lower of carrying amount or fair value less cost to sell.

### (iii) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires, management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

#### (a) Useful lives of property, plant and equipment and intangible assets:

The Company has estimated the useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### (b) Impairment testing:

Property, plant and equipment and intangible assets that are subject to amortisation /depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which include turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.

#### (c) Income Taxes:

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

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

#### (d) Litigation:

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



**(e) Defined benefit plans:**

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

**(iv) Significant Accounting Policies:**

**(a) Revenue recognition:**

**(i) Income from operations**

Revenue from operations is accounted on accrual, is net of indirect taxes, returns and discounts. Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises of sale of rooms, food and beverages and allied services relating to hotel operations and management fees for the management of the hotels. Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract and collectability is reasonably certain.

**(ii) Interest:**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**(b) Property, Plant and Equipment:**

Property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(c) Investment Property:**

Investment Property are initially measured at cost, including transaction cost. Subsequent to initial recognition, Investment property are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment Property are derecognised either when they have disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognising.

Transfers to or from investment property is made when and only when there is a change in use.

On transition to Ind AS, the company has elected to continue with the carrying value of all its investment properties recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(d) Intangible Assets:**

Intangible assets are stated at cost less accumulated amortisation and impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(e) Capital WIP**

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

**(f) Depreciation and Amortisation:**

The Company depreciates its property, plant and equipment and investment property over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 under straight line method except as under:

- (i) 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) and that of motor boat 6 years.
- (ii) 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.

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

- (iii) Building constructed on leasehold land are depreciated at the applicable rate on the assumption that the lease would be renewed in the normal course.
- (iv) Computer Software and website is amortised in six years and other intangible assets are amortised in five years.
- (v) Leasehold rights are amortised over 60 years on the assumption that the lease would be renewed in normal course.

The useful lives of assets and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

Depreciation /amortisation is not provided on non-current assets held for sale or part of the disposal group from the date of such assets are classified as held for sale or part of disposal group.

### (g) Investments in subsidiaries:

Investment in a subsidiary is a long-term investment and is carried at cost. On transition to Ind AS, previous GAAP carrying amount as on that date, i.e. April 1, 2016 is considered as cost. However the investments which are part of disposal group as defined in Ind AS 105, are measured at lower of carrying amount or fair value less cost to sell and grouped under assets held for sale.

### (h) Inventories:

Stock of food and beverages, stores and operating supplies are stated 'at cost or net realisable value, whichever is lower'. Cost comprise fair value of consideration paid including duties and taxes (other than those refundable), cost of conversion and other costs in bringing the inventories to their present location and condition computed under weighted average cost method. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### (i) Employee benefits:

#### (i) Short-term 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.

#### (ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) The Company makes annual contributions to gratuity fund which is a defined benefit plan.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

- (b) Defined contribution plans such as provident fund are charged to the Statement of Profit and Loss as and when incurred.

### (j) 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.

Interest cost for the borrowings is computed under effective interest method.

Foreign exchange difference relating to foreign currency borrowings regarded as an adjustment to borrowing cost to the extent not capitalised is disclosed under finance cost.

### (k) Taxation:

- (i) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year considering the taxable income of both continued and discontinued operations.
- (ii) Deferred tax is recognized on timing difference, being the difference between taxable incomes 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.

### (l) 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 exceed 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.

**(m) Foreign currency transaction:**

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

The 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.

**(n) Leases :**

**(i) Operating lease - As a lessee:**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight –line basis over the period of 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.

The interest free security deposits paid for long term leases are recorded at their fair value .The difference between amount of the deposit paid and its fair value is considered as additional rental expense on a straight line basis. The Company also recognises interest income on the deposits using effective interest rate through its profit and loss over the life of the deposit.

**(ii) Operating lease - As a lessor:**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight–line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

The interest free security deposits received for long term leases are recorded at their fair value. The difference between amount of deposit received and its fair value is considered as additional rental income under straight line basis over the lease term. The Company also recognises interest expense on the deposits using effective interest rate through its profit and loss over the life of the deposit.

**(iii) Finance Lease – As a lessee:**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets under finance lease are capitalised at the Lease's inception at the fair value of the leased property or the present value of the minimum lease payments whichever is lower. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**(o) Government Grants/Incentives:**

Government grants/incentives that the Company is entitled to on fulfilment of certain conditions, but are available to the Company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions. Grants/incentives that the Company is entitled to unconditionally on fulfilment of certain conditions, such grants/incentives are recognised at fair value as income when there is reasonable assurance that the grant/incentive will be received.

**(p) Income from Joint Development Agreement (JDA):**

Income from JDA is accounted under percentage of completion method (POCM). Balance cost of land and other expense related to JDA is grouped under Assets held for sale.

**(q) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

(i) Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law because the Company created valid expectations on the part of the third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(ii) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(iii) Disclosure of the contingent assets are made when it is probable that there is an inflow of future economic benefits. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**(r) Exceptional items:**

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company.

**(s) Statement of Cash Flows :**

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

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

### (t) Earnings per Share :

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

### (u) Financial Instruments:

#### (1) Financial assets

##### (i) Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### (ii) Classification:

#### a. Cash and Cash Equivalents

Cash comprises cash/cheques on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### b. Debt Instruments

The Company classifies its debt instruments, as subsequently measured at amortised cost or fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### (i) Financial assets at amortised cost

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

##### (ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

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

##### (iii) Financial assets at fair value through profit or loss (FVTPL)

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

#### c. Equity Instruments

The Company subsequently measures equity investment in a wholly owned subsidiary and investment in certain power generation Companies at cost. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

##### De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continued involvement in the financial asset.

#### (2) Financial liabilities

##### Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

## Subsequent measurement

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

## De-recognition

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

### (3) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired and allowance for losses on such assessment is made in the Statement of Profit and Loss.

### (v) Discontinued Operations:

- (i) Assets are classified as “assets included in disposal group held for sale” when the appropriate level of the Company’s management is committed to a plan to sell the asset and an active plan to locate the buyer and complete the plan is initiated and the sale is highly probable and expected to complete within one year of such classification. The carrying amount of these assets will be principally recovered through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.
- (ii) Liabilities of disposal group are classified as “liabilities included in disposal groups(s) held for sale”
- (iii) Profit and loss from discontinued operations are separately disclosed in the Statement of Profit and loss.

### (vi) Recent accounting pronouncements:

#### Ind AS 116:

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind As 116 sets out the principles for recognition, measurement and presentation and disclosure of leases for both parties to a contract ie, the lessee and the lessor. Ind As 116 introduces a single lease accounting model for lessee and requires the lease to recognise right to use of assets and lease liabilities for all lease assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind As 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit and loss and balance sheet ratio ie, Earnings before interest, tax, depreciation and amortisation (EBITDA), Assets coverage, debt equity, interest coverage etc.

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

₹ Lakhs

Note 3 Property, plant and equipment

	Land - freehold	Land - leasehold rights	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Gross carrying amount</b>								
As at 1 April 2017	133,742.92	26,385.92	182,749.39	45,191.89	13,033.38	1,549.23	990.28	403,643.01
Additions	-	-	19.10	585.53	25.94	-	107.92	738.49
Disposals/ discards/ adjustments	-	(4,505.15)	-	(191.05)	(16.94)	(25.97)	(63.58)	(4,802.69)
<b>Balance as at 31 March 2018</b>	<b>133,742.92</b>	<b>21,880.77</b>	<b>182,768.49</b>	<b>45,586.37</b>	<b>13,042.38</b>	<b>1,523.26</b>	<b>1,034.62</b>	<b>399,578.81</b>
As at 1 April 2018	133,742.92	21,880.77	182,768.49	45,586.37	13,042.38	1,523.26	1,034.62	399,578.81
Additions	-	-	91.61	610.92 *	29.12	217.32	71.30	1,020.27
Disposals/ discards/ adjustments	(11,355.57)	-	(30.07)	(251.02)	(393.44)	(30.08)	16.69	(12,043.48)
Relating to discontinued operations	(121,212.65)	(21,880.77)	(159,134.22)	(42,589.77) *	(11,976.80)	(1,291.19)	(707.24)	(358,792.64)
<b>Balance as at 31 March 2019</b>	<b>1,174.70</b>	<b>-</b>	<b>23,695.81</b>	<b>3,356.50</b>	<b>701.26</b>	<b>419.31</b>	<b>415.37</b>	<b>29,762.95</b>
<b>Accumulated depreciation</b>								
As at 1 April 2017	-	730.14	3,351.35	4,801.83	3,014.51	728.72	709.28	13,335.83
Depreciation for the year	-	730.14	3,242.53	4,870.28	2,890.09	334.47	94.67	12,162.18
Disposals/ discards/ adjustments	-	(360.41)	-	(36.29)	(8.45)	(9.71)	(3.68)	(418.54)
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>1,099.87</b>	<b>6,593.88</b>	<b>9,635.82</b>	<b>5,896.15</b>	<b>1,053.48</b>	<b>800.27</b>	<b>25,079.47</b>
As at 1 April 2018	-	1,099.87	6,593.88	9,635.82	5,896.15	1,053.48	800.27	25,079.47
Depreciation for the year	-	559.40	3,131.32	4,694.42 #	2,538.99	133.45	47.14	11,104.72
Disposals/ discards/ adjustments	-	(0.01)	(0.01)	(33.38)	(203.87)	(22.01)	(2.05)	(261.33)
Relating to discontinued operations	-	(1,659.26)	(8,294.42)	(13,984.84) #	(7,924.59)	(816.53)	(464.18)	(33,143.82)
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>1,430.77</b>	<b>312.02</b>	<b>306.68</b>	<b>348.39</b>	<b>381.18</b>	<b>2,779.04</b>
<b>Carrying Value</b>								
As at 31 March 2018	133,742.92	20,780.90	176,174.61	35,950.55	7,146.23	469.78	234.35	374,499.34
<b>As at 31 March 2019</b>	<b>1,174.70</b>	<b>-</b>	<b>22,265.04</b>	<b>3,044.48</b>	<b>394.58</b>	<b>70.92</b>	<b>34.19</b>	<b>26,983.91</b>

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

ii) Building includes cost of 25 (previous year 25) shares of ₹ 50 each in a Co-operative housing society

iii) Building with carrying value constructed on leasehold land where lease agreement has not been renewed is ₹22,269.10 lakhs (Previous year ₹22,745.92 lakhs).

\* Includes ₹ 85.00 lakhs of plant and equipment acquired under finance lease

# includes ₹ 4.29 lakhs depreciation on plant and equipment acquired under finance lease

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

## Note 4 Investment Property

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Gross carrying amount</b>		
As per last balance sheet	7,837.45	7,837.45
Additions	-	-
Disposals/adjustments	-	-
<b>At the end of the year</b>	<b>7,837.45</b>	<b>7,837.45</b>
<b>Accumulated depreciation</b>		
As per last balance sheet	339.66	212.71
Additions	148.68	151.20
Disposals/adjustments	-	(24.25)
<b>At the end of the year</b>	<b>488.34</b>	<b>339.66</b>
<b>Net carrying amount</b>	<b>7,349.11</b>	<b>7,497.79</b>
<b>Fair Value :</b>		
The Company has not obtained independent valuation of these properties, but is of the opinion that the present fair value is not lesser than carrying value disclosed in the accounts.		

₹ Lakhs

Income arising from investment properties	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	532.60	468.17
Direct operating expenses (including repairs and maintenance) generating rental income	177.46	191.89
Income arising from investment properties before depreciation	355.14	276.28
Depreciation	148.68	151.20
<b>Income arising from investment properties (Net)</b>	<b>206.46</b>	<b>125.08</b>

## Note 5 Intangible assets

₹ lakhs

	Computer software	License / franchise fees	Website	Total
<b>Gross carrying amount</b>				
As at 1 April 2017	433.60	197.89	46.91	678.40
Additions	50.07	-	-	50.07
Disposals/ discards/ adjustments	30.95	4.12	-	35.07
Balance as at 31 March 2018	514.62	202.01	46.91	763.54
As at 1 April 2018	514.62	202.01	46.91	763.54
Additions	82.08	-	-	82.08
Disposals/ discards/ adjustments	(7.50)	-	0.01	(7.49)
Relating to discontinued operations	(384.54)	(152.22)	(21.10)	(557.86)
<b>Balance as at 31 March 2019</b>	<b>204.66</b>	<b>49.79</b>	<b>25.82</b>	<b>280.27</b>
<b>Accumulated depreciation</b>				
As at 1 April 2017	180.89	95.84	28.74	305.47
Amortisation for the year	166.60	58.93	3.52	229.05
Disposals/ discards/ adjustments	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>347.49</b>	<b>154.77</b>	<b>32.26</b>	<b>534.52</b>
As at 1 April 2018	347.49	154.77	32.26	534.52
Amortisation for the year	101.26	13.37	3.52	118.15
Disposals/ discards/ adjustments	(0.07)	0.06	0.00	(0.01)
Relating to discontinued operations	(305.84)	(118.41)	(9.96)	(434.21)
<b>Balance as at 31 March 2019</b>	<b>142.84</b>	<b>49.79</b>	<b>25.82</b>	<b>218.45</b>
<b>Carrying Value</b>				
As at 31 March 2018	167.13	47.24	14.65	229.02
As at 31 March 2019	61.82	-	-	61.82

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

### Note 6 Investments

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>(a) Investment in equity of subsidiary - Unquoted</b>		
Leela Palaces and Resorts Limited 27,28,130 (27,28,124) fully paid up equity shares of ₹10 each <sup>(*)</sup>	-	9,000.00
<b>(b) Investment in equity others - Unquoted</b>		
(i) 12,000 (12,000) equity shares of ₹ 10 each of Green Infra Wind Power Generation Limited <sup>(*)</sup>	-	1.20
(ii) Nil (35,000) equity shares of ₹ 100 each of Sree Rengaraja Ispat Industries Pvt Ltd.	-	35.00
(iii) Nil (1,268) equity shares of ₹ 100 each of Opulent Ventures Pvt Ltd	-	1.27
<b>Total investment in equity instruments</b>	-	37.47
<b>Total</b>	-	9,037.47
Aggregate amount of unquoted investment	-	9,037.47

<sup>(\*)</sup> Classified as assets included in disposal group(s) held for sale

### Note 7 Other non-current financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with banks	395.57	376.73
Margin money deposits with banks (refer note 13)	570.56	506.03
Security deposits - considered good	1,252.10	5,243.04
Other receivables - considered good	300.00	300.00
<b>Total</b>	2,518.23	6,425.80

### Note 8 Tax assets (Net)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Income Tax assets (net)</b>		
Opening balance for the year	1,985.82	1,581.07
Less : Tax payable for the year		
Add : Taxes deducted/collected at source	970.56	703.26
Add/(less) : Refund/adjustment for earlier years	-	(298.51)
Closing balance	2,956.38	1,985.82



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

## Note 9 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade advances	45.81	45.81
Less: Allowance for doubtful trade advances	(45.81)	(45.81)
	-	-
Balances with Government authorities	280.28	2,921.35
Advance for Property, Plant & Equipment	17.67	87.78
Deposit adjustable against future rent payments	1,946.55	4,092.38
Pre-paid expenses	2.30	53.88
<b>Total</b>	<b>2,246.80</b>	<b>7,155.39</b>

## Note 10 Inventories

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Food and beverages	386.43	1,488.57
Stores and operating supplies	398.11	1,736.82
<b>Total</b>	<b>784.54</b>	<b>3,225.39</b>

## Note 11 Trade receivables (unsecured)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables from related parties - considered good	138.62	172.17
Other than from related parties :		
Trade receivables - considered good	3,140.52	4,683.94
Trade receivables which have significant increase in Credit Risk	3,258.52	3,398.80
Trade receivables - credit impaired	851.24	384.15
	7,388.90	8,639.06
Less : Allowance for trade receivables - credit impaired	(851.24)	(384.15)
<b>Total</b>	<b>6,537.66</b>	<b>8,254.91</b>

## Note 12 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	17.70	56.06
Balances with bank in current account	2,731.04	1,833.72
Short-term deposits with bank (with original maturity less than three months)	150.36	150.00
<b>Total</b>	<b>2,899.10</b>	<b>2,039.78</b>

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

### Note 13 Other balances with banks

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Term deposits	-	148.09
Margin money deposits	570.56	506.03
Unpaid dividend	-	6.32
	570.56	660.44
Less : Term deposits with bank maturing after 12 months from the balance sheet date and margin money deposits classified as non-current financial assets (refer note 7)	570.56	506.03
<b>Total</b>	-	154.41

### Note 14 Other current financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Interest receivable	27.92	56.62
Unbilled revenue	173.08	313.09
Insurance claims receivable	0.44	36.63
Security deposits	12.51	127.38
<b>Total</b>	213.95	533.72

### Note 15 Other current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade advances	142.71	166.23
Loans and advances to employees	19.54	57.82
Advance rentals	93.11	332.78
Pre-paid expenses	619.13	1,300.43
Balances with Government authorities	61.69	439.91
Services export incentives	250.63	822.72
Other receivables - considered good	4.81	901.20
<b>Total</b>	1,191.62	4,021.09

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

## Note 16 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a) Authorised capital		
1,000,000,000 (1,000,000,000) equity shares of ₹2 each with voting rights	20,000.00	20,000.00
6,000,000 (6,000,000) Redeemable preference shares of ₹100 each	6,000.00	6,000.00
b) Issued share capital		
630,551,766 (630,551,766) equity shares of ₹2 each with voting rights	12,611.04	12,611.04
c) Subscribed and fully paid up		
630,551,766 (630,551,766) equity shares of ₹2 each with voting rights	12,611.04	12,611.04
	<b>12,611.04</b>	<b>12,611.04</b>

### d) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
At the beginning of the year	630,551,766	12,611.04	466,608,307	9,332.17
Add : Issued on conversion of loan to equity shares *	-	-	163,943,459	3,278.87
At the end of the year	630,551,766	12,611.04	630,551,766	12,611.04

\* During the previous year, 163,943,459 equity shares of ₹2 each fully paid up were issued to JM Financial Asset Reconstruction Company Ltd at a premium of ₹14.78 per equity share by converting part of their loan.

### e) Shareholders holding more than 5% shares

Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Leela Lace Holdings Private Limited	188,649,985	29.92	188,649,985	29.92
JM Financial Asset Reconstruction Company Limited	163,943,459	26.00	163,943,459	26.00
Rockfort Estate Developers Private Limited	55,607,175	8.82	49,507,175	7.85
ITC Limited	49,953,055	7.92	49,953,055	7.92
Leela Lace Software Solutions Private Limited	47,542,359	7.54	53,642,359	8.51

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

### Note 17 Other equity

₹ Lakhs

		As at 31 March 2019	As at 31 March 2018
(a)	Capital redemption reserve		
	As at 1st April	8,750.00	8,750.00
	Increase/(decrease) adjustments	-	-
	As at Closing	8,750.00	8,750.00
(b)	Security premium		
	As at 1st April	65,346.24	41,115.40
	Increase/(decrease) adjustments	-	24,230.84
	As at Closing	65,346.24	65,346.24
(c)	Debenture redemption reserve		
	As at 1st April	6,750.00	6,750.00
	Increase/(decrease) adjustments	-	-
	As at Closing	6,750.00	6,750.00
(d)	General reserve		
	As at 1st April	6,445.39	6,445.39
	Increase/(decrease) adjustments	-	-
	As at Closing	6,445.39	6,445.39
(e)	Retained earnings		
	As at 1st April	(61,430.46)	(59,108.83)
	Add/less : transferred from inter unit	-	-
	Add/Less: Profit/(loss) for the year	(11,889.48)	(2,321.63)
	As at Closing	(73,319.94)	(61,430.46)
(f)	Other comprehensive income		
	As at 1st April	(35.87)	(172.95)
	Add/Less: Profit/(loss) for the year	22.09	137.08
	As at Closing	(13.78)	(35.87)
	<b>Total</b>	<b>13,957.91</b>	<b>25,825.30</b>

(i) Capital Redemption Reserve represents reserve created for redemption of Preference shares.

(ii) Securities premium is created due to premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act.

(iii) Debenture Redemption Reserve is required to create a reserve out of the profits which is available for purpose of redemption.

### Note 18 Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Secured</b>		
Foreign currency loan from banks	-	6,569.46
Rupee term loan from financial institution	71,052.24	1,820.80
Foreign currency term loan from financial institution	-	42,044.39
Rupee term loan from Asset reconstruction Companies	-	256,870.43
<b>Total</b>	<b>71,052.24</b>	<b>307,305.08</b>
<b>Current maturities of long term debt (refer note 23)*</b>		
Debentures	6,750.00	6,750.00
Rupee loan from banks	16,107.11	-
Foreign currency loan from banks	4,598.13	12,720.14
Rupee term loan from financial institution	-	423.59
Foreign currency term loan from financial institution	11,497.54	38,968.07
Rupee term loan from Asset reconstruction Companies	245,290.19	-
<b>Total</b>	<b>284,242.97</b>	<b>58,861.80</b>
*(shown under Other current financial liabilities)		

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

Particulars	Interest rate (%) - 31 March 19	As at 31 March 2019	As at 31 March 2018	Details of security	Repayment terms
<b>Debentures</b>					
Non-convertible debentures					Redemption due
Life Insurance Corp. of India	12.5%	6,750.00	6,750.00	Refer Note A (a) to (g)	refer note B and C
900 (900) NCDs of face value ₹10 lakhs each, outstanding principal value ₹7.50 lakhs each		6,750.00	6,750.00		
<b>Rupee loan from banks</b>					
State Bank of India	16.75%	16,107.11	-	Refer Note A (j) & (e)	Note B
		16,107.11	-		
<b>Foreign currency loan from banks</b>					
Bank of Baroda	7.39%	4,598.13	4,492.07	Refer Note A (a) to (g)	Note B
State Bank of India	-	-	14,797.53	Refer Note A (j) & (e)	Converted to Indian Rupee loan - Note B
		4,598.13	19,289.60		
<b>Rupee term loan from financial institution</b>					
HDFC Ltd	10.75%	71,052.24	-	Refer Note A (j), (k)	180 EMIs starting December 2021
HDFC Ltd	-	-	2,244.39	-	-
		71,052.24	2,244.39		
<b>Foreign currency term loan from financial institution</b>					
HDFC Ltd	-	-	18,146.16	Refer Note A (j), (k)	Converted to Indian Rupee loan during the year
HDFC Ltd	-	-	52,054.77	Refer Note A (j), (k)	Converted to Indian Rupee loan during the year
HDFC Ltd	7.38%	11,497.54	10,811.53	Refer Note A (j), (k)	Repayable in June 2019
		11,497.54	81,012.46		
<b>Rupee term loan from ARCs</b>					
J M Financial Asset Reconstruction Company Limited	refer note 34.1(b)	242,648.73	254,112.05	Refer Note A (a) to (i)	Note B & Refer Note 34.1 (a) and (b)
Phoenix ARC Pvt Ltd	refer note 34.1(b)	2,641.46	2,758.38	Refer Note A (a) to (g)	Refer Note 34.1 (a) and (b)
		245,290.19	256,870.43		
<b>Total Secured Loans</b>		<b>355,295.21</b>	<b>366,166.88</b>		
<b>Principal overdue</b>		<b>270,103.98</b>	<b>12,146.70</b>		

**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, Udaipur, New Delhi and Chennai and the Windmills.
- Second ranking pari passu charge on the current assets of hotel properties at Mumbai, Udaipur, New Delhi and Chennai.
- Revenue from hotel properties at Mumbai, 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.
- To the extent of 'existing term debt provided by Bank of Baroda and Syndicate Bank under CDR documents' and assigned to JM Financial Asset Reconstruction Co. Ltd, the security is second ranking pari passu charge on the fixed assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and the Windmills, and as referred in clause b to g above.

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

- (i) To the extent of working capital facility assigned by Bank of Baroda, Oriental Bank of Commerce, State Bank of India and Vijaya Bank (now Bank of Baroda), the security is first ranking pari passu charge on inventory, receivables and other current assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and second ranking pari passu charge on the fixed assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and the Windmills, and as referred in clause c to g above.
- (j) First pari passu charge on the immovable properties of the Leela Palace, Bangalore.
- (k) Receivables from Bangalore Hotel.

### Note B :

Loan recall notice received and due for payment

### Note C:

The Company has defaulted on payment of matured Non convertible debentures of ₹2,250 lakhs due on 30th Sep 2018, ₹2,250 lakhs due on 30th Sep 2017 and ₹ 2,250 lakhs due on 30th Sep 2016 and the Company did not invest the required 15% of the amount of debentures so matured during the relevant financial year in any of the prescribed mode by the Ministry of Corporate Affairs Circular No.04/2013 dated 11.02.2013.

### Note 19 Other non-current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade/security deposits received	1,056.16	2,038.84
Deferred payables	-	84.90
<b>Total</b>	<b>1,056.16</b>	<b>2,123.74</b>

### Note 20 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations:		
- for compensated absences	271.63	767.22
- for Gratuity (net)	307.25	897.14
<b>Total</b>	<b>578.88</b>	<b>1,664.36</b>

### Note 21 Current borrowings - Unsecured

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
From related party: Leela Lace Holdings Pvt. Ltd. at 0% interest	5,742.66	11,955.25
<b>Total</b>	<b>5,742.66</b>	<b>11,955.25</b>

### Note 22 Trade payables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
To micro enterprises and small enterprises - others (refer note 34.6)	1.10	14.86
	1.10	14.86
To other than micro enterprises and small enterprises		
- Related parties	3,354.91	2,914.58
- Others	2,949.69	6,694.42
<b>Total</b>	<b>6,304.60</b>	<b>9,609.00</b>

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

## Note 23 Other current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt* (refer note 18)	284,242.97	58,861.80
Interest accrued on borrowings **	5,514.60	2,625.73
Unpaid dividend	-	6.32
Payable on purchase of property, plant and equipment	204.18	2,318.95
Liability for expenses	597.06	1,495.67
Overdrawn bank balance	68.14	67.89
Trade/security deposits	33.65	75.98
<b>Total</b>	<b>290,660.60</b>	<b>65,452.34</b>
* includes unpaid matured debentures	6,750.00	4,500.00
** includes interest accrued on debentures	1,667.37	1,015.43

## Note 24 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory liabilities	582.72	2,001.21
Deposit adjustable against future rent income	0.36	22.41
Advance from customers	292.76	1,655.82
<b>Total</b>	<b>875.84</b>	<b>3,679.44</b>

## Note 25 Current Provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations:		
- for bonus	127.29	393.22
- for compensated absences	73.04	195.06
<b>Total</b>	<b>200.33</b>	<b>588.28</b>

## Note 26 Revenue from operations

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from sale of products:</b>		
Food & beverages	6,026.83	5,282.74
<b>Revenue from sale of services:</b>		
Room revenue	8,156.10	7,357.75
Income from rental & related services	532.60	468.17
Other services	718.90	674.86
<b>Total</b>	<b>15,434.43</b>	<b>13,783.52</b>

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

### Note 27 Other income

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income from deposit with bank	74.99	216.99
Interest from Others	27.77	51.45
Amortisation of interest on security deposits	42.29	39.85
Export service incentives/subsidy	75.83	174.79
Net foreign exchange gain/(loss)	9.91	12.96
Profit on sale of property, plant and equipment (net)	44.95	-
Provisions/ liabilities written back	53.49	84.16
Miscellaneous income	89.13	65.08
<b>Total</b>	<b>418.36</b>	<b>645.28</b>

### Note 28 Food and beverages consumed

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	378.83	353.42
Add: Purchases	1,337.92	1,215.27
	1,716.75	1,568.69
Less: Closing stock	386.43	378.83
<b>Total</b>	<b>1,330.32</b>	<b>1,189.86</b>

### Note 29 Employee benefit expenses and payment to contractors

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries & wages	3,878.59	3,852.86
Contribution to provident fund and other funds	323.18	296.15
Staff welfare expenses	417.95	358.68
Labour Contract	1,423.10	1,302.14
<b>Total</b>	<b>6,042.82</b>	<b>5,809.83</b>

### Note 30 Finance costs

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest others	1.33	-
Financial charges	38.33	12.70
<b>Total</b>	<b>39.66</b>	<b>12.70</b>



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

## Note 31 Depreciation and amortisation expenses

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	775.62	1,025.49
Depreciation of investment property	148.68	151.20
Amortisation of intangible assets	33.22	149.39
<b>Total</b>	<b>957.52</b>	<b>1,326.08</b>

## Note 32 Other Expenses

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and supplies including linen	623.31	599.74
Power and fuel	1,094.18	1,099.82
Rent	2,428.79	2,276.47
Repairs and maintenance		
- Buildings	418.02	340.26
- Machinery	286.94	199.97
- Others	408.63	336.41
Insurance	44.81	48.80
Rates and taxes	605.98	699.02
Other Operating expenses	252.64	233.79
Communication	52.63	57.08
Travelling and conveyance	198.24	297.34
Guest transport	137.53	151.05
Printing and stationary	46.33	37.43
Reservation fee	113.59	99.86
Sales & credit card commission	355.89	298.94
Business promotion	377.63	426.49
Legal and professional *	728.64	603.93
Directors' sitting fees	18.60	15.60
Provision/write-off of trade and other receivables	0.96	10.42
Loss on sale of property, plant and equipment (net)	-	17.05
Miscellaneous expenses	102.65	132.06
<b>Total</b>	<b>8,295.99</b>	<b>7,981.53</b>
* includes Auditors' remuneration:		
Statutory audit	30.00	30.00
Other services	10.52	10.65
<b>Total</b>	<b>40.52</b>	<b>40.65</b>

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

### Note 33 Exceptional items - profit/(loss)

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Impairment of capital work in progress	-	(1,041.78)
Impairment of leasehold rights	-	(4,144.74)
Income from joint development of property	877.76	1,892.84
Profit on sale of Asset held for sale	528.82	-
Loss on sale of property	(4,372.69)	-
<b>Total</b>	<b>(2,966.11)</b>	<b>(3,293.68)</b>

### Additional information to the Financial Statements

#### 34.1 Debt Restructuring

- a) The CDR Lenders on 30th June 2014 assigned 95.6% of CDR Debt to JM Financial Asset Reconstruction Company Ltd (JMFARC) and 1% of CDR Debt to Phoenix ARC Private Limited (ARCs). The total debt assigned was ₹415,014 lakhs, which included Sacrifice amount of ₹26,315 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 cashflows agreed by the lenders as per the CDR Package, for the duration of the loan.
- b) The ARCs have notified the Company that (i) interest and penal interest are applicable as per the rates contracted prior to admission to CDR; (ii) the finance cost on the debt for the year is ₹87,321 lakhs and till 31st March 2019 is ₹390,466 lakhs; and (iii) the total debt amount is ₹635,756 lakhs as against ₹245,290 lakhs accounted by the Company. No provision for interest (as notified by ARCs) has been made on the said loan from ARCs from the date of assignment, as the Company was pursuing for a viable restructuring package and the company expects certain waiver/concession in interest as it is negotiating with aforesaid ARCs along with other secured lenders for one-time settlement. If the provision for interest was made in accordance with the intimation received from the ARCs, the finance cost and the loss for the year would have been higher by ₹ 87,321 lakhs (previous year ₹ 78,873 lakhs) and the interest liability till 31st March 2019 would have been higher by ₹ 390,466 lakhs (previous year ₹ 303,145 lakhs). Pending this, the Company had classified the debt as Non-Current financial liabilities till 31st March 2018.
- c) In order to resolve the Company's debt problem, the Company has been making consistent efforts to get investor into the Company or sell some of its assets. The Company entered into a binding agreement with BSREP III INDIA BALLETT PTE. LTD. (Brookfield) on 18th March 2019 to sell its hotel business undertaking at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and hotel operations business and its 100% shareholding in its subsidiary company which owns property at Agra and all intellectual property owned by the Company used in and held for use in the hotel owned and managed by it, for an amount of ₹395,000 lakhs (Brookfield Transaction). The Company intends to pay all its secured lenders including ARCs out of the net proceeds, as a one-time settlement subject to the approval of lenders. Any excess or short payment of interest against the provisions made in the books will be accounted at the time of settlement.
- d) The Company has obtained the approval of its shareholders for the aforesaid Brookfield Transaction by way of special resolution passed through a Postal ballot on 24th April 2019. However, ITC Limited, which together with its subsidiary holds 8.72% shares in the Company and LIC of India, filed separate complaints with Securities & Exchange Board of India (SEBI) alleging certain violations of the provisions pertaining to related party transactions and the purported oppression and mismanagement by the majority shareholders against the minority shareholders. Pursuant thereto, SEBI notified the Company that while these representations are being examined by them, the Company shall not act upon the transaction proposed in the Postal Ballot Notice (PBN), till further directions from them. The Company has furnished replies to all the queries of SEBI and is awaiting further directions from them.
- e) ITC Limited has also filed a petition before the NCLT, Mumbai alleging oppression and mismanagement by the majority shareholders against the minority shareholders and seeking certain reliefs including declaration that (i) the allotment of shares to JMFARC is void; (ii) decisions taken by the Audit Committee and the Board Meeting on 18th March 2019 are vitiated and of no legal effect; (iii) the postal ballot is vitiated and the results thereof are of no legal effect; (iv) the Promoters and JMFARC are not entitled to vote in the Postal Ballot; and seeking mandatory injunctions restraining the Company and JMFARC from completing or attempting to conclude the transaction with Brookfield. The Company has filed its response to NCLT and awaits its decision.
- f) In the meanwhile, JMFARC had filed a petition under Section 7 of the Insolvency & Bankruptcy Code, 2016 which came up for hearing on 9th April 2019. The Company had made an application to NCLT to keep it in abeyance, in view of the settlement proposed out of the Brookfield Transaction. The next date of hearing is 28th May 2019.
- g) As per the legal opinion received from an eminent council, there is no substance in the complaint / petition filed by the minority shareholders with SEBI and before NCLT and the Company has a good case on merits.

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

### 34.2 Disputes with Airports Authority of India (AAI)

- (a) The lease agreement with AAI relating to the Mumbai hotel for leasing of 18,000 sq mtrs of land 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, which the Company had accepted. Pending execution of the lease agreement, AAI had been provisionally extending the lease for 3 to 6 months at a time and the latest extension was till 11th January, 2016. AAI has arbitrarily increased the lease rental payable for the Mumbai hotel, effective from 1st October 2014, the increased rentals on the basis of such arbitrary increase works out to by ₹5,184 lakhs for the period upto 31st March 2019 (upto 31st March 2018 ₹ 3,877 lakhs). The Company has objected to this increase and has not provided for the same. AAI has unilaterally terminated the lease and commenced eviction proceedings and the Company is legally contesting the same. Depreciation on Mumbai hotel building is provided at the applicable rate, on the assumption that the lease will be renewed.
- (b) The Company had entered into a lease agreement on 7th February, 1996 with the Airports Authority of India (AAI) in respect of a land admeasuring 11,000 sqm intended for the construction of a 150-room Hotel at Mumbai based on terms stipulated in it of Royalty on turnover with minimum guaranteed amounts (MG) to be mutually agreed and annual ground rent between the parties. The percentage of Royalty and MG was stipulated in the Supplementary Agreement dated 7th February 2016. The MG was arrived at based on certain revenue projections.

The terms and stipulations specified in the Supplemental Agreement became impossible of performance for various reasons. Further, the Company vide letter dated 6th April, 2017 requested AAI to take over immediate physical possession of the land pending restoration of FSI by the Company. No Provision has been made for the cost of FSI as it is not ascertainable. However, AAI commenced the eviction proceedings with their claim of MG and enhanced rent. As per the revised claim filed by the AAI in February 2019 before the eviction officer, the amount due to them as on 31st January 2019 is ₹ 80,705 lakhs towards minimum guarantee and rent as against ₹28,537 lakhs as on 31st January 2017 claimed earlier which Company is disputing. The eviction matter is pending with the eviction officer and the company is legally contesting the same. According to legal opinion received, the liability is contingent in nature and hence no provision is made in the books.

- (c) Further, AAI filed a case before Hon'ble Bombay City Civil Court on 1st March 2019 seeking an injunction, restraining the company from alienating / creating any kind of third party right by restructuring the Assets till such a time, the vacant and peaceful possession of the said leased land is handed over to them along with FSI and all their dues are fully paid. The order of the court is awaited.

### 34.3 Discontinued operations

As explained in Note no. 34.1(c) above, the Company has entered into agreement with Brookfield to sell its hotel business undertakings and pay all its secured lenders including to ARCs out of the net proceeds received from the said transaction by way of one-time settlement and expects to complete the transaction during the ensuing financial year. Hence, the assets and liabilities covered in the Brookfield Transaction are shown as "Assets included in disposal group(s) held for sale" and "Liabilities included in disposal group(s) held for Sale" in the Balance Sheet as on 31st March 2019. The difference between the net consideration and the net carrying value in the books as on the date of transaction shall be accounted as "Profit or Loss on sale of Business Undertaking".

Pursuant to above, the Business undertakings is classified as per Ind As 105 - "Non current Asset held for sale and discontinued operations". Accordingly assets and liabilities are included in disposable group(s) held for sale and corresponding previous year figures of Statement of Profit and Loss account and cash flow from operations have been restated accordingly.

- a) Profit and loss from discontinued operations :

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	59,247.46	58,070.89
Other income	1,149.15	1,812.87
<b>Total</b>	<b>60,396.61</b>	<b>59,883.76</b>
Food and beverages consumed	5,283.15	5,323.28
Employee benefit expenses and payment to contractors	14,081.51	13,468.99
Finance costs *	10,351.89	8,354.19
Depreciation and amortisation expenses	10,414.03	11,216.35
Other expenses	28,375.88	18,657.70
<b>Total</b>	<b>68,506.46</b>	<b>57,020.51</b>
Profit/(loss) before tax	(8,109.85)	2,863.25
Taxation	-	-
Profit/(loss) from discontinued operations	<b>(8,109.85)</b>	<b>2,863.25</b>

\* Finance costs includes interest cost on borrowing

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

b) The major classes of assets and liabilities included in disposal group(s) held for sale :

₹ Lakhs

	As at 31st March 2019
<b>Assets :</b>	
<b>Non-current assets</b>	
Property, plant and equipment	325,648.82
Capital work-in-progress	134.54
Intangible assets	123.64
Financial assets:	
Investments (includes investment in subsidiary - ₹9,000.00 lakhs)	9,001.20
Other financial assets	3,584.87
Other non-current assets	4,705.18
<b>Total non-current assets</b>	<u>343,198.25</u>
<b>Current assets</b>	
Inventories	2,349.61
Financial assets	
Trade receivables	2,219.86
Cash and cash equivalents	280.21
Other balances with banks	371.61
Other financial assets	442.29
Other current assets	2,679.99
<b>Total current assets</b>	<u>8,343.57</u>
<b>Non current asset held for sale</b>	7.25
<b>Assets held for sale and discontinued operations (A)</b>	<u>351,549.07</u>
<b>Liabilities :</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
Other financial liabilities	395.08
Provisions	1,198.42
<b>Total non-current liabilities</b>	<u>1,593.50</u>
<b>Current liabilities</b>	
<b>Trade Payable:</b>	
Outstanding dues of MESE	131.68
Outstanding dues other than of MESE	4,409.37
Other financial liabilities	1,741.54
Other liabilities	2,712.14
Provisions	472.18
<b>Total current liabilities</b>	<u>9,466.91</u>
<b>Liabilities held for sale and discontinued operations (B)</b>	<u>11,060.41</u>
<b>Net assets / (liabilities) of discontinued operations (A-B)</b>	<u>340,488.66</u>
<b>Net cash flows attributable to the operating, investing and financing activities of discontinued operations</b>	
<b>Cash flows:</b>	
Operating	21,097.02
Investing	(758.18)
Financing	(7,463.04)

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

### 34.4 Going Concern Basis

The financial statements of the Company have been prepared on a 'going concern basis' in view of the following:

- The proposed Brookfield Transaction would be concluded once the Company is legally allowed to do the transaction and this would result in one-time settlement with the lenders as explained in 34.1 above, and the Company would be debt free. Company expects to complete the transaction within 12 months
- The Company is confident of getting favourable judgement / orders in respect of disputes with AAI as explained in 34.2 above and continue the Mumbai Hotel operations.

### 34.5 Contingent liabilities and commitments including for discontinued operations (to the extent not provided for)

₹ Lakhs

Particulars	2018-19	2017-18
<b>Contingent liabilities:</b>		
(a) Disputed liability with AAI		
(i) refer note 34.2 (a)	5,184.30	3,877.00
(ii) refer note 34.2 (b)	80,705.00	31,119.00
(b) Other claims against the Company not acknowledged as debt	15,919.93	15,446.93
(c) Disputed Statutory Liabilities	7,460.92	7,300.79
(d) Future export obligations/ commitments under import of capital goods at concessional rate of Custom duty	3,627.00	2,554.08
<b>Commitment:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	174.95	124.91

34.6 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	2018-19	2018-19	2017-18
	Continued	Discontinued	
(i) Principal amount remaining unpaid to any supplier as at the end of the year	1.10	131.68	14.86
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	0.03	4.16	0.61
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	0.25	0.41
(iv) The amount of interest due and payable for the year	-	4.16	0.61
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.03	4.16	0.67
(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	Nil

Disclosures of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

### 34.7 Employee benefit plans

#### Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under these plans by the Company are at rates specified in the rules of the schemes.

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

### Defined benefit plans

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

#### (i) Gratuity

The Company has a tie-up under Employees' Trust Deed Group Gratuity- cum-Life Assurance Scheme of the Life Insurance Corporation of India, and has partly funded the 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 subject to a limit of ₹20 lakhs. The unfunded portion as well as the amounts in excess of the limit are to be borne by the Company, as per policy. 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.

#### a Reconciliation of Opening and Closing balances of Defined Benefit Obligation

₹ Lakhs

Particulars	2018-19	2017-18
Defined Benefit Obligation at beginning of the year	2,352.13	2,298.43
Current service cost	207.40	201.48
Past service cost	-	-
Interest cost	151.91	142.24
Actuarial (gain)/loss	(25.55)	(138.68)
Benefits paid	(213.88)	(151.34)
Liabilities assumed/(settled)	-	-
Defined Benefit Obligation at the end of the year	2,472.01	2,352.13

#### b Reconciliation of opening and closing balances of fair value of plan assets

₹ Lakhs

Particulars	2018-19	2017-18
Fair value of plan assets at beginning of the year	1,455.00	1,235.22
Expected return of plan assets	121.14	100.86
Employer contribution	276.73	271.86
Benefits paid	(213.88)	(151.34)
Fair value of plan assets at year end	1,635.53	1,455.00
Assets acquired/ (settled)	-	-
Actual return on plan assets	(3.46)	(1.60)

#### c Reconciliation of fair value of Assets and Obligations

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets	1,635.53	1,455.00
Present value of obligation	2,472.01	2,352.13
Amount recognised in balance sheet ((surplus)/deficit) - for continued and discontinued operations	836.49	897.14

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

## d Expenses recognised during the year

₹ Lakhs

Particulars	2018-19	2017-18
<b>In income statement</b>		
Current service cost	207.40	201.48
Past service cost	-	-
Interest cost	30.78	41.40
<b>Net cost</b>	<b>238.17</b>	<b>242.88</b>
<b>In other comprehensive income</b>		
Actuarial (Gain)/Loss	(25.55)	(138.68)
Return on plan assets	3.46	1.60
<b>Net (income)/expense for the period recognised in OCI</b>	<b>(22.09)</b>	<b>(137.08)</b>

### (ii) Compensated absence liabilities

Present value of compensated absence liabilities (unfunded) recognised in Balance Sheet as per actuarial valuation under Projected Unit Credit Method.

## 34.8 Segment Information

The Company has identified single reportable segment, i.e., hotel, as its business. Accordingly, disclosures relating to the segmentation under Ind AS 108, "Operating Segment" is not required.

## 34.9 Details of leasing arrangements

### (a) Details of Operational leasing arrangements

₹ Lakhs

Particulars	2018-19	2017-18
(i) The Company as a lessor under various operating leases will receive fixed future and minimum rentals, as under:		
not later than one year	1,041.81	551.55
later than one year and not later than five years	2,737.91	2,070.13
later than five years	870.44	823.25
(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	1,246.19	1,387.07
later than one year and not later than five years	4,008.58	5,233.10
later than five years	17,860.26	18,928.65

### (b) Details of Finance leasing arrangements (relates to discontinued operations)

Finance lease obligations are repayable in equated monthly instalments. The assets acquired on finance lease comprises of Plant and equipment. The lease has a primary period, which is fixed and non-cancellable.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease as follows :

₹ Lakhs

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Due within one year	36.00	-	25.75	-
Due on to five years	51.00	-	44.95	-
	<u>87.00</u>	<u>-</u>	<u>70.70</u>	<u>-</u>
Less : Future finance charges	16.30	-	-	-
Present value of minimum lease payable	70.70	-	70.70	-

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

### 34.10 Related party transactions

#### (i) Details of related parties:

<b>Subsidiary:</b> Leela Palaces and Resorts Ltd.		
<b>Associates:</b> Leela Lace Holdings Pvt. Ltd. Leela Lace Software Solutions Pvt. Ltd. Leela Fashions Pvt. Ltd. Rockfort Estate Developers Pvt. Ltd. Leela Hospitality Pvt. Ltd. Elegant Eateries Pvt. Ltd. Emmel Real Estate Development Pvt. Ltd. Esteem Constructions Pvt. Ltd. Doyen Hotels Pvt. Ltd.	Fransisco Hospitality Pvt. Ltd. Leela Capital and Finance Ltd. Leela Housing Pvt. Ltd. Leela IT Projects Pvt. Ltd. Leela Lace Builders Pvt. Ltd. Leela Lace Estates Pvt. Ltd. Leela Realty Ltd. Leela Villas Pvt. Ltd.	LM Realtors Pvt Ltd. LMV Associates Ltd. Leela Palace (Bangalore) Pvt Ltd. Leela Palace Chennai Pvt Ltd. Leela Palace New Delhi Pvt Ltd. Season Apparels Pvt. Ltd. Vibgyor Leasing Pvt Ltd. Zillion Hotels & Resorts Pvt Ltd.
<b>Key Management Personnel (KMP)</b> Mr. Vivek Nair Mr. Dinesh Nair		

#### (ii) Transactions carried out with Related Parties & KMP

₹ Lakhs

Particulars	Associates		Key Management Personnel	
	2018-19	2017-18	2018-19	2017-18
<b><u>Transactions carried out with Related Parties &amp; KMP</u></b>				
<u>Sale of room, food and other services</u>				
Leela Hospitality Pvt. Ltd.	13.22	1.69		
<u>Expenses towards goods &amp; services</u>				
Leela Hospitality Pvt. Ltd.	1.95	1.05		
<u>Income from rental &amp; related services</u>				
Leela Lace Holdings Pvt. Ltd.	167.61	58.17		
Leela Fashions Pvt. Ltd.	79.31	133.96		
Leela Hospitality Pvt. Ltd.	20.51	24.76		
<u>Expense towards lease rent</u>				
Leela Lace Holdings Pvt. Ltd.	1,114.34	1,065.95		
Leela Fashions Pvt. Ltd.	0.25	0.25		
<u>Directors' siting fees</u>				
			<b>Independent Directors</b>	
Mrs. Anna Malhotra			-	3.30
Ms. Saija Nair			5.40	-
Mr. Ashok G Rajani			-	2.40
Mr. Navneet Batheja			-	3.00
Mr. Vinay Kapadia			7.80	3.00
Mr. Vijay Sharma			5.10	-
Mr. Vijay Amritraj			-	0.60
Mr. Shergill Vakil			0.30	1.50
			<b>Nominee Directors</b>	
Mr. V P Shetty (nominee of JMFARC)			-	0.60
Mr. Anil Bhatia (nominee of JMFARC)			-	1.20



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

₹ Lakhs

Particulars	Subsidiary		Associates	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<b>Investments</b>				
Leela Palaces & Resorts Ltd.	9,000.00	9,000.00		
<b>Debit balance outstanding</b>				
Leela Hospitality Pvt. Ltd.			-	71.60
Leela Fashions Pvt. Ltd.			138.62	100.57
<b>Credit balance outstanding</b>				
Leela Lace Software Solutions Pvt. Ltd.			193.70	193.70
Leela Lace Holdings Pvt. Ltd.			3,161.22	2,720.88
Unsecured loans outstanding				
Leela Lace Holdings Pvt. Ltd.			5,742.66	11,955.25
Deposits given				
Leela Lace Holdings Pvt. Ltd.			6,931.47	6,931.47
Rockfort Estate Developers Pvt. Ltd.			416.65	776.46

- (iii) The Company has not given loans to any Directors or to entities in which Directors are interested, but there are dues towards transactions, from Leela Fashions Limited as detailed in Note 34.10 (ii). However, they have informed that it will clear the dues, when Leela Lace Holdings Pvt. Ltd. and Leela Lace Software Solutions Pvt Ltd. get payment from the Company towards their dues. The Company has not cleared the dues to these two companies, in view of the restrictions from the lenders.

## 34.11 Earnings per share

Particulars	Continued operations		Discontinued operations	
	2018-19	2017-18	2018-19	2017-18
<b>Basic &amp; Diluted earning per share</b>				
Net profit/(loss) for the year (₹Lakhs)	(3,779.63)	(5,184.88)	(8,109.85)	2,863.25
Weighted average number of equity shares	630,551,766	538,024,773	630,551,766	538,024,773
Par value per share (₹)	2.00	2.00	2.00	2.00
Earnings per share (₹)	<b>(0.60)</b>	<b>(0.96)</b>	<b>(1.29)</b>	<b>0.53</b>

Particulars	Continued and discontinued operations	
	2018-19	2017-18
<b>Basic &amp; Diluted earning per share</b>		
Net profit/(loss) for the year (₹Lakhs)	(11,889.48)	(2,321.63)
Weighted average number of equity shares	630,551,766	538,024,773
Par value per share (₹)	2.00	2.00
Earnings per share (₹)	<b>(1.89)</b>	<b>(0.43)</b>

## Note 35 Fair value measurement:

- 1 The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 2 The following methods and assumptions were used to estimate the fair values:
  - a The fair value of trade receivables, trade payables and other current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3.
  - b Company has invested in certain power generating Companies pursuant to the contract for procuring electricity supply at the hotel units. Investment in said Companies are not usually traded in the market. Considering the terms of the electricity supply contract and best information available, cost of investment is considered as fair value of these investments.

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

- c The fair value of security deposits are calculated using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- d The Company has not provided for interest on debt assigned by erstwhile CDR lenders (refer note 34.1 a and b). The Company has entered into a binding agreement with BSREP III INDIA BALLET PTE. LTD. (Brookfield) on 18th March 2019 to sell its hotel business undertaking (refer note 34.1 c) in order to pay all its secured lenders as one time settlement out of the proceeds from sale. Pending the conclusion of the transaction, the company has not computed the fair value of these borrowings in its financial statements.
- e Considering the contracted rate of interest, the carrying amounts of all other term borrowings that are measured at fair value are reasonable approximation of fair value .
- f For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

### 3 Analysis of fair value measurement:

- a The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:  
 Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.  
 Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.  
 Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.
- b During the period under review, level 3 hierarchy is considered for determination of fair value for all the financial assets and liabilities which are measured at fair value.
- c Financial Instruments by category: ₹ Lakhs

Particulars	As at 31 March 2019 Continued operations		As at 31 March 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
<b>Non-current:</b>				
<b>Investments:</b>				
Equity investment in a subsidiary	-	-	9,000.00	-
Other equity investment	-	-	37.47	-
<b>Other non current financial assets</b>		2,518.23		6,425.80
<b>Current:</b>				
Trade receivables	-	6,537.66	-	8,254.91
Cash & cash equivalents	-	2,899.10	-	2,039.78
Other balances with banks	-	-	-	154.41
Other financial assets	-	213.95	-	533.72
<b>Total</b>	-	<b>12,168.94</b>	<b>9,037.47</b>	<b>17,408.62</b>
<b>Financial liabilities</b>				
<b>Non current:</b>				
Borrowings	-	71,052.24	-	307,305.08
Other liabilities	-	1,056.16	-	2,123.74
<b>Current:</b>				
Borrowings	-	5,742.66	-	11,955.25
Trade payables	-	6,305.70	-	9,623.86
Other financial liabilities	-	290,660.60	-	65,452.34
<b>Total</b>	-	<b>374,817.36</b>	-	<b>396,460.27</b>

### Note 36 Financial Risk Management

#### Risk Management framework

The activities of the Company expose it to market risk, credit risk and liquidity risk.

The Company's principal financial liabilities comprise interest bearing loans including loans taken over by Asset Reconstruction Companies (ARCs), long term security deposits received, trade and other payables. The main purpose of these financial liabilities is for funding its expansion and also to finance operations. The group has trade and other receivables and cash and short term deposits that arrive directly from its operations. The Company has also paid long term lease deposits.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risks

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

and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company's Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The Company's gearing has reached high levels due to the investments made in the new hotels in the past. Because of the recession thereafter in the Hotel industry, the expected profitability estimates could not be achieved. As a restructuring measure, the Company on 18th March 2019 entered into a binding agreement to sell its Hotel business undertakings and pay all its secured lenders as a one time settlement (refer note 34.1).

The analytical data furnished hereinunder for the financial year ended 31st March 2019 does not include assets / liabilities / obligations of disposal group.

### A Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency, payables and loans and borrowings.

The Company manages market risks through finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies which are approved by the finance committee and Audit Committee. The activities of the department includes management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

#### - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk changes in the market interest rates relates primarily to the Company's debt obligations.

The Company has availed foreign currency term loans with variable interest rates linked to LIBOR which is part of the secured loans forming part of the proposed one time settlement.

The borrowings in terms of fixed rate and floating rate are as follows

₹ Lakhs

Particulars	31 March 19	31 March 18
Fixed rate of borrowings	22,857.11	6,750.00
Variable rate of borrowings	87,147.92	102,546.45
0% interest rate borrowings (refer note 21)	5,742.66	11,955.25
Dues to Asset Reconstruction Companies	245,290.19	256,870.43
Total borrowings	<u>361,037.88</u>	<u>378,122.13</u>

As at the reporting period, the Company had the following variable average interest rate borrowing outstanding

	2018-19	2017-18
Weighted average interest rate	10.1%	6.4%
Balance ₹ lakhs	87,147.92	102,546.45

#### Interest Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on that portion of loans. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

₹ Lakhs

	Impact on profit/(loss)	
	31 March 19	31 March 18
Interest rates - increase by 100 basis points	(948.47)	(1,066.08)
Interest rates - decrease by 100 basis points	948.47	1,066.08
1% interest rates on loans outstanding to ARCs	(2,510.80)	(2,778.69)

#### - Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates. The company is exposed to the effect of foreign exchange rate fluctuations because of its foreign currency linked revenue, foreign currency denominated expenses and other financial instruments. Due to this any volatility in foreign currency exchange rates will have an impact to the Company.

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

The position of foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

₹ Lakhs

Currency US\$	31 March 19	31 March 18
Loans (payable)	16,095.68	100,302.06

### Foreign exchange sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates on foreign currency denominated liabilities. Company has no foreign currency denominated assets. The significant foreign currency exposure of the Company is limited to USD. With all other variables held constant, the companies profit before tax is affected through the impact on USD denominated liabilities as follows.

₹ Lakhs

	Impact on profit/(loss)	
	31 March 19	31 March 18
INR/USD increases by 5%	(804.78)	(5,015.10)
INR/USD decreases by 5%	804.78	5,015.10

Particulars of unhedged foreign currency exposures as at the reporting date	31 March 19	31 March 18
	US\$ Mn	US\$ Mn
	23.27	154.21

### B Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. Customer credit risk is managed by each business unit subject to Company's established policy, procedure and control relating to customer risk management. Further, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and advances based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data the provision for loss on receivables is made .

### Ageing of Account receivables:

₹ Lakhs

Particulars	31 March 19	31 March 18
	continued operations	(continued and discontinued operations)
0-3 months	2,038.63	3,389.93
3-6 months	280.45	858.41
beyond 6 months	4,218.58	4,006.57

### Movement in provisions for doubtful receivables

₹ Lakhs

Particulars	31 March 19	31 March 18
Opening provision	384.15	399.68
Add: Additional provision made	683.49	32.45
Less: Provision write off	102.22	39.65
Less: Provision reversed	13.84	8.33
Less: Closing provisions for discontinued operations	100.34	-
Closing provisions for continued operations	851.24	384.15

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

## C Liquidity risk :

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Competitive intensity has adversely impacted revenue and consequent cash accruals during the year. This, coupled with current level of debt and imminent repayment obligations, has lead to stress on liquidity profile. The Company closely monitors its liquidity position in consultation with its lenders to ensure that the operations of the Company are not affected adversely due to liquidity and is attempting to enhance its sources of funding by increasing cash flow generated from its operations and realisations from other proposed measures.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual obligations.

₹ Lakhs

As at 31 March 2019	Total	Less than 6 months	6 to 12 months	1 to 3 years	beyond 3 years
Trade payables*	6,305.71	6,305.71	-	-	-
Borrowings **	115,747.68	44,695.44	-	648.44	70,403.80
Borrowings from ARC (refer note 34.1)	245,290.19	245,290.19	-	-	-
Interest on borrowings **	5,514.60	5,514.60	-	-	-
Other current financial liabilities	903.03	903.03	-	-	-
<b>Total</b>		<u>302,708.97</u>	<u>-</u>	<u>648.44</u>	<u>70,403.80</u>

\* Trade payables are payable within 60 days

\*\* Borrowing payable within 6 months includes amount overdue

₹ Lakhs

As at 31 March 2018 (includes for discontinued operations)	Total	Less than 6 months	6 to 12 months	1 to 3 years	beyond 3 years
Trade payables*	9,623.86	9,623.86	-	-	-
Borrowings **	121,251.69	45,614.28	25,202.77	49,607.98	826.66
Borrowings from ARC (refer note 34.1)	256,870.43	-	-	-	-
Interest on borrowings **	2,625.73	2,625.73	-	-	-
Other current financial liabilities	3,964.81	3,964.81	-	-	-
<b>Total</b>		<u>61,828.68</u>	<u>25,202.77</u>	<u>49,607.98</u>	<u>826.66</u>

\* Trade payables are payable within 60 days

\*\* Borrowing payable within 6 months includes amount overdue

## D Capital Risk Management:

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The company will be a debt free company on conclusion of the proposed transaction with Brookfield and the one time settlement with the lenders as explained in Note 34.1.

In terms of our report attached

For N S Shetty & Co  
Chartered Accountants  
Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty  
Partner  
Membership No. 035083

Alen Ferns  
Company Secretary

Vivek Nair  
Dinesh Nair  
Rajan Shah  
Chairman and Managing Director  
Co-Chairman and Managing Director  
Chief Financial Officer

Mumbai, 27th May, 2019

# INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF HOTEL LEELEVENTURE LIMITED

Report on the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Hotel Leelaventure Limited ("the Holding Company") and its subsidiary (the Holding Company and its Subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in equity and the consolidated Statement of cash flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

## Basis for Opinion

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

## Emphasis of Matter

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

Note 34.1 (b) relating to non-provision of interest payable to Asset Reconstruction companies (ARCs) amounting to ₹ 87,321 lakhs for the year (previous year ₹ 78,873 lakhs). If the interest and other finance cost as notified by the ARCs were provided in the books of accounts, the loss for the year would have been higher by ₹ 87,321 lakhs (Previous Year ₹ 78,873 lakhs) and the interest liability till 31st March, 2019 would have been higher by ₹ 3,90,466 lakhs (Previous Year ₹ 3,03,145 lakhs). Further, the Other equity would have been negative to the extent of ₹ 3,76,509 lakhs (previous year ₹ 2,77,320 lakhs).

Note 34.1(c) relating to a binding Agreement with BSREP III INDIA BALLET PTE. LTD. (Brookfield) on 18th March 2019 to sell its hotel business undertaking at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and hotel operations business and its 100% shareholding in its subsidiary Company which owns property at Agra and all intellectual property owned by the company used in and held for use in the hotels owned and managed by it, for an amount of ₹ 395,000 lakhs and one-time settlement with lenders out of the said proceeds, subject to their approval.

Note 34.1(d) & 34.1(e) relating to petition / complainants made by the minority shareholder/s to Securities & Exchange Board of India (SEBI) and National Company Law Tribunal (NCLT) alleging oppression and mismanagement by the majority shareholders against minority shareholders and restraining the company from completing or attempting to complete the transaction referred herein Note 34.1(c).

Note 34.2(a) relating to enhancement in lease rentals, unilateral termination of lease agreement of 18000 sq. mtrs of land by Airports Authority of India (AAI) relating to Mumbai hotel and eviction proceedings initiated by them which the Company is legally contesting. Disputed amount not provided in the Books for the period upto 31st March, 2019 cumulatively amounts to ₹ 5,184 lakhs (Previous Year ₹ 3,877 lakhs).

Note 34.2(b) relating to the demands made by AAI relating to Royalty, Minimum Guarantee Fees in respect of 11000 sq. mtrs of land in Mumbai cumulatively amounting to ₹ 80,705 lakhs upto 31st January, 2019 (Previous Year ₹ 28,537 lakhs upto 31st January, 2017) not provided in the Books as the liability is disputed and not crystallized as per the legal opinion and the additional cost the company may have to incur towards restoration of FSI, which is not ascertainable.

## Material uncertainty related to Going Concern

We draw attention to Note no.34.4 in the Consolidated Financial Statements regarding the preparation of financial statements on going concern basis for the reasons stated therein. However, matters stated in Emphasis of Matter above indicate that a material uncertainty exists that may cast significant doubt on Group's ability to continue as a going concern. As stated in Note no. 34.4, the appropriateness of assumption of going concern is dependent upon the conclusion of the transaction with Brookfield, one-time settlement of dues with the lenders and getting favorable judgement / orders in respect of disputes with Airports Authority of India and continuing the Mumbai Hotel operations.

Our conclusion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matter to be communicated in our Report:

Key audit matter	How our audit addressed the key audit matter
Assets included in disposal group(s) held for sale and liabilities included in disposal group(s) held for sale (Ref. Note No.34.3)	Obtained from the Management the Framework Agreement with proposed buyer, Board Resolution approving the proposed transaction, a special Resolution passed by shareholders through Postal Ballet. Assessed the methodology used by the Management in identifying the Assets and Liabilities held for sale.
Contingent Liabilities in respect of claim made by Airport Authority of India (AAI) (Ref. Note No.34.2)	Obtained Lease Agreements and supplementary Agreement with Airport Authority of India (AAI). Correspondence from and with AAI, eviction orders judgment of Arbitrator, Judgment of Delhi High court. Petition filed before Supreme Court and their judgment. Petition filed before Eviction officer and their revised claim, various Legal opinions, case filed before Bombay City Civil Court.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive Income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of the records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit we report that:

- 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.
- In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
- Consolidated Financial Statements dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The matter described in paragraph relating to Emphasis of Matter may have an adverse effect on the functioning of the Group.
- On the basis of the written representations received from the directors of Holding Company and Subsidiary Company as on 31st March, 2019 taken on record by the Board of Directors, all the directors of Holding Company are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure "A".
- As required by section 197(16) of the Act, we report that the Holding Company and Subsidiary Company has not paid/provided remuneration to its Director during the year.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
  - The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group (Refer Note 34.5 to the consolidated financial statement).
  - Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS for foreseeable losses, if any, on long-term contracts including derivative contracts. We have been informed that the Group did not have any pending derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary Company.

**For N S Shetty & CO.**

Chartered Accountants

Registration No: 0110101W

**N S Shetty**

Partner

Membership No. 035083

Mumbai, 27th May, 2019



## **ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of Hotel Leelaventure Limited ("the Holding Company") and its subsidiary company (together referred to as 'the Group') as of 31st March, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

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

**For N S Shetty & CO.**

Chartered Accountants

Registration No: 0110101W

**N S Shetty**

Partner

Membership No. 035083

Mumbai, 27th May, 2019

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

₹ Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	26,983.91	380,148.86
Capital work-in-progress		67.82	505.66
Investment Property	4	7,349.11	7,497.79
Goodwill		-	3,254.14
Intangible assets	5	61.82	229.02
Financial assets:			
Investments	6	-	37.47
Other financial assets	7	2,518.23	6,434.30
Tax assets (net)	8	2,956.38	1,985.88
Other non-current assets	9	2,246.80	7,155.39
<b>Total non-current assets</b>		<u>42,184.07</u>	<u>407,248.51</u>
<b>Current assets</b>			
Inventories	10	784.54	3,225.39
Financial assets			
Trade receivables	11	6,537.66	8,254.91
Cash and cash equivalents	12	2,899.10	2,075.55
Other balances with banks	13	-	154.41
Other financial assets	14	213.95	535.20
Other current assets	15	1,191.62	4,021.09
<b>Total current assets</b>		<u>11,626.87</u>	<u>18,266.55</u>
Non current assets held for sale		13,528.63	30,627.80
Assets included in disposal group(s) held for sale	34.3	<u>351,537.36</u>	<u>-</u>
<b>Total assets</b>		<u><u>418,876.93</u></u>	<u><u>456,142.86</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	12,611.04	12,611.04
Other equity	17	13,936.77	25,807.64
<b>Total Equity</b>		<u>26,547.81</u>	<u>38,418.68</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	71,052.24	307,305.08
Other financial liabilities	19	1,056.16	2,123.74
Provisions	20	578.88	1,664.36
<b>Total non-current liabilities</b>		<u>72,687.28</u>	<u>311,093.18</u>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	5,742.66	11,963.85
Trade Payable:	22		
Outstanding dues of MESE		1.10	14.86
Outstanding dues other than of MESE		6,304.60	9,609.00
Other financial liabilities	23	290,660.60	65,452.52
Other liabilities	24	875.84	3,679.44
Provisions	25	200.33	588.28
<b>Total current liabilities</b>		<u>303,785.13</u>	<u>91,307.95</u>
Liabilities classified as held for sale		4,786.87	15,323.05
Liabilities included in disposal group(s) held for sale	34.3	<u>11,069.84</u>	<u>-</u>
<b>Total equity and liabilities</b>		<u><u>418,876.93</u></u>	<u><u>456,142.86</u></u>
Notes forming part of the consolidated financial statements	1 to 36		

In terms of our report attached

For N S Shetty & Co

Chartered Accountants

Registration No : 110101W

N S Shetty

Partner

Membership No. 035083

Mumbai, 27th May, 2019

Alen Ferns

Company Secretary

For and on behalf of the Board of Directors

Vivek Nair

Dinesh Nair

Rajan Shah

Chairman and Managing Director

Co-Chairman and Managing Director

Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019**

₹ Lakhs

Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
<b>Continued Operations :</b>			
<b>Income</b>			
Revenue from operations	26	15,434.43	13,783.52
Other income	27	418.36	645.28
<b>Total income</b>		<u>15,852.79</u>	<u>14,428.80</u>
<b>Expenses</b>			
Food and beverages consumed	28	1,330.32	1,189.86
Employee benefit expenses and payment to contractors	29	6,042.82	5,809.83
Finance costs	30	39.66	12.70
Depreciation and amortisation expenses	31	957.52	1,326.08
Other expenses	32	8,295.99	7,981.53
<b>Total Expenses</b>		<u>16,666.31</u>	<u>16,320.00</u>
<b>Profit/(loss) before exceptional items and Tax</b>		<u>(813.52)</u>	<u>(1,891.20)</u>
Exceptional items - Profit/(loss) (net)	33	<u>(2,966.11)</u>	<u>(3,293.68)</u>
<b>Profit/(loss) before Tax</b>		<u>(3,779.63)</u>	<u>(5,184.88)</u>
Tax expense		-	-
<b>Profit/(loss) after Tax from continued operations (A)</b>		<u>(3,779.63)</u>	<u>(5,184.88)</u>
<b>Discontinued Operations :</b>			
Profit/(loss) from discontinued operations		(8,113.33)	2,863.23
Tax expense from discontinued operations		-	-
<b>Profit/(loss) after Tax from discontinued operations (B)</b>	34.3	<u>(8,113.33)</u>	<u>2,863.23</u>
<b>Profit after Tax (A + B)</b>		<u>(11,892.96)</u>	<u>(2,321.65)</u>
<b>Other comprehensive income:</b>			
<b>Items that may not be reclassified to the statement of profit and loss</b>			
Remeasurement of defined benefit plan		22.09	137.08
Income tax relating to items that may not be reclassified to the statement of profit and loss		-	-
<b>Total other comprehensive income, net of tax</b>		<u>22.09</u>	<u>137.08</u>
<b>Total comprehensive income for the year</b>		<u>(11,870.87)</u>	<u>(2,184.57)</u>
<b>Earnings per share (of ₹ 2 each):</b>			
For continued operations		(0.60)	(0.96)
For discontinued operations		(1.29)	0.53
Basic & Diluted		(1.89)	(0.43)
Notes forming part of the consolidated financial statements	1 to 36		

In terms of our report attached

For N S Shetty &amp; Co

Chartered Accountants

Registration No : 110101W

N S Shetty

Partner

Membership No. 035083

Mumbai, 27th May, 2019

Alen Ferns

Company Secretary

For and on behalf of the Board of Directors

Vivek Nair

Dinesh Nair

Rajan Shah

Chairman and Managing Director

Co-Chairman and Managing Director

Chief Financial Officer

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2019

₹ Lakhs

Particulars		2018-19		2017-18	
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit/(loss) before exceptional items and Tax from continued operations		(813.52)		(1,891.19)
	Adjustments for:				
	Depreciation & amortisation	957.52		1,326.08	
	Interest charged	39.66		12.70	
	(Profit)/loss on sale of property, plant and equipment	(44.95)		17.05	
	Provisions/ liabilities written back	(53.49)		(84.16)	
	Provision for trade & other receivables	0.96		10.42	
	Interest income	(102.76)		(268.43)	
			796.94		1,013.66
	<b>Operating Profit before working capital changes</b>		(16.58)		(877.53)
	Adjustments for (increase)/decrease in operating assets:				
	Inventories	31.67		(91.31)	
	Trade and other receivables	(421.24)		(729.71)	
	Other financial assets	126.31		(94.48)	
	Other assets	448.71		(1,257.29)	
	Adjustments for increase /(decrease) in operating liabilities:				
	Trade payables	(41.41)		1,664.52	
	Other financial liabilities	721.20		(659.49)	
	Other liabilities	(33.91)		222.93	
			831.33		(944.83)
<b>Cash generated from operating activities</b>		814.75		(1,822.36)	
Less : Direct Tax paid (net)		(970.55)		(404.75)	
<b>Net cash flow from operating activities</b>		(155.80)		(2,227.11)	
Net cash flow from discontinued activities		21,094.16		21,432.71	
<b>Net cash flow from continued and discontinued activities</b>		20,938.36		19,205.60	
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	<b>Inflows:</b>				
	Proceeds from sale of property, plant and equipment (net) (including advance receipts)		13,621.01		1,104.04
	Decrease in fixed deposits with banks		-		1,753.76
	Interest received		126.29		222.01
	<b>Outflows:</b>				
	Increase in fixed deposit with banks		(86.85)		-
	<b>Net cash flow from investing activities</b>		13,660.45		3,079.81
	Net cash flow from discontinued activities		(774.42)		(395.60)
	<b>Net cash flow from continued and discontinued activities</b>		12,886.03		2,684.21
C	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
	<b>Inflows:</b>				
	Proceeds from term borrowings		-		12,529.00
	<b>Less: Outflows</b>				
	Repayment of term borrowings		(25,194.94)		(25,110.01)
	Dividend paid (including transfer to Investor Education & Protection Fund)		(6.32)		(7.37)
	Interest paid		(39.66)		(12.70)
	<b>Net cash flow from financing activities</b>		(25,240.92)		(12,601.08)
	Net cash flow from discontinued activities		(7,463.04)		(8,838.51)
	<b>Net cash flow from continued and discontinued activities</b>		(32,703.96)		(21,439.59)
	<b>Net changes in cash and cash equivalents</b>		1,120.43		450.22
<b>Cash and cash equivalents at the beginning of the year</b>		2,075.55		1,625.33	
<b>Cash and cash equivalents at the end of the year</b>		3,195.98		2,075.55	
Cash and cash equivalents from Continued Operations		2,899.10		1,007.81	
Cash and cash equivalents from Discontinued Operations		296.88		1,067.74	
<b>Cash and cash equivalents from Continued &amp; Discontinued Operations</b>		3,195.98		2,075.55	

In terms of our report attached

For N S Shetty & Co

Chartered Accountants

Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty

Partner

Membership No. 035083

Mumbai, 27th May, 2019

Alen Ferns

Company Secretary

Vivek Nair

Dinesh Nair

Rajan Shah

Chairman and Managing Director

Co-Chairman and Managing Director

Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a) **Equity share capital**

₹ Lakhs

As at 1st April, 2017	9,332.17
Changes in the equity share capital during the year	3,278.87
<b>As at 31st March 2018</b>	<b>12,611.04</b>
Changes in the equity share capital during the year	-
<b>As at 31st March 2019</b>	<b>12,611.04</b>

b) **Other equity**

₹ lakhs

Particulars	Reserves and surplus							Total
	Capital redemption reserve	Security premium	Debenture redemption reserve	Revaluation reserve	General reserve	Retained earnings	Other comprehensive income	
<b>Balance as at 1 April 2017</b>	8,750.00	41,115.40	6,750.00	-	6,445.39	(59,126.47)	(172.95)	3,761.37
Profit/(loss) for the year	-	-	-	-	-	(2,321.65)	-	(2,321.65)
Premium on issue of equity shares	-	24,230.84	-	-	-	-	-	24,230.84
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	137.08	137.08
<b>Total comprehensive income for the year</b>	-	24,230.84	-	-	-	(2,321.65)	137.08	22,046.27
<b>Allocations/Appropriations</b>								
Transferred (to) / from retained earnings	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<u>8,750.00</u>	<u>65,346.24</u>	<u>6,750.00</u>	<u>-</u>	<u>6,445.39</u>	<u>(61,448.12)</u>	<u>(35.87)</u>	<u>25,807.64</u>
<b>Balance as at 1 April 2018</b>	8,750.00	65,346.24	6,750.00	-	6,445.39	(61,448.12)	(35.87)	25,807.64
Profit/(loss) for the year	-	-	-	-	-	(11,892.96)	-	(11,892.96)
Premium on issue of equity shares	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	22.09	22.09
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(11,892.96)	22.09	(11,870.87)
<b>Allocations/Appropriations</b>								
Transferred (to) / from retained earnings	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<u>8,750.00</u>	<u>65,346.24</u>	<u>6,750.00</u>	<u>-</u>	<u>6,445.39</u>	<u>(73,341.08)</u>	<u>(13.78)</u>	<u>13,936.77</u>

In terms of our report attached

For N S Shetty & Co

Chartered Accountants

Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty

Partner

Membership No. 035083

Mumbai, 27th May, 2019

Alen Ferns

Company Secretary

Vivek Nair

Dinesh Nair

Rajan Shah

Chairman and Managing Director

Co-Chairman and Managing Director

Chief Financial Officer

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Note 1: Corporate Information

Hotel Leelaventure Limited ("HLVL" or the "Company") and its subsidiary (together referred to as 'the group'), is a public limited company incorporated in India and has its registered office situated at "The Leela Mumbai", Sahar, Mumbai 400 059.

The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The financial statements for the year ended 31st March, 2019 were approved by the Board of Directors and authorised for issue on 27th May, 2019.

## Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements:

### (i) Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

### (ii) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the following:

- i) Defined benefit plans – plan assets measured at fair value.
- ii) Certain financial instruments which are measured at fair value at the end of each reporting period.
- iii) Assets held for sale (or disposal groups) –measured at lower of carrying amount or fair value less cost to sell.

### (iii) Principles of consolidation and equity accounting

#### (a) Subsidiary

Subsidiary is an entity (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-Group transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Balance Sheet respectively.

#### (b) Goodwill

- (1) Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.
- (2) Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the statement of profit and loss.

### (iv) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires, management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

#### (a) Useful lives of property, plant and equipment and intangible assets:

The Company has estimated the useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

#### (b) Impairment testing:

Property, plant and equipment and intangible assets that are subject to amortisation /depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which include turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.

**(c) Income Taxes:**

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

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

**(d) Litigation:**

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

**(e) Defined benefit plans:**

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

**(v) Significant Accounting Policies:**

**(a) Revenue recognition:**

**(i) Income from operations**

Revenue from operations is accounted on accrual, is net of indirect taxes, returns and discounts. Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises of sale of rooms, food and beverages and allied services relating to hotel operations and management fees for the management of the hotels. Management fees earned from hotels managed by the Company are usually under long-term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract and collectability is reasonably certain.

**(ii) Interest:**

Interest income is accrued on a time proportion basis using the effective interest rate method.

**(b) Property, Plant and Equipment:**

Property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**(c) Investment Property:**

Investment Property are initially measured at cost, including transaction cost. Subsequent to initial recognition, Investment property are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment Property are derecognised either when they have disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognising.

Transfers to or from investment property is made when and only when there is a change in use.

On transition to Ind AS, the company has elected to continue with the carrying value of all its investment properties recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(d) Intangible Assets:**

Intangible assets are stated at cost less accumulated amortisation and impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

**(e) Capital WIP**

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

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

### (f) Depreciation and Amortisation:

The Company depreciates its property, plant and equipment and investment property over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 under straight line method except as under:

- (i) 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) and that of motor boat 6 years.
- (ii) 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.
- (iii) Building constructed on leasehold land are depreciated at the applicable rate on the assumption that the lease would be renewed in the normal course.
- (iv) Computer Software and website is amortised in six years and other intangible assets are amortised in five years.
- (v) Leasehold rights are amortised over 60 years on the assumption that the lease would be renewed in normal course.

The useful lives of assets and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

Depreciation /amortisation is not provided on non-current assets held for sale or part of the disposal group from the date of such assets are classified as held for sale or part of disposal group.

### (g) Investments in subsidiaries:

Investment in a subsidiary is a long-term investment and is carried at cost. On transition to Ind AS, previous GAAP carrying amount as on that date, i.e. April 1, 2016 is considered as cost. However the investments which are part of disposal group as defined in Ind AS 105, are measured at lower of carrying amount or fair value less cost to sell and grouped under assets held for sale.

### (h) Inventories:

Stock of food and beverages, stores and operating supplies are stated 'at cost or net realisable value, whichever is lower'. Cost comprise fair value of consideration paid including duties and taxes (other than those refundable), cost of conversion and other costs in bringing the inventories to their present location and condition computed under weighted average cost method. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

### (i) Employee benefits:

#### (i) Short-term 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.

#### (ii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) The Company makes annual contributions to gratuity fund which is a defined benefit plan.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

- (b) Defined contribution plans such as provident fund are charged to the Statement of Profit and Loss as and when incurred.

### (j) 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.

Interest cost for the borrowings is computed under effective interest method.

Foreign exchange difference relating to foreign currency borrowings regarded as an adjustment to borrowing cost to the extent not capitalised is disclosed under finance cost.

### (k) Taxation:

- (i) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year considering the taxable income of both continued and discontinued operations.
- (ii) Deferred tax is recognized on timing difference, being the difference between taxable incomes 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.



**(l) 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 exceed 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.

**(m) Foreign currency transaction:**

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

The 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.

**(n) Leases :**

**(i) Operating lease -As a lessee:**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight –line basis over the period of 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.

The interest free security deposits paid for long term leases are recorded at their fair value. The difference between amount of the deposit paid and its fair value is considered as additional rental expense on a straight line basis. The Company also recognises interest income on the deposits using effective interest rate through its profit and loss over the life of the deposit.

**(ii) Operating lease- As a lessor:**

Lease income from operating leases where the Company is a lessor is recognised as income on a straight –line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

The interest free security deposits received for long term leases are recorded at their fair value .The difference between amount of deposit received and its fair value is considered as additional rental income under straight line basis over the lease term. The Company also recognises interest expense on the deposits using effective interest rate through its profit and loss over the life of the deposit.

**(iii) Finance Lease – As a lessee:**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets under finance lease are capitalised at the Lease's inception at the fair value of the leased property or the present value of the minimum lease payments whichever is lower. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**(o) Government Grants/Incentives:**

Government grants/incentives that the Company is entitled to on fulfilment of certain conditions, but are available to the Company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions.

Grants/incentives that the Company is entitled to unconditionally on fulfilment of certain conditions, such grants/incentives are recognised at fair value as income when there is reasonable assurance that the grant/incentive will be received.

**(p) Income from Joint Development Agreement (JDA):**

Income from JDA is accounted under percentage of completion method (POCM) Balance cost of land and other expense related to JDA is grouped under Assets held for sale.

**(q) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

(i) Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law because the Company created valid expectations on the part of the third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(ii) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(iii) Disclosure of the contingent assets are made when it is probable that there is an inflow of future economic benefits. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

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

(r) **Exceptional items:**

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company.

(s) **Statement of Cash Flows :**

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

(t) **Earnings per Share :**

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

(u) **Financial Instruments:**

(1) **Financial assets**

(i) **Initial recognition and measurement**

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

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

(ii) **Classification:**

a. **Cash and Cash Equivalents**

Cash comprises cash/cheques on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

b. **Debt Instruments**

The Company classifies its debt instruments, as subsequently measured at amortised cost or fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) **Financial assets at amortised cost**

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

(ii) **Financial assets at fair value through Other Comprehensive Income (FVOCI)**

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

(iii) **Financial assets at fair value through profit or loss (FVTPL)**

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

c. **Equity Instruments**

The Company subsequently measures equity investment in a wholly owned subsidiary and investment in certain power generation Companies at cost. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

**De-recognition**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continued involvement in the financial asset.

**(2) Financial liabilities**

**Initial recognition and measurement**

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

All financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

**Subsequent measurement**

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

**De-recognition**

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

**(3) Impairment of financial assets**

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired and allowance for losses on such assessment is made in the Statement of Profit and Loss.

**(vi) Discontinued Operations:**

- (i) Assets are classified as “assets included in disposal group held for sale” when the appropriate level of the Company’s management is committed to a plan to sell the asset and an active plan to locate the buyer and complete the plan is initiated and the sale is highly probable and expected to complete within one year of such classification. The carrying amount of these assets will be principally recovered through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.
- (ii) Liabilities of disposal group are classified as “liabilities included in disposal group(s) held for sale”
- (iii) Profit and loss from discontinued operations are separately disclosed in the Statement of Profit and loss.

**(vii) Recent accounting pronouncements:**

**Ind AS 116:**

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind As 116 sets out the principles for recognition, measurement and presentation and disclosure of leases for both parties to a contract ie, the lessee and the lessor. Ind As 116 introduces a single lease accounting model for lessee and requires the lease to recognise right to use of assets and lease liabilities for all lease assets and lease liabilities for all leases with a term of more than twelve months ,unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind As 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit and loss and balance sheet ratio ie, Earnings before interest, tax, depreciation and amortisation (EBITDA), Assets coverage, debt equity, interest coverage etc.

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

₹ Lakhs

**Note 3 Property, plant and equipment**

	Land - freehold	Land - leasehold rights	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Gross carrying amount</b>								
As at 1 April 2017	139,392.44	26,385.92	182,749.39	45,191.89	13,033.38	1,549.23	990.28	409,292.53
Additions	-	-	19.10	585.53	25.94	-	107.92	738.49
Disposals/ discards/ adjustments	-	(4,505.15)	-	(191.05)	(16.94)	(25.97)	(63.58)	(4,802.69)
<b>Balance as at 31 March 2018</b>	<b>139,392.44</b>	<b>21,880.77</b>	<b>182,768.49</b>	<b>45,586.37</b>	<b>13,042.38</b>	<b>1,523.26</b>	<b>1,034.62</b>	<b>405,228.33</b>
As at 1 April 2018	139,392.44	21,880.77	182,768.49	45,586.37	13,042.38	1,523.26	1,034.62	405,228.33
Additions	-	-	91.61	610.92 *	29.12	217.32	71.30	1,020.27
Disposals/ discards/ adjustments	(11,355.57)	-	(30.07)	(251.02)	(393.44)	(30.08)	16.69	(12,043.49)
Relating to discontinued operations	(126,862.17)	(21,880.77)	(159,134.22)	(42,589.77) *	(11,976.80)	(1,291.19)	(707.24)	(364,442.16)
<b>Balance as at 31 March 2019</b>	<b>1,174.70</b>	<b>-</b>	<b>23,695.81</b>	<b>3,356.50</b>	<b>701.26</b>	<b>419.31</b>	<b>415.37</b>	<b>29,762.95</b>
<b>Accumulated depreciation</b>								
As at 1 April 2017	-	730.14	3,351.35	4,801.83	3,014.51	728.72	709.28	13,335.83
Depreciation for the year	-	730.14	3,242.53	4,870.28	2,890.09	334.47	94.67	12,162.18
Disposals/ discards/ adjustments	-	(360.41)	-	(36.29)	(8.45)	(9.71)	(3.68)	(418.54)
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>1,099.87</b>	<b>6,593.88</b>	<b>9,635.82</b>	<b>5,896.15</b>	<b>1,053.48</b>	<b>800.27</b>	<b>25,079.47</b>
As at 1 April 2018	-	1,099.87	6,593.88	9,635.82	5,896.15	1,053.48	800.27	25,079.47
Depreciation for the year	-	559.40	3,131.32	4,694.42 #	2,538.99	133.45	47.14	11,104.72
Disposals/ discards/ adjustments	-	(0.01)	(0.01)	(33.38)	(203.87)	(22.01)	(2.05)	(261.33)
Relating to discontinued operations	-	(1,659.26)	(8,294.42)	(13,984.84) #	(7,924.59)	(816.53)	(464.18)	(33,143.82)
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>-</b>	<b>1,430.77</b>	<b>312.02</b>	<b>306.68</b>	<b>348.39</b>	<b>381.18</b>	<b>2,779.04</b>
<b>Carrying Value</b>								
As at 31 March 2018	139,392.44	20,780.90	176,174.61	35,950.55	7,146.23	469.78	234.35	380,148.86
<b>As at 31 March 2019</b>	<b>1,174.70</b>	<b>-</b>	<b>22,265.04</b>	<b>3,044.48</b>	<b>394.58</b>	<b>70.92</b>	<b>34.19</b>	<b>26,983.91</b>

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

ii) Building includes cost of 25 (previous year 25) shares of ₹ 50 each in a Co-operative housing society.

iii) Building with carrying value constructed on leasehold land where lease agreement has not been renewed is ₹ 22,269.10 lakhs (Previous year ₹ 22,745.92 lakhs).

\* Includes ₹ 85.00 lakhs of plant and equipment acquired under finance lease.

# includes ₹ 4.29 lakhs depreciation on plant and equipment acquired under finance lease.

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

## Note 4 Investment Property

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Gross carrying amount</b>		
As per last balance sheet	7,837.45	7,837.45
Additions	-	-
Disposals/adjustments	-	-
<b>At the end of the year</b>	<b>7,837.45</b>	<b>7,837.45</b>
<b>Accumulated depreciation</b>		
As per last balance sheet	339.66	212.71
Additions	148.68	151.20
Disposals/adjustments	-	(24.25)
<b>At the end of the year</b>	<b>488.34</b>	<b>339.66</b>
<b>Net carrying amount</b>	<b>7,349.11</b>	<b>7,497.79</b>
<b>Fair Value :</b>		
The Company has not obtained independent valuation of these properties, but is of the opinion that the present fair value is not lesser than carrying value disclosed in the accounts.		

₹ Lakhs

Income arising from investment properties	Year ended 31 March 2019	Year ended 31 March 2018
Rental income derived from investment properties	532.60	468.17
Direct operating expenses (including repairs and maintenance) generating rental income	177.46	191.89
Income arising from investment properties before depreciation	355.14	276.28
Depreciation	148.68	151.20
<b>Income arising from investment properties (Net)</b>	<b>206.46</b>	<b>125.08</b>

## Note 5 Intangible assets

₹ Lakhs

	Computer software	License / franchise fees	Website	Total
<b>Gross carrying amount</b>				
As at 1 April 2017	433.60	197.89	46.91	678.40
Additions	50.07	-	-	50.07
Disposals/ discards/ adjustments	30.95	4.12	-	35.07
Balance as at 31 March 2018	514.62	202.01	46.91	763.54
<b>As at 1 April 2018</b>	<b>514.62</b>	<b>202.01</b>	<b>46.91</b>	<b>763.54</b>
<b>Additions</b>	<b>82.08</b>	<b>-</b>	<b>-</b>	<b>82.08</b>
Disposals/ discards/ adjustments	(7.50)	-	0.01	(7.49)
Relating to discontinued operations	(384.54)	(152.22)	(21.10)	(557.86)
<b>Balance as at 31 March 2019</b>	<b>204.66</b>	<b>49.79</b>	<b>25.82</b>	<b>280.27</b>
<b>Accumulated depreciation</b>				
As at 1 April 2017	180.89	95.84	28.74	305.47
Amortisation for the year	166.60	58.93	3.52	229.05
Disposals/ discards/ adjustments	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>347.49</b>	<b>154.77</b>	<b>32.26</b>	<b>534.52</b>
<b>As at 1 April 2018</b>	<b>347.49</b>	<b>154.77</b>	<b>32.26</b>	<b>534.52</b>
Amortisation for the year	101.26	13.37	3.52	118.15
Disposals/ discards/ adjustments	(0.07)	0.06	0.00	(0.01)
Relating to discontinued operations	(305.84)	(118.41)	(9.96)	(434.21)
<b>Balance as at 31 March 2019</b>	<b>142.84</b>	<b>49.79</b>	<b>25.82</b>	<b>218.45</b>
<b>Carrying Value</b>				
As at 31 March 2018	167.13	47.24	14.65	229.02
<b>As at 31 March 2019</b>	<b>61.82</b>	<b>-</b>	<b>-</b>	<b>61.82</b>

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

### Note 6 Investments

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Investment in equity others - Unquoted</b>		
(i) 12,000 (12,000) equity shares of ₹ 10 each of Green Infra Wind Power Generation Limited <sup>(*)</sup>	-	1.20
(ii) Nil (35,000) equity shares of ₹ 100 each of Sree Rengaraja Ispat Industries Pvt Ltd.	-	35.00
(iii) Nil (1,268) equity shares of ₹ 100 each of Opulent Ventures Pvt Ltd	-	1.27
<b>Total investment in equity instruments</b>	-	37.47
<b>Total</b>	-	37.47
Aggregate amount of unquoted investment	-	37.47

(\*) Classified as assets included in disposal group(s) held for sale

### Note 7 Other non-current financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Deposits with banks	395.57	376.73
Margin money deposits with banks (refer note 13)	570.56	514.53
Security deposits - considered good	1,252.10	5,243.04
Other receivables - considered good	300.00	300.00
<b>Total</b>	<b>2,518.23</b>	<b>6,434.30</b>

### Note 8 Tax assets (Net)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Income Tax assets (net)</b>		
<b>Opening balance for the year</b>	1,985.88	1,581.06
Less : Tax payable for the year		
Add : Taxes deducted/collected at source	970.56	703.33
Add/(less) : Refund/adjustment for earlier years	(0.06)	(298.51)
<b>Closing balance</b>	<b>2,956.38</b>	<b>1,985.88</b>

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

## Note 9 Other non-current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade advances	45.81	45.81
Less: Allowance for doubtful trade advances	(45.81)	(45.81)
	-	-
Balances with Government authorities	280.28	2,921.35
Advance for Property, Plant & Equipment	17.67	87.78
Deposit adjustable against future rent payments	1,946.55	4,092.38
Pre-paid expenses	2.30	53.88
<b>Total</b>	<b>2,246.80</b>	<b>7,155.39</b>

## Note 10 Inventories

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Food and beverages	386.43	1,488.57
Stores and operating supplies	398.11	1,736.82
<b>Total</b>	<b>784.54</b>	<b>3,225.39</b>

## Note 11 Trade receivables (unsecured)

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables from related parties - considered good	138.62	172.17
Other than from related parties :		
Trade receivables - considered good	3,140.52	4,683.94
Trade receivables which have significant increase in Credit Risk	3,258.52	3,398.80
Trade receivables - credit impaired	851.24	384.15
	7,388.90	8,639.06
Less : Allowance for trade receivables - credit impaired	(851.24)	(384.15)
<b>Total</b>	<b>6,537.66</b>	<b>8,254.91</b>

## Note 12 Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	17.70	56.96
Balances with bank in current account	2,731.04	1,868.59
Short-term deposits with bank (with original maturity less than three months)	150.36	150.00
<b>Total</b>	<b>2,899.10</b>	<b>2,075.55</b>

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

### Note 13 Other balances with banks

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Term deposits	-	148.09
Margin money deposits	570.56	506.03
Unpaid dividend	-	6.32
	570.56	660.44
Less : Term deposits with bank maturing after 12 months from the balance sheet date and margin money deposits classified as non-current financial assets (refer note 7)	570.56	506.03
<b>Total</b>	-	154.41

### Note 14 Other current financial assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Interest receivable	27.92	58.10
Unbilled revenue	173.08	313.09
Insurance claims receivable	0.44	36.63
Security deposits	12.51	127.38
<b>Total</b>	213.95	535.20

### Note 15 Other current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade advances	142.71	166.23
Loans and advances to employees	19.54	57.82
Advance rentals	93.11	332.78
Pre-paid expenses	619.13	1,300.43
Balances with Government authorities	61.69	439.91
Services export incentives	250.63	822.72
Other receivables - considered good	4.81	901.20
<b>Total</b>	1,191.62	4,021.09



Note 16 Equity share capital

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a) Authorised capital		
1,000,000,000 (1,000,000,000) equity shares of ₹ 2 each with voting rights	20,000.00	20,000.00
6,000,000 (6,000,000) Redeemable preference shares of ₹ 100 each	6,000.00	6,000.00
b) Issued share capital		
630,551,766 (630,551,766) equity shares of ₹ 2 each with voting rights	12,611.04	12,611.04
c) Subscribed and fully paid up		
630,551,766 (630,551,766) equity shares of ₹ 2 each with voting rights	12,611.04	12,611.04
	<b>12,611.04</b>	<b>12,611.04</b>

d) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
At the beginning of the year	630,551,766	12,611.04	466,608,307	9,332.17
Add : Issued on conversion of loan to equity shares *	-	-	163,943,459	3,278.87
At the end of the year	630,551,766	12,611.04	630,551,766	12,611.04

\* During the previous year, 163,943,459 equity shares of ₹ 2 each fully paid up were issued to JM Financial Asset Reconstruction Company Ltd at a premium of ₹ 14.78 per equity share by converting part of their loan.

e) Shareholders holding more than 5% shares

Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% of holding	No. of shares	% of holding
Leela Lace Holdings Private Limited	188,649,985	29.92	188,649,985	29.92
JM Financial Asset Reconstruction Company Limited	163,943,459	26.00	163,943,459	26.00
Rockfort Estate Developers Private Limited	55,607,175	8.82	49,507,175	7.85
ITC Limited	49,953,055	7.92	49,953,055	7.92
Leela Lace Software Solutions Private Limited	47,542,359	7.54	53,642,359	8.51

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

### Note 17 Other equity

₹ Lakhs

Particulars		As at 31 March 2019	As at 31 March 2018
(a)	Capital redemption reserve		
	As at 1st April	8,750.00	8,750.00
	Increase/(decrease) adjustments	-	-
	As at Closing	8,750.00	8,750.00
(b)	Security premium		
	As at 1st April	65,346.24	41,115.40
	Increase/(decrease) adjustments	-	24,230.84
	As at Closing	65,346.24	65,346.24
(c)	Debenture redemption reserve		
	As at 1st April	6,750.00	6,750.00
	Increase/(decrease) adjustments	-	-
	As at Closing	6,750.00	6,750.00
(d)	General reserve		
	As at 1st April	6,445.39	6,445.39
	Increase/(decrease) adjustments	-	-
	As at Closing	6,445.39	6,445.39
(e)	Retained earnings		
	As at 1st April	(61,448.12)	(59,126.47)
	Add/less : transferred from inter unit	-	-
	Add/Less: Profit/(loss) for the year	(11,892.96)	(2,321.65)
	As at Closing	(73,341.08)	(61,448.12)
(f)	Other comprehensive income		
	As at 1st April	(35.87)	(172.95)
	Add/Less: Profit/(loss) for the year	22.09	137.08
	As at Closing	(13.78)	(35.87)
	<b>Total</b>	<b>13,936.77</b>	<b>25,807.64</b>

(i) Capital Redemption Reserve represents reserve created for redemption of Preference shares

(ii) Securities premium is created due to premium on issue of shares. These is utilised in accordance with the provisions of the Companies Act.

(iii) Debenture Redemption Reserve is required to create a reserve out of the profits which is available for purpose of redemption

### Note 18 Non-current borrowings

₹ Lakhs

Particulars		As at 31 March 2019	As at 31 March 2018
<b>Secured</b>			
	Foreign currency loan from banks	-	6,569.46
	Rupee term loan from financial institution	71,052.24	1,820.80
	Foreign currency term loan from financial institution	-	42,044.39
	Rupee term loan from Asset reconstruction Companies	-	256,870.43
	<b>Total</b>	<b>71,052.24</b>	<b>307,305.08</b>
<b>Current maturities of long term debt (refer note 23)*</b>			
	Debentures	6,750.00	6,750.00
	Rupee loan from banks	16,107.11	-
	Foreign currency loan from banks	4,598.13	12,720.14
	Rupee term loan from financial institution	-	423.59
	Foreign currency term loan from financial institution	11,497.54	38,968.07
	Rupee term loan from Asset reconstruction Companies	245,290.19	-
	<b>Total</b>	<b>284,242.97</b>	<b>58,861.80</b>
*(shown under Other current financial liabilities)			

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

## Note 18 Details of borrowings (continued)

₹ Lakhs

Particulars	Interest rate (%) - 31 March 19	As at 31 March 2019	As at 31 March 2018	Details of security	Repayment terms
<b>Debentures</b>					
Non-convertible debentures					Redemption due
Life Insurance Corp. of India	12.5%	6,750.00	6,750.00	Refer Note A (a) to (g)	refer note B and C
900 (900) NCDs of face value ₹ 10 lakhs each, outstanding principal value ₹ 7.50 lakhs each		6,750.00	6,750.00		
<b>Rupee loan from banks</b>					
State Bank of India	16.75%	16,107.11	-	Refer Note A (j) & (e)	Note B
		16,107.11	-		
<b>Foreign currency loan from banks</b>					
Bank of Baroda	7.39%	4,598.13	4,492.07	Refer Note A (a) to (g)	Note B
State Bank of India	-	-	14,797.53	Refer Note A (j) & (e)	Converted to Indian Rupee loan - Note B
		4,598.13	19,289.60		
<b>Rupee term loan from financial institution</b>					
HDFC Ltd	10.75%	71,052.24	-	Refer Note A (j), (k)	180 EMIs starting December 2021
HDFC Ltd	-	-	2,244.39	-	-
		71,052.24	2,244.39		
<b>Foreign currency term loan from financial institution</b>					
HDFC Ltd	-	-	18,146.16	Refer Note A (j), (k)	Converted to Indian Rupee loan during the year
HDFC Ltd	-	-	52,054.77	Refer Note A (j), (k)	Converted to Indian Rupee loan during the year
HDFC Ltd	7.38%	11,497.54	10,811.53	Refer Note A (j), (k)	Repayable in June 2019
		11,497.54	81,012.46		
<b>Rupee term loan from ARCs</b>					
J M Financial Asset Reconstruction Company Limited	refer note 34.1(b)	242,648.73	254,112.05	Refer Note A (a) to (i)	Note B & Refer Note 34.1 (a) and (b)
Phoenix ARC Pvt Ltd	refer note 34.1(b)	2,641.46	2,758.38	Refer Note A (a) to (g)	Refer Note 34.1 (a) and (b)
		245,290.19	256,870.43		
<b>Total Secured Loans</b>		<b>355,295.21</b>	<b>366,166.88</b>		
<b>Principal overdue</b>		<b>270,103.98</b>	<b>12,146.70</b>		

### 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, Udaipur, New Delhi and Chennai and the Windmills.
- Second ranking pari passu charge on the current assets of hotel properties at Mumbai, Udaipur, New Delhi and Chennai.
- Revenue from hotel properties at Mumbai, 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.
- To the extent of 'existing term debt provided by Bank of Baroda and Syndicate Bank under CDR documents' and assigned to JM Financial Asset Reconstruction Co. Ltd, the security is second ranking pari passu charge on the fixed assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and the Windmills, and as referred in clause b to g above.

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

- (i) To the extent of working capital facility assigned by Bank of Baroda, Oriental Bank of Commerce, State Bank of India and Vijaya Bank (now Bank of Baroda), the security is first ranking pari passu charge on inventory, receivables and other current assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and second ranking pari passu charge on the fixed assets of the hotel properties at Mumbai, Udaipur, New Delhi and Chennai and the Windmills, and as referred in clause c to g above.
- (j) First pari passu charge on the immovable properties of the Leela Palace, Bangalore.
- (k) Receivables from Bangalore Hotel.

### Note B :

Loan recall notice received and due for payment

### Note C:

The Company has defaulted on payment of matured Non convertible debentures of ₹ 2,250 lakhs due on 30th Sep 2018, ₹ 2,250 lakhs due on 30th Sep 2017 and ₹ 2,250 lakhs due on 30th Sep 2016 and the Company did not invest the required 15% of the amount of debentures so matured during the relevant financial year in any of the prescribed mode by the Ministry of Corporate Affairs Circular No.04/2013 dated 11.02.2013.

### Note 19 Other non current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Trade/security deposits received	1,056.16	2,038.84
Deferred payables	-	84.90
<b>Total</b>	<b>1,056.16</b>	<b>2,123.74</b>

### Note 20 Non-current provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations:		
- for compensated absences	271.63	767.22
- for Gratuity (net)	307.25	897.14
<b>Total</b>	<b>578.88</b>	<b>1,664.36</b>

### Note 21 Current borrowings - Unsecured

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
From related party: Leela Lace Holdings Pvt Ltd at 0% interest	5,742.66	11,955.25
Leela Villas Pvt Ltd at 0% interest	-	8.60
<b>Total</b>	<b>5,742.66</b>	<b>11,963.85</b>

### Note 22 Trade payables

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
To micro enterprises and small enterprises - others (refer note 34.6)	1.10	14.86
	1.10	14.86
To other than micro enterprises and small enterprises		
- Related parties	3,354.91	2,914.58
- Others	2,949.69	6,694.42
<b>Total</b>	<b>6,304.60</b>	<b>9,609.00</b>

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

## Note 23 Other current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of long term debt* (refer note 18)	284,242.97	58,861.80
Interest accrued on borrowings **	5,514.60	2,625.73
Unpaid dividend	-	6.32
Payable on purchase of property, plant and equipment	204.18	2,318.95
Liability for expenses	597.06	1,495.85
Overdrawn bank balance	68.14	67.89
Trade/security deposits	33.65	75.98
<b>Total</b>	<b>290,660.60</b>	<b>65,452.52</b>
* includes unpaid matured debentures	6,750.00	4,500.00
** includes interest accrued on debentures	1,667.37	1,015.43

## Note 24 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory liabilities	582.72	2,001.21
Deposit adjustable against future rent income	0.36	22.41
Advance from customers	292.76	1,655.82
<b>Total</b>	<b>875.84</b>	<b>3,679.44</b>

## Note 25 Current Provisions

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefit obligations:		
- for bonus	127.29	393.22
- for compensated absences	73.04	195.06
<b>Total</b>	<b>200.33</b>	<b>588.28</b>

## Note 26 Revenue from operations

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from sale of products:</b>		
Food & beverages	6,026.83	5,282.74
<b>Revenue from sale of services:</b>		
Room revenue	8,156.10	7,357.75
Income from rental & related services	532.60	468.17
Other services	718.90	674.86
<b>Total</b>	<b>15,434.43</b>	<b>13,783.52</b>

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

### Note 27 Other income

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income from Deposit with Bank	74.99	216.99
Interest from Others	27.77	51.45
Amortisation of interest on security deposits	42.29	39.85
Export service incentives/subsidy	75.83	174.79
Net foreign exchange gain/(loss)	9.91	12.96
Profit on sale of property, plant and equipment (net)	44.95	-
Provisions/ liabilities written back	53.49	84.16
Miscellaneous income	89.13	65.08
<b>Total</b>	<b>418.36</b>	<b>645.28</b>

### Note 28 Food and beverages consumed

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening stock	378.83	353.42
Add: Purchases	1,337.92	1,215.27
	1,716.75	1,568.69
Less: Closing stock	386.43	378.83
<b>Total</b>	<b>1,330.32</b>	<b>1,189.86</b>

### Note 29 Employee benefit expenses and payment to contractors

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries & wages	3,878.59	3,852.86
Contribution to provident fund and other funds	323.18	296.15
Staff welfare expenses	417.95	358.68
Labour contract	1,423.10	1,302.14
<b>Total</b>	<b>6,042.82</b>	<b>5,809.83</b>

### Note 30 Finance costs

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest others	1.33	-
Financial charges	38.33	12.70
<b>Total</b>	<b>39.66</b>	<b>12.70</b>

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

## Note 31 Depreciation and amortisation expenses

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of property, plant and equipment	775.62	1,025.49
Depreciation of investment property	148.68	151.20
Amortisation of intangible assets	33.22	149.39
<b>Total</b>	<b>957.52</b>	<b>1,326.08</b>

## Note 32 Other Expenses

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and supplies including linen	623.31	599.74
Power and fuel	1,094.18	1,099.82
Rent	2,428.79	2,276.47
Repairs and maintenance		
- Buildings	418.02	340.26
- Machinery	286.94	199.97
- Others	408.63	336.41
Insurance	44.81	48.80
Rates and taxes	605.98	699.02
Other Operating expenses	252.64	233.79
Communication	52.63	57.08
Travelling and conveyance	198.24	297.34
Guest transport	137.53	151.05
Printing and stationary	46.33	37.43
Reservation fee	113.59	99.86
Sales & credit card commission	355.89	298.94
Business promotion	377.63	426.49
Legal and professional *	728.64	603.93
Directors' sitting fees	18.60	15.60
Provision/write-off of trade and other receivables	0.96	10.42
Loss on sale of property, plant and equipment (net)	-	17.05
Miscellaneous expenses	102.65	132.06
<b>Total</b>	<b>8,295.99</b>	<b>7,981.53</b>
* includes Auditors' remuneration:		
Statutory audit	30.00	30.00
Other services	10.52	10.65
<b>Total</b>	<b>40.52</b>	<b>40.65</b>

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

Note 33 Exceptional items - profit/(loss)

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Impairment of capital work in progress	-	(1,041.78)
Impairment of leasehold rights	-	(4,144.74)
Income from joint development of property	877.76	1,892.84
Profit on sale of Asset held for sale	528.82	-
Loss on sale of property	(4,372.69)	-
<b>Total</b>	<b>(2,966.11)</b>	<b>(3,293.68)</b>

### Additional information to the Financial Statements

#### 34.1 Debt Resolution

- a) The CDR Lenders on 30th June 2014 assigned 95.6% of CDR Debt to JM Financial Asset Reconstruction Company Ltd (JMFARC) and 1% of CDR Debt to Phoenix ARC Private Limited (ARCs). The total debt assigned was ₹ 415,014 lakhs, which included Sacrifice amount of ₹ 26,315 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 cashflows agreed by the lenders as per the CDR Package, for the duration of the loan.
- b) The ARCs have notified the Company that (i) interest and penal interest are applicable as per the rates contracted prior to admission to CDR; (ii) the finance cost on the debt for the year is ₹ 87,321 lakhs and till 31st March 2019 is ₹ 390,466 lakhs; and (iii) the total debt amount is ₹ 635,756 lakhs as against ₹ 245,290 lakhs accounted by the Company. No provision for interest (as notified by ARCs) has been made on the said loan from ARCs from the date of assignment, as the Company was pursuing for a viable restructuring package and the company expects certain waiver/concession in interest as it is negotiating with aforesaid ARCs along with other secured lenders for one-time settlement. If the provision for interest was made in accordance with the intimation received from the ARCs, the finance cost and the loss for the year would have been higher by ₹ 87,321 lakhs (previous year ₹ 78,873 lakhs) and the interest liability till 31st March 2019 would have been higher by ₹ 390,466 lakhs (previous year ₹ 303,145 lakhs). Pending this, the Company had classified the debt as Non-Current financial liabilities till 31st March 2018.
- c) In order to resolve the Company's debt problem, the Company has been making consistent efforts to get investor into the Company or sell some of its assets. The Company entered into a binding agreement with BSREP III INDIA BALLETT PTE. LTD. (Brookfield) on 18th March 2019 to sell its hotel business undertaking at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and hotel operations business and its 100% shareholding in its subsidiary company which owns property at Agra and all intellectual property owned by the Company used in and held for use in the hotel owned and managed by it, for an amount of ₹ 395,000 lakhs (Brookfield Transaction). The Company intends to pay all its secured lenders including ARCs out of the net proceeds, as a one-time settlement subject to the approval of lenders. Any excess or short payment of interest against the provisions made in the books will be accounted at the time of settlement.
- d) The Company has obtained the approval of its shareholders for the aforesaid Brookfield Transaction by way of special resolution passed through a Postal ballot on 24th April 2019. However, ITC Limited, which together with its subsidiary holds 8.72% shares in the Company and LIC of India, filed separate complaints with Securities & Exchange Board of India (SEBI) alleging certain violations of the provisions pertaining to related party transactions and the purported oppression and mismanagement by the majority shareholders against the minority shareholders. Pursuant thereto, SEBI notified the Company that while these representations are being examined by them, the Company shall not act upon the transaction proposed in the Postal Ballot Notice (PBN), till further directions from them. The Company has furnished replies to all the queries of SEBI and is awaiting further directions from them.
- e) ITC Limited has also filed a petition before the NCLT, Mumbai alleging oppression and mismanagement by the majority shareholders against the minority shareholders and seeking certain reliefs including declaration that (i) the allotment of shares to JMFARC is void; (ii) decisions taken by the Audit Committee and the Board Meeting on 18th March 2019 are vitiated and of no legal effect; (iii) the postal ballot is vitiated and the results thereof are of no legal effect; (iv) the Promoters and JMFARC are not entitled to vote in the Postal Ballot; and seeking mandatory injunctions restraining the Company and JMFARC from completing or attempting to conclude the transaction with Brookfield. The Company has filed its response to NCLT and awaits its decision.
- f) In the meanwhile, JMFARC had filed a petition under Section 7 of the Insolvency & Bankruptcy Code, 2016 which came up for hearing on 9th April 2019. The Company had made an application to NCLT to keep it in abeyance, in view of the settlement proposed out of the Brookfield Transaction. The next date of hearing is 28th May 2019.
- g) As per the legal opinion received from an eminent council, there is no substance in the complaint / petition filed by the minority shareholders with SEBI and before NCLT and the Company has a good case on merits.



**34.2 Disputes with Airports Authority of India (AAI)**

- (a) The lease agreement with AAI relating to the Mumbai hotel for leasing of 18,000 sq mtrs of land 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, which the Company had accepted. Pending execution of the lease agreement, AAI had been provisionally extending the lease for 3 to 6 months at a time and the latest extension was till 11th January, 2016. AAI has arbitrarily increased the lease rental payable for the Mumbai hotel, effective from 1st October 2014, the increased rentals on the basis of such arbitrary increase works out to by ₹ 5,184 lakhs for the period upto 31st March 2019 (upto 31st March 2018 ₹ 3,877 lakhs). The Company has objected to this increase and has not provided for the same. AAI has unilaterally terminated the lease and commenced eviction proceedings and the Company is legally contesting the same. Depreciation on Mumbai hotel building is provided at the applicable rate, on the assumption that the lease will be renewed.
- (b) The Company had entered into a lease agreement on 7th February, 1996 with the Airports Authority of India (AAI) in respect of a land admeasuring 11,000 sqm intended for the construction of a 150-room Hotel at Mumbai based on terms stipulated in it of Royalty on turnover with minimum guaranteed amounts (MG) to be mutually agreed and annual ground rent between the parties. The percentage of Royalty and MG was stipulated in the Supplementary Agreement dated 7th February 2016. The MG was arrived at based on certain revenue projections. The terms and stipulations specified in the Supplemental Agreement became impossible of performance for various reasons. Further, the Company vide letter dated 6th April, 2017 requested AAI to take over immediate physical possession of the land pending restoration of FSI by the Company. No Provision has been made for the cost of FSI as it is not ascertainable. However, AAI commenced the eviction proceedings with their claim of MG and enhanced rent. As per the revised claim filed by the AAI in February 2019 before the eviction officer, the amount due to them as on 31st January 2019 is ₹ 80,705 lakhs towards minimum guarantee and rent as against ₹ 28,537 lakhs as on 31st January 2017 claimed earlier which Company is disputing. The eviction matter is pending with the eviction officer and the company is legally contesting the same. According to legal opinion received, the liability is contingent in nature and hence no provision is made in the books.
- (c) Further, AAI filed a case before Hon'ble Bombay City Civil Court on 1st March 2019 seeking an injunction, restraining the company from alienating / creating any kind of third party right by restructuring the Assets till such a time, the vacant and peaceful possession of the said leased land is handed over to them along with FSI and all their dues are fully paid. The order of the court is awaited.

**34.3 Discontinued operations**

As explained in Note no. 34.1(c) above, the Company has entered into agreement with Brookfield to sell its hotel business undertakings and pay all its secured lenders including to ARCs out of the net proceeds received from the said transaction by way of one-time settlement and expects to complete the transaction during the ensuing financial year. Hence, the assets and liabilities covered in the Brookfield Transaction are shown as "Assets included in disposal group(s) held for sale" and "Liabilities included in disposal group(s) held for Sale" in the Balance Sheet as on 31st March 2019. The difference between the net consideration and the net carrying value in the books as on the date of transaction shall be accounted as "Profit or Loss on sale of Business Undertaking".

Pursuant to above, the Business undertakings is classified as per Ind As 105 - "Non current Asset held for sale and discontinued operations". Accordingly assets and liabilities are included in disposable group(s) held for sale and corresponding previous year figures of Statement of Profit and Loss account and cash flow from operations have been restated accordingly.

**a) Profit and loss from discontinued operations :**

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	59,247.46	58,070.89
Other income	1,149.79	1,813.55
<b>Total</b>	<b>60,397.25</b>	<b>59,884.44</b>
Food and beverages consumed	5,283.15	5,323.28
Employee benefit expenses and payment to contractors	14,081.51	13,468.99
Finance costs *	10,351.89	8,354.56
Depreciation and amortisation expenses	10,414.03	11,216.35
Other expenses	28,380.00	18,658.03
<b>Total</b>	<b>68,510.58</b>	<b>57,021.21</b>
Profit/(loss) before tax	(8,113.33)	2,863.23
Taxation	-	-
Profit/(loss) from discontinued operations	<b>(8,113.33)</b>	<b>2,863.23</b>

\* Finance costs includes interest cost on borrowing

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

b) The major classes of assets and liabilities included in disposal group(s) held for sale :

₹ Lakhs

	As at 31st March 2019
<b>Assets :</b>	
<b>Non-current assets</b>	
Property, plant and equipment	331,298.33
Capital work-in-progress	191.83
Goodwill on consolidation	3,254.14
Intangible assets	123.64
Financial assets:	
Investments	1.20
Other financial assets	3,594.62
Other non-current assets	4,705.31
<b>Total non-current assets</b>	<u>343,169.07</u>
<b>Current assets</b>	
Inventories	2,349.61
Financial assets	
Trade receivables	2,219.86
Cash and cash equivalents	296.88
Other balances with banks	371.61
Other financial assets	443.09
Other current assets	2,679.99
<b>Total current assets</b>	<u>8,361.04</u>
<b>Non current asset held for sale</b>	7.25
<b>Assets held for sale and discontinued operations (A)</b>	<u>351,537.36</u>
<b>Liabilities :</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
Other financial liabilities	395.08
Provisions	1,198.42
<b>Total non-current liabilities</b>	<u>1,593.50</u>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	8.60
<b>Trade Payable:</b>	
Outstanding dues of MESE	131.68
Outstanding dues other than of MESE	4,409.37
Other financial liabilities	1,742.37
Other liabilities	2,712.14
Provisions	472.18
<b>Total current liabilities</b>	<u>9,476.34</u>
<b>Liabilities held for sale and discontinued operations (B)</b>	<u>11,069.84</u>
<b>Net assets / (liabilities) of discontinued operations (A-B)</b>	<u>340,467.52</u>
<b>Net cash flows attributable to the operating, investing and financing activities of discontinued operations</b>	
<b>Cash flows:</b>	
Operating	21,094.16
Investing	(774.42)
Financing	(7,463.04)

**34.4 Going Concern Basis**

The financial statements of the Company have been prepared on a 'going concern basis' in view of the following:

- a). The proposed Brookfield Transaction would be concluded once the Company is legally allowed to do the transaction and this would result in one-time settlement with the lenders as explained in 34.1 above, and the Company would be debt free. Company expects to complete the transaction within 12 months
- b). The Company is confident of getting favourable judgement / orders in respect of disputes with AAI as explained in 34.2 above and continue the Mumbai Hotel operations.

**34.5 Contingent liabilities and commitments including for discontinued operations (to the extent not provided for)**

₹ Lakhs

Particulars	2018-19	2017-18
<b>Contingent liabilities:</b>		
(a) Disputed liability with AAI		
(i) refer note 34.2 (a)	5,184.30	3,877.00
(ii) refer note 34.2 (b)	80,705.00	31,119.00
(b) Other claims against the Company not acknowledged as debt	15,919.93	15,446.93
(c) Disputed Statutory Liabilities	7,460.92	7,300.79
(d) Future export obligations / commitments under import of capital goods at concessional rate of Custom duty	3,627.00	2,554.08
<b>Commitment:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	174.95	124.91

**34.6** 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	2018-19	2018-19	2017-18
	Continued	Discontinued	
(i) Principal amount remaining unpaid to any supplier as at the end of the year	1.10	131.68	14.86
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	0.03	4.16	0.61
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	0.25	0.41
(iv) The amount of interest due and payable for the year	-	4.16	0.61
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.03	4.16	0.67
(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	Nil

Disclosures of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

**34.7 Employee benefit plans**

**Defined contribution plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under 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 has a tie-up under Employees' Trust Deed Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, and has partly funded the 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 subject to a limit of ₹ 20 lakhs. The unfunded portion as well as the amounts in excess of the limit are to be borne by the Company, as per policy.

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

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.

### a Reconciliation of Opening and Closing balances of Defined Benefit Obligation

₹ Lakhs

Particulars	2018-19	2017-18
Defined Benefit Obligation at beginning of the year	2,352.13	2,298.43
Current service cost	207.40	201.48
Past service cost	-	-
Interest cost	151.91	142.24
Actuarial (gain)/loss	(25.55)	(138.68)
Benefits paid	(213.88)	(151.34)
Liabilities assumed/(settled)	-	-
Defined Benefit Obligation at the end of the year	2,472.01	2,352.13

### b Reconciliation of opening and closing balances of fair value of plan assets

₹ Lakhs

Particulars	2018-19	2017-18
Fair value of plan assets at beginning of the year	1,455.00	1,235.22
Expected return of plan assets	121.14	100.86
Employer contribution	276.73	271.86
Benefits paid	(213.88)	(151.34)
Fair value of plan assets at year end	1,635.53	1,455.00
Assets acquired / (settled)	-	-
Actual return on plan assets	(3.46)	(1.60)

### c Reconciliation of fair value of Assets and Obligations

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets	1,635.53	1,455.00
Present value of obligation	2,472.01	2,352.13
Amount recognised in balance sheet ((surplus)/deficit) - for continued and discontinued operations	836.49	897.14

### d Expenses recognised during the year

₹ Lakhs

Particulars	2018-19	2017-18
<b>In income statement</b>		
Current service cost	207.40	201.48
Past service cost	-	-
Interest cost	30.78	41.40
<b>Net cost</b>	<b>238.17</b>	<b>242.88</b>
<b>In other comprehensive income</b>		
Actuarial (Gain)/Loss	(25.55)	(138.68)
Return on plan assets	3.46	1.60
<b>Net (income)/expense for the period recognised in OCI</b>	<b>(22.09)</b>	<b>(137.08)</b>

#### (ii) Compensated absence liabilities

Present value of compensated absence liabilities (unfunded) recognised in Balance Sheet as per actuarial valuation under Projected Unit Credit Method.

### 34.8 Segment Information

The Company has identified single reportable segment, i.e., hotel, as its business. Accordingly, disclosures relating to the segmentation under Ind AS 108, "Operating Segment" is not required.

34.9 Details of leasing arrangements

(a) Details of Operational leasing arrangements

₹ Lakhs

Particulars	2018-19	2017-18
(i) The Company as a lessor under various operating leases will receive fixed future and minimum rentals, as under:		
not later than one year	1,041.81	551.55
later than one year and not later than five years	2,737.91	2,070.13
later than five years	870.44	823.25
(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	1,246.19	1,387.07
later than one year and not later than five years	4,008.58	5,233.10
later than five years	17,860.26	18,928.65

(b) Details of Finance leasing arrangements (relates to discontinued operations)

Finance lease obligations are repayable in equated monthly instalments. The assets acquired on finance lease comprises of Plant and equipment. The lease has a primary period, which is fixed and non-cancellable.

The minimum lease rentals and the present value of minimum lease payments in respect of assets acquired under finance lease as follows :

₹ Lakhs

Particulars	Minimum lease payments		Present value of minimum lease payments	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Due within one year	36.00	-	25.75	-
Due on to five years	51.00	-	44.95	-
	<u>87.00</u>	<u>-</u>	<u>70.70</u>	<u>-</u>
Less : Future finance charges	16.30	-	-	-
Present value of minimum lease payable	70.70	-	70.70	-

34.10 Related party transactions

(i) Details of related parties:

<b>Associates:</b>		
Leela Lace Holdings Pvt Ltd.	Fransisco Hospitality Pvt Ltd.	LM Realtors Pvt Ltd.
Leela Lace Software Solutions Pvt Ltd.	Leela Capital and Finance Ltd.	LMV Associates Ltd.
Leela Fashions Pvt Ltd.	Leela Housing Pvt Ltd.	Leela Palace (Bangalore) Pvt Ltd.
Rockfort Estate Developers Pvt Ltd.	Leela IT Projects Pvt Ltd.	Leela Palace Chennai Pvt Ltd.
Leela Hospitality Pvt Ltd.	Leela Lace Builders Pvt Ltd.	Leela Palace New Delhi Pvt Ltd.
Elegant Eateries Pvt Ltd.	Leela Lace Estates Pvt Ltd.	Season Apparels Pvt. Ltd.
Emmel Real Estate Development Pvt Ltd.	Leela Realty Ltd.	Vibgyor Leasing Pvt Ltd.
Esteem Constructions Pvt Ltd.	Leela Villas Pvt Ltd.	Zillion Hotels & Resorts Pvt Ltd.
Doyen Hotels Pvt. Ltd.		
<b>Key Management Personnel (KMP)</b>		
Mr. Vivek Nair		
Mr. Dinesh Nair		

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

(ii) Transactions carried out with Related Parties & KMP

₹ Lakhs

Particulars	Associates		Key Management Personnel	
	2018-19	2017-18	2018-19	2017-18
<b>Transactions carried out with Related Parties &amp; KMP</b>				
<u>Sale of room, food and other services</u>				
Leela Hospitality Pvt. Ltd.	13.22	1.69		
<u>Expenses towards goods &amp; services</u>				
Leela Hospitality Pvt. Ltd.	1.95	1.05		
<u>Income from rental &amp; related services</u>				
Leela Lace Holdings Pvt. Ltd.	167.61	58.17		
Leela Fashions Pvt. Ltd.	79.31	133.96		
Leela Hospitality Pvt. Ltd.	20.51	24.76		
<u>Expense towards lease rent</u>				
Leela Lace Holdings Pvt. Ltd.	1,114.34	1,065.95		
Leela Fashions Pvt. Ltd.	0.25	0.25		
<u>Directors' siting fees</u>				
			Independent Directors	
Mrs. Anna Malhotra			-	3.30
Ms. Saija Nair			5.40	-
Mr. Ashok G Rajani			-	2.40
Mr. Navneet Batheja			-	3.00
Mr. Vinay Kapadia			7.80	3.00
Mr. Vijay Sharma			5.10	-
Mr. Vijay Amritraj			-	0.60
Mr. Shergill Vakil			0.30	1.50
			Nominee Directors	
Mr. V P Shetty (nominee of JMFARC)			-	0.60
Mr. Anil Bhatia (nominee of JMFARC)			-	1.20

Particulars	Subsidiary		Associates	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
<u>Debit balance outstanding</u>				
Leela Hospitality Pvt. Ltd.			-	71.60
Leela Fashions Pvt. Ltd.			138.62	100.57
<u>Credit balance outstanding</u>				
Leela Lace Software Solutions Pvt. Ltd.			193.70	193.70
Leela Lace Holdings Pvt. Ltd.			3,161.22	2,720.88
<u>Unsecured loans outstanding</u>				
Leela Lace Holdings Pvt. Ltd.			5,742.66	11,955.25
Leela Villas Pvt Ltd.			8.60	8.60
<u>Deposits given</u>				
Leela Lace Holdings Pvt. Ltd.			6,931.47	6,931.47
Rockfort Estate Developers Pvt. Ltd.			416.65	776.46

- (iii) The Company has not given loans to any Directors or to entities in which Directors are interested, but there are dues towards transactions, from Leela Fashions Limited as detailed in Note 34.10 (ii). However, they informed that it will clear the dues, when Leela Lace Holdings Pvt. Ltd. and Leela Lace Software Solutions Pvt Ltd. get payment from the Company towards their dues. The Company has not cleared the dues to these two companies, in view of the restrictions from the lenders.

34.11 Earnings per share

Particulars	Continued operations		Discontinued operations	
	2018-19	2017-18	2018-19	2017-18
<b>Basic &amp; Diluted earning per share</b>				
Net profit/(loss) for the year (₹ Lakhs)	(3,779.63)	(5,184.88)	(8,113.33)	2,863.23
Weighted average number of equity shares	630,551,766	538,024,773	630,551,766	538,024,773
Par value per share (₹)	2.00	2.00	2.00	2.00
Earnings per share (₹)	<b>(0.60)</b>	<b>(0.96)</b>	<b>(1.29)</b>	<b>0.53</b>

Particulars	Continued and discontinued operations	
	2018-19	2017-18
<b>Basic &amp; Diluted earning per share</b>		
Net profit/(loss) for the year (₹ Lakhs)	(11,892.96)	(2,321.65)
Weighted average number of equity shares	630,551,766	538,024,773
Par value per share (₹)	2.00	2.00
Earnings per share (₹)	<b>(1.89)</b>	<b>(0.43)</b>

34.12 Goodwill of ₹ 3,254.14 lakhs represent the difference between the net worth of the subsidiary company as on date of investment and cost of investment as reduced by the provision for impairment

34.13 Fixed deposit with HDFC Bank Ltd amounting to ₹ 9.74 lakhs is pledged with them as security towards bank guarantee for ₹ 8.50 lakhs issued by them.

34.14 Additional information as required under schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary / Associates / Joint ventures

₹ Lakhs

Particulars	2018-19	2017-18	2018-19	2017-18
	Hotel Leelaventure Limited	Leela Palaces & Resorts Limited	Hotel Leelaventure Limited	Leela Palaces & Resorts Limited
Relationship	Parent Company	Subsidiary Company	Parent Company	Subsidiary Company
Net Assets, i.e. total assets minus total liabilities				
As a %age of consolidated net assets	78.4%	21.6%	85.1%	14.9%
Amount ₹ in lakhs	20,823.10	5,724.71	32,690.49	5,728.19
Share in Profit or (Loss)				
As a %age of consolidated profit or (loss)	100.0%	0.0%	100.0%	0.0%
Amount ₹ in lakhs	(11,889.48)	(3.48)	(2,321.62)	(0.03)
Share in Other Comprehensive Income				
As a %age of other comprehensive income	100.0%	0.0%	100.0%	0.0%
Amount ₹ in lakhs	22.09	-	137.08	-
Share in Total Comprehensive Income				
As a %age of total comprehensive income	100.0%	0.0%	100.0%	0.0%
Amount ₹ in lakhs	(11,867.39)	(3.48)	(2,184.54)	(0.03)

Note 35 Fair value measurement:

- 1 The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- 2 The following methods and assumptions were used to estimate the fair values:
  - a The fair value of trade receivables, trade payables and other current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3.

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

- b Company has invested in certain power generating Companies pursuant to the contract for procuring electricity supply at the hotel units. Investment in said Companies are not usually traded in the market. Considering the terms of the electricity supply contract and best information available, cost of investment is considered as fair value of these investments.
- c The fair value of security deposits are calculated using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.
- d The Company has not provided for interest on debt assigned by erstwhile CDR lenders (refer note 34.1 a and b) The Company has entered into a binding agreement with BSREP III INDIA BALLET PTE. LTD. (Brookfield) on 18th March 2019 to sell its hotel business undertaking (refer note 34.1 c) in order to pay all its secured lenders as one time settlement out of the proceeds from sale. Pending the conclusion of the transaction, the company has not computed the fair value of these borrowings in its financial statements.
- e Considering the contracted rate of interest, the carrying amounts of all other term borrowings that are measured at fair value are reasonable approximation of fair value.
- f For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

### 3 Analysis of fair value measurement:

- a The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

- b During the period under review, level 3 hierarchy is considered for determination of fair value for all the financial assets and liabilities which are measured at fair value.

- c Financial Instruments by category:

₹ Lakhs

Particulars	As at 31 March 2019 Continued operations		As at 31 March 2018	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
<b>Non-current:</b>				
<b>Investments:</b>				
Other equity investment	-	-	37.47	-
<b>Other non current financial assets</b>		2,518.23		6,434.30
<b>Current:</b>				
Trade receivables	-	6,537.66	-	8,254.91
Cash & cash equivalents	-	2,899.10	-	2,075.55
Other balances with banks	-	-	-	154.41
Other financial assets	-	213.95	-	535.20
<b>Total</b>	-	<b>12,168.94</b>	<b>37.47</b>	<b>17,454.37</b>
<b>Financial liabilities</b>				
<b>Non current:</b>				
Borrowings	-	71,052.24	-	307,305.08
Other liabilities	-	1,056.16	-	2,123.74
<b>Current:</b>				
Borrowings	-	5,742.66	-	11,963.85
Trade payables	-	6,305.70	-	9,623.86
Other financial liabilities	-	290,660.60	-	65,452.52
<b>Total</b>	-	<b>374,817.36</b>	-	<b>396,469.05</b>



**Note 36 Financial Risk Management**

**Risk Management framework**

The activities of the Company expose it to market risk, credit risk and liquidity risk.

The Company's principal financial liabilities comprise interest bearing loans including loans taken over by Asset Reconstruction Companies (ARCs), long term security deposits received, trade and other payables. The main purpose of these financial liabilities is for funding its expansion and also to finance operations. The group has trade and other receivables and cash and short term deposits that arrive directly from its operations. The Company has also paid long term lease deposits.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company's Audit Committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The Company's gearings has reached high levels due to the investments made in the new hotels in the past. Because of the recession thereafter in the Hotel industry, the expected profitability estimates could not be achieved. As a restructuring measure, the Company on 18th March 2019 entered into a binding agreement to sell its Hotel business undertakings and pay all its secured lenders as a one time settlement (refer note 34.1).

The analytical data furnished hereinunder for the financial year ended 31st March 2019 does not include assets / liabilities / obligations of disposal group.

**A Market Risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency, payables and loans and borrowings.

The Company manages market risks through finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies which are approved by the finance committee and Audit Committee. The activities of the department includes management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

**- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk changes in the market interest rates relates primarily to the Company's debt obligations.

The Company has availed foreign currency term loans with variable interest rates linked to LIBOR which is part of the secured loans forming part of the proposed one time settlement.

The borrowings in terms of fixed rate and floating rate are as follows

₹ Lakhs

Particulars	31 March 19	31 March 18
Fixed rate of borrowings	22,857.11	6,750.00
Variable rate of borrowings	87,147.92	102,546.45
0% interest rate borrowings (refer note 21)	5,742.66	11,963.85
Dues to Asset Reconstruction Companies	245,290.19	256,870.43
Total borrowings	361,037.88	378,130.73

As at the reporting period, the Company had the following variable average interest rate borrowing outstanding

	2018-19	2017-18
Weighted average interest rate	10.1%	6.4%
Balance ₹ lakhs	87,147.92	102,546.45

**Interest Sensitivity**

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on that portion of loans. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

₹ Lakhs

	Impact on profit/(loss)	
	31 March 19	31 March 18
Interest rates - increase by 100 basis points	(948.47)	(1,066.08)
Interest rates - decrease by 100 basis points	948.47	1,066.08
1% interest rates on loans outstanding to ARCs	(2,510.80)	(2,778.69)

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

### - Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates. The company is exposed to the effect of foreign exchange rate fluctuations because of its foreign currency linked revenue, foreign currency denominated expenses and other financial instruments. Due to this any volatility in foreign currency exchange rates will have an impact to the Company.

The position of foreign currency exposure to the Company as at the end of the year expressed in INR are as follows :

₹ Lakhs

Currency US\$	31 March 19	31 March 18
Loans (payable)	16,095.68	100,302.06

### Foreign exchange sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates on foreign currency denominated liabilities. Company has no foreign currency denominated assets. The significant foreign currency exposure of the Company is limited to USD. With all other variables held constant, the companies profit before tax is affected through the impact on USD denominated liabilities as follows.

₹ Lakhs

	Impact on profit/(loss)	
	31 March 19	31 March 18
INR/USD increases by 5%	(804.78)	(5,015.10)
INR/USD decreases by 5%	804.78	5,015.10

Particulars of unhedged foreign currency exposures as at the reporting date	31 March 19	31 March 18
	US\$ Mn	US\$ Mn
	23.27	154.21

### B Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. Customer credit risk is managed by each business unit subject to Company's established policy, procedure and control relating to customer risk management. Further, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and advances based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data the provision for loss on receivables is made.

### Ageing of Account receivables:

₹ Lakhs

Particulars	31 March 19	31 March 18
	continued operations	(continued and discontinued operations)
0-3 months	2,038.63	3,389.93
3-6 months	280.45	858.41
beyond 6 months	4,218.58	4,006.57

### Movement in provisions for doubtful receivables

₹ Lakhs

Particulars	31 March 19	31 March 18
Opening provision	384.15	399.68
Add: Additional provision made	683.49	32.45
Less: Provision write off	102.22	39.65
Less: Provision reversed	13.84	8.33
Less: Closing provisions for discontinued operations	100.34	-
Closing provisions for continued operations	851.24	384.15

**C Liquidity risk :**

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Competitive intensity has adversely impacted revenue and consequent cash accruals during the year. This, coupled with current level of debt and imminent repayment obligations, has lead to stress on liquidity profile. The Company closely monitors its liquidity position in consultation with its lenders to ensure that the operations of the Company are not affected adversely due to liquidity and is attempting to enhance its sources of funding by increasing cash flow generated from its operations and realisations from other proposed measures.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual obligations.

₹ Lakhs

As at 31 March 2019	Total	Less than 6 months	6 to 12 months	1 to 3 years	beyond 3 years
Trade payables*	6,305.71	6,305.71			
Borrowings **	115,747.68	44,695.44		648.44	70,403.80
Borrowings from ARC (refer note 34.1)	245,290.19	245,290.19			
Interest on borrowings **	5,514.60	5,514.60			
Other current financial liabilities	903.03	903.03			
<b>Total</b>		<u>302,708.97</u>	<u>-</u>	<u>648.44</u>	<u>70,403.80</u>

\* Trade payables are payable within 60 days

\*\* Borrowing payable within 6 months includes amount overdue

₹ Lakhs

As at 31 March 2018 (includes for discontinued operations)	Total	Less than 6 months	6 to 12 months	1 to 3 years	beyond 3 years
Trade payables*	9,623.86	9,623.86	-	-	-
Borrowings **	121,260.29	45,614.28	25,211.37	49,607.98	826.66
Borrowings from ARC (refer note 34.1)	256,870.43	-	-	-	-
Interest on borrowings **	2,625.73	2,625.73	-	-	-
Other current financial liabilities	3,964.81	3,964.81	-	-	-
<b>Total</b>		<u>61,828.68</u>	<u>25,211.37</u>	<u>49,607.98</u>	<u>826.66</u>

\* Trade payables are payable within 60 days

\*\* Borrowing payable within 6 months includes amount overdue

**D Capital Risk Management:**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The company will be a debt free company on conclusion of the proposed transaction with Brookfield and the one time settlement with the lenders as explained in Note 34.1.

In terms of our report attached

For N S Shetty & Co

Chartered Accountants

Registration No : 110101W

For and on behalf of the Board of Directors

N S Shetty

Partner

Membership No. 035083

Mumbai, 27th May, 2019

Alen Ferns

Company Secretary

Vivek Nair

Dinesh Nair

Rajan Shah

Chairman and Managing Director

Co-Chairman and Managing Director

Chief Financial Officer

# NOTICE

NOTICE is hereby given that the **THIRTY EIGHTH ANNUAL GENERAL MEETING of HOTEL LEELAVENTURE LIMITED** will be held at RangSharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra West, Mumbai - 400 050 on Thursday, 19th September, 2019 at 11.00 a.m. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31st March, 2019 and the Reports of the Board of Directors and Auditors thereon.

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

**Alen Ferns**  
Company Secretary

## Registered Office:

The Leela, Sahar, Mumbai - 400 059

CIN: L55101MH1981PLC024097

Mumbai, 27th May, 2019

## NOTES FOR MEMBERS' ATTENTION:

1. A member eligible 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. A member holding more than 10 (ten) percent of the total share capital carrying voting rights may appoint single person as a proxy and such person shall not act as proxy for any other member.
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 Register of Members and Share Transfer Books of the Company will remain closed from Monday, 16th September, 2019 to Thursday, 19th September, 2019 (both days inclusive) for the purpose of Annual General Meeting.
5. 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 the Company's Registrars;
  - (ii) consolidate shareholding in multiple folios in the same name or in the same order of names into a single folio;
  - (iii) 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, in respect of their physical shares, if any, quoting their folio number;
  - (iv) 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.
6. 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 the same, 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.

7. 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.
8. 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 transmission / deletion / transposition of securities. Requests received without attaching copies of PAN card, for deletion / transmission and transposition of shares of the Company in physical form will be returned under objection.
9. SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) which shall be effective April 1, 2019. Accordingly requests for transfer of securities of listed entities shall not be processed unless the securities are held in the dematerialized form with depositories. In view of the same Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management.
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 clarification 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 applicable provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investors Education & Protection Fund (IEPF) established by the Central Government, after completion of 7 (seven) years. Further, according to the aforesaid Rules, shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more shall also be transferred to the demat account created by the IEPF Authority.
13. The Company had sent notice to all the Members whose Dividends are lying unclaimed against their name for seven consecutive years or more. All unclaimed dividend up to the financial year ended 31st March, 2011 has been transferred by the Company to the said Fund as per the above provisions. Shares in respect of which dividend remained unclaimed for seven consecutive years or more have also been transferred to the IEPF Demat Account.
14. As on date the Company does not have any unclaimed dividend to be transferred to the Investors Education & Protection Fund (IEPF) and thus no shares will be transferred to IEPF Authority in future. The shares transferred to the IEPF authority can be claimed by the concerned members from the IEPF authority after complying with the procedure prescribed under the IEPF rules.
15. Electronic copy of the Annual Report for the financial year 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
16. Electronic copy of the Notice of the 38th 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 Participant(s) for communication purposes unless any member has requested for a hard copy of the same.
17. To support the 'Green Initiative', Members who have not registered their email addresses are required to register the same with the Company/ Depository. For members who have not registered their email address, physical copies of

the Annual Report along with the Notice of the 38th 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.

18. Please note that the Notice of the 38th Annual General Meeting and the Annual Report for the financial year 2018-19 will also be available on the Company's website [www.theleela.com](http://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](mailto:investor.service@theleela.com) or to the Registrar's e-mail id: [einward.ris@karvy.com](mailto:einward.ris@karvy.com).
19. Members/Proxies are requested to kindly bring their copies of the Annual Report to the Meeting. As per the requirement of the Secretarial Standard – 2 on "General Meetings" the route map showing directions to reach the venue of the Meeting is annexed to the Notice.
20. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members have been provided with the facility to cast their vote electronically through the e-voting services provided by KARVY, on the resolutions set forth in this Notice.

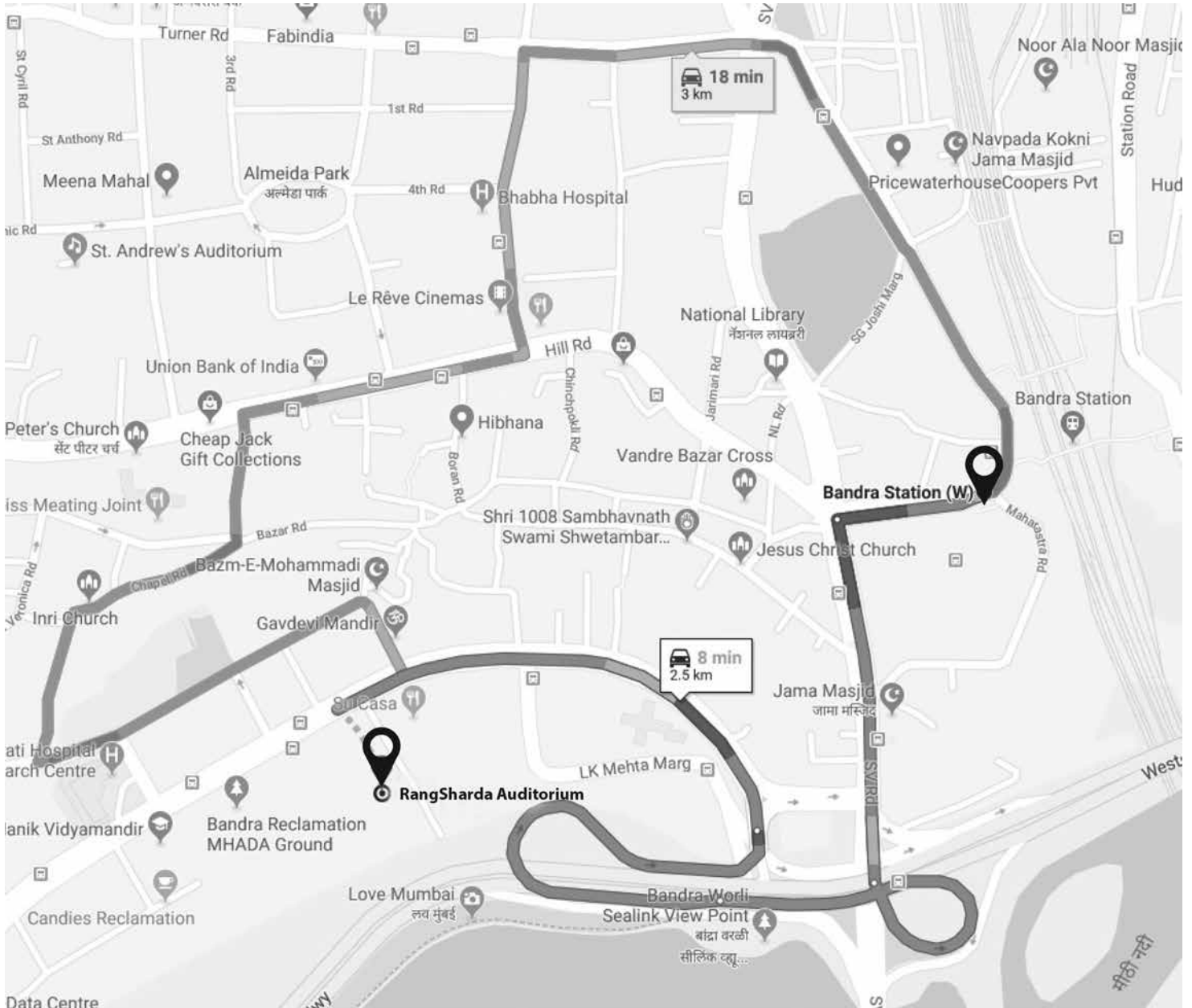
Process and manner for members opting for e-voting are as under:

- I. **In case of Members receiving an e-mail from Karvy Fintech Private Limited (for members whose e-mail addresses are registered with the Company / Depository Participant)**
  - a. Launch an internet browser by typing the URL:<https://evoting.karvy.com>.
  - b. Enter the login credentials (i.e. User ID and password). Your Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. If required, please visit <https://evoting.karvy.com> or contact toll free number 1-800-3454-001 for your existing password.
  - c. After entering the above details click on - login.
  - d. You will now reach password change menu, wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - e. You need to login again with the new credentials.
  - f. On successful login, the system will prompt you to select the E-Voting Event Number for Hotel Leelaventure Limited.
  - g. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
  - h. Members holding shares under multiple folios/ demat accounts shall choose the voting process separately for each of the folios/ demat accounts.
  - i. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - j. You may then cast your vote by selecting an appropriate option and click on "Submit".

- k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- I. During the voting period, members can login any number of times till they have not voted on the Resolution(s).
- m. Corporate/ Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to Scrutinizer at e-mail ID: [acs.pmehta@gmail.com](mailto:acs.pmehta@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned images of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- II. **In case a member receives physical copy of the Notice of Annual General Meeting and Attendance Slip**
  - a. User ID and initial password is provided in Attendance Slip.
  - b. Please follow all steps from Sr. No. (a) to (m) as mentioned in (I) above, to cast your vote.
  - c. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast vote again.
  - d. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>
- 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 6th September, 2019. The remote e-voting period shall commence at 9.00 a.m. on 16th September, 2019 and will end at 5.00 p.m. on 18th September, 2019.** The remote e-voting module shall be disabled by Karvy at 5.00 p.m. on 18th September, 2019. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- V. 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.
- VI. 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.
- VII. Mr. Prashant S. Mehta, Practising Company Secretary (Membership No.5814) has been appointed 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.
- VIII. 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.
- IX. The Scrutinizer shall after the conclusion of voting at the general meeting, 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 two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, to the Chairman or a person authorised by him in writing, who will countersign the same and declare the result of the voting forthwith.
- X. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.theleela.com](http://www.theleela.com) and on the website of Karvy immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.

# ROUTE MAP

Venue : RangSharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra West, Mumbai - 400 050



Landmark : Near Lilavati Hospital  
Distance from Bandra Station : 2.5 Km.



**THE LEELA**

PALACES HOTELS RESORTS

**HOTEL LEEAVENTURE LIMITED**

CIN: L55101MH1981PLC024097

Registered Office: The Leela, Sahar, Mumbai -400059

Tel. +91 22 6691 1182 / 83; Fax: 022-6691 1458;

Website: www.theleela.com : E-mail: investor.service@theleela.com

**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: .....

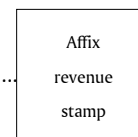
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on 19th day of September, 2019 at 11.00 a.m. at RangSharda Auditorium, K. C. Marg, Bandra Reclamation, Bandra West, Mumbai - 400 050 and at any adjournment thereof in respect of such resolution as indicated below:

Reso. No.	Description	For*	Against*
1	Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2019		

Signed this..... day of..... 2019

Signature of shareholder .....



.....

Notes:

- \* 1. Please put a '√' in the Box in the appropriate column against the resolution. If you leave the 'For' or 'Against' column blank against the resolution, 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 48 hours before the commencement of the aforesaid meeting.





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

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T. +91 (22) 6691 1234  
F. +91 (22) 6691 1212

### THE LEELA PALACE BENGALURU

#23 HAL Airport Road, Bengaluru 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) 6665 1234  
F. +91 (44) 3366 1212

### THE LEELA GOA

Mobor, Cavelossim, Goa - 403 731  
T. +91 (832) 662 1234  
F. +91 (832) 287 1959

### THE LEELA AMBIENCE GURUGRAM HOTEL & RESIDENCES

Ambience Island National Highway 8  
Gurugram - 122 002  
T. +91 (124) 477 1234  
F. +91 (124) 477 1235

### THE LEELA AMBIENCE CONVENTION HOTEL, DELHI

1, CBD, Maharaja Surajmal Road, Near Yamuna  
Sports Complex, Delhi - 110032  
T. +91 (11) 7172 1234  
F. +91 (11) 7172 1235

### THE LEELA RAVIZ KOVALAM

Kovalam Beach Road, Kovalam,  
Trivandrum - 695 527  
T. +91 (471) 305 1234  
F. +91 (471) 248 1522

## SALES AND MARKETING OFFICES IN INDIA

### AHMEDABAD

B5, B-square, 7th Floor,  
67-69 Shree Krishna Center,  
Near Mithakhali Six Roads, Mithakhali,  
Ahmedabad-380009  
T. +079 40322066  
F. +079 40322066  
rso.gujarat@theleela.com

### BENGALURU

The Leela Palace Bengaluru,  
23 Kodihalli, Old Airport Road,  
Bengaluru-560 008  
T. +91 (80) 3057 1234  
F. +91 (80) 2521 7492  
rso.bangalore@theleela.com

### CHENNAI

The Leela Palace Chennai,  
Adyar Sea face,  
M.R.C Nagar, Chennai – 600 028 India  
T. +91 (44) 3366 1234  
F. +91 (44) 3366 1212  
rso.chennai@theleela.com

### HYDERABAD

8-2-601/V/2, 1st floor, Banjara Hills,  
Road No 10, Near Noor Nagar,  
Hyderabad - 500 034  
T. +91 (40) 2354 7506  
F. +91 (40) 2354 6713  
rso.hyderabad@theleela.com

### KOLKATA

DBS House, 10/2 Hungerford Street,  
Kolkata - 700 017  
T. +91 (33) 4050 9200  
F. +91 (33) 4050 9300  
rso.kolkata@theleela.com

### MUMBAI

The Leela Mumbai, Sahar, Andheri (East),  
Mumbai - 400 059  
T. +91 (22) 6691 1234  
F. +91 (22) 6691 1455  
rso.mumbai@theleela.com

### NEW DELHI

The Leela Palace New Delhi,  
Diplomatic Enclave, Chanakyapuri,  
New Delhi-110 023  
T. +91 (11) 3933 1234  
F. +91 (11) 3933 1234  
rso.delhi@theleela.com

## SALES AND MARKETING OFFICES IN INDIA

### PUNE

Pune Regional Sales Office,  
Trios Co-working  
3rd Floor Cabin Number 2,  
Lalwani Icon, Sakore Nagar  
Viman Nagar, Pune – 411014  
Mobile: +91 7888099007  
rso.pune@theleela.com

## INTERNATIONAL SALES REPRESENTATION OFFICES

### LONDON

Mason Rose, Studio place, Knightsbridge,  
London SW1X 8EL  
T. +44 020 7201 8050  
F. +44 020 7201 8050  
iso.uk@theleela.com

### FRANCE

CA Consulting, Hospitality Representative &  
Consultant (HRC),  
28 rue du Mont Thabor 75001,  
Paris, France  
T. 0033 1 42 60 52 24 / F. 0033 1 42 60 52 24  
Email: iso.france@theleela.com

### NORTH AMERICA (USA AND CANADA)

Kartagener Associates Inc.  
80 River Street, Suite 4E  
Hoboken, NJ 07030  
USA  
T. 212 239 7995  
F. (646) 650-5737  
Email: iso.usa@theleela.com

### RUSSIA AND CIS

H & W Enterprise, S.R.O Moscow, Baltiyskaya  
Street, Bldg. 15, Office 703 Business Centre  
"Almazny"  
T. +7 499 654 03 22  
F. +7 966 020 68 88  
iso.russia@theleela.com

## CONVENTION CENTRE

**Mahatma Mandir Convention and  
Exhibition Centre**  
Mahatma Mandir Convention and Exhibition  
Centre, Sector 13 C, Gandhinagar 382017,  
Gujarat India  
T. +91 (79) 23601234  
F. +91 (79) 2325 0490  
reservations.mmcc@theleela.com



### The Leela Reservations Worldwide

India Toll Free: 1 800 1031 444 | USA Toll Free: 855 670 3444 | UK Toll Free: 08 000 26 1111

Hong Kong Toll Free: 800 906 444 | Singapore Toll Free: 1 800 223 4444 | Other Countries: (91) 124 4425 444

Mail us at: [reservations@theleela.com](mailto:reservations@theleela.com) | Website: [www.theleela.com](http://www.theleela.com)

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The Leela Raviz Kovalam



The Leela Mumbai



The Leela Ambience Gurugram



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The Leela Palace Jaipur



The Leela Palace Agra

**HOTEL LEEAVENTURE LIMITED**

The Leela Mumbai, Sahar, Mumbai 400 059, India

Tel: +91-22-66911234 | Fax: +91-22-66911212