



# Leela Palaces and Resorts Limited

CIN: U70101DL2005PLC134480

## CORPORATE INFORMATION

### Board of Directors

|                    |          |
|--------------------|----------|
| Mr. Vivek Nair     | Director |
| Mr. Dinesh Nair    | Director |
| Mrs. Anna Malhotra | Director |

### Statutory Auditors

M/s. Picardo & Co.

### Bankers

HDFC Bank Limited

### Registered Office

The Leela Palace  
Diplomatic Enclave  
Chanakyapuri  
New Delhi – 110 023

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# ANNUAL REPORT 2016-17

## DIRECTORS' REPORT

Dear Members,

Your Directors present the 12<sup>th</sup> Annual Report on the business and operations of your Company, together with the audited accounts for the year ended March 31, 2017.

### 1. Overview

According to the IMF estimates, the global economy grew by 3.1% in 2016 as against 3.4% in 2015. However, India continued to be the fastest growing economy, with growth rate of 7.1% in FY 2016-17. It is anticipated that both the Global economy and the Indian economy would perform better during the current year.

According to the World Travel and Tourism Council (WTTC) Report, Travel and Tourism performed better in 2016 globally compared to 2015 and is expected to improve further in the current year. The report also states that Travel and Tourism contributed as high as 9.6% to India's GDP. The Travel and Tourism sector is the largest employment generator, contributing to over 9% of the Country's employment.

The Hotel Industry has performed better in 2016, compared to 2015. During the year 2016, all India occupancy rose by 2.4% to 64.1% and Average Room Rate (ARR) increased by about 2%. The Occupancy and ARR are expected to improve further, in the current year.

### 2. State of Affairs of the Company

The Company did not undertake any operations during the financial year 2016-17. During the year, the Company has earned a profit of ₹ 29,633 as compared to a loss of ₹ 21,883 during the previous year.

The Company has applied to the authorities concerned for various permissions and licenses, including renewal / extension of certain licenses and permissions, which are required for construction and operation of a proposed hotel, on the land owned by the Company in Agra. The hotel will be constructed by the new investor after acquisition of 100% shareholding in the Company from Hotel Leelaventure Limited.

Hotel Leelaventure Limited, the holding company, is in the process of the transferring their entire shareholding in the Company to an Indian / foreign investor for a consideration.

### 3. Dividend

The directors do not recommend any dividend for the financial year ended 31st March, 2017.

### 4. Directorate

In accordance with the provisions of the Companies Act, 2013, Mr. Vivek Nair retires by rotation at the forthcoming Annual General Meeting and has offered himself for re-appointment.

The Board commends his reappointment by the members at the forthcoming Annual General Meeting.

#### 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 Board met five(5) times during the financial year 2016-17 viz. on 25<sup>th</sup> April, 2016, 26<sup>th</sup> May, 2016, 1<sup>st</sup> August, 2016, 11<sup>th</sup> November, 2016, and 10<sup>th</sup> February, 2017.

### 5. Statutory Auditors

M/s. Picardo & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Company has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of

the Company in terms of the provisions of the Companies Act 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended the re-appointment of M/s. Picardo & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

### 6. Material Changes and Commitment affecting Financial Position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2017 and the date of the Directors' report i.e. 25<sup>th</sup> May, 2017.

### 7. Employee Remuneration

Since the Company has no employees, disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

Since the Company has no whole-time directors, the disclosure of remuneration of directors 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, is not applicable.

### 8. Fixed Deposits

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

### 9. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

As there were no business activities during the financial year, the above disclosures under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

### 10. Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013

The Company has neither given any loans and guarantees nor made any investments during the financial year 2015-16.

### 11. Related Party Transactions

The particulars of related party transactions have been disclosed in the notes to the Accounts.

### 12. Risk Management Policy

The Board of Directors oversees the Risk Management Processes including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

### 13. Corporate Social Responsibility Initiatives

As per Section 135 of Companies Act, 2013, the Company does not fall under the criteria of net worth or turnover for Corporate Social Responsibility spending, hence the same is not applicable to the Company.

### 14. Extracts 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 extracts of the Annual Return as at March 31, 2017 forms part of this report and is attached.

### 15. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. Acknowledgements**

Your directors are grateful for all the help, guidance and support being received from the Central and State Governments and regulatory authorities.

The Directors would like to place on record their appreciation for the continued support and co-operation received from Hotel Leelaventure Limited, the holding company.

On Behalf of the Board of Directors  
For Leela Palaces and Resorts Limited

**Vivek Nair**  
Director

**Dinesh Nair**  
Director

Mumbai, 25<sup>th</sup> May, 2017

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31st March, 2017**

[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:**

|  |  |
|--|--|
| i) CIN   | U70101DL2005PLC134480  |
| ii) Registration Date  | 29th March, 2005   |
| iii) Name of the Company   | LEELA PALACES AND RESORTS LIMITED                                  |
| iv) Category / Sub - Category of the Company                                 | Public Company / Limited by shares                                 |
| v) Address of the Registered office and Contact details                      | The Leela Palace, Chanakyapuri, New Delhi -110023<br>Tel. 39331234 |
| vi) Whether listed Company   | No   |
| viii) Name , Address & contact details of Registrar & Transfer Agents if any | N.A.   |

**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 |
|---------|--|---------------------------------|------------------------------------|
|         | N.A.   | N.A.                            | N.A.                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| S. No. | Name and address of the Company                              | CIN                   | Holding/ Subsidiary / Associate | % of Shares Held | Applicable Section |
|--------|--|-----------------------|---------------------------------|------------------|--------------------|
| 1      | Hotel Leelaventure Limited The Leela, Sahar, Mumbai - 400059 | L55101MH1981PLC024097 | Holding                         | 100.000%         | 2(46)              |

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

**(i) Category-wise Share Holding**

| Category of Shareholders                                  | No. of Shares held at the beginning of the year<br>01.04.2016 |          |                  |                   | No. of Shares held at the end of the year<br>31.03.2017 |          |                  |                   | % Change during the year |
|---|---|----------|------------------|-------------------|---|----------|------------------|-------------------|--------------------------|
|   | Demat   | Physical | Total            | % of total shares | Demat   | Physical | Total            | % of total shares |                          |
| <b>A Promoters</b>  |   |          |                  |                   |   |          |                  |                   |                          |
| <b>1 Indian</b>   |   |          |                  |                   |   |          |                  |                   |                          |
| (a) Individuals/ HUF                                      | 0   | 6        | 6                | 0.00              | 0   | 6        | 6                | 0.00              | 0.00                     |
| (b) Central Government                                    | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (c) State Government(s)                                   | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (d) Bodies Corporate                                      | 2,728,124   | 0        | 2,728,124        | 100.00            | 2,728,124   | 0        | 2,728,124        | 100.00            | 0.00                     |
| (e) Banks / FI  | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (f) Any Others-Trust                                      | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| <b>Sub-total (A)(1):</b>                                  | <b>2,728,124</b>  | <b>6</b> | <b>2,728,130</b> | <b>100.00</b>     | <b>2,728,124</b>  | <b>6</b> | <b>2,728,130</b> | <b>100.00</b>     | <b>0.00</b>              |
| <b>2 Foreign</b>  | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (a) NRIs - Individuals                                    | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (b) Other Individuals                                     | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (c) Bodies Corporate                                      | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| (d) Banks / FI  | 0   | 0        | 0                | 0.00              | 0   | 0        | 0                | 0.00              | 0.00                     |
| <b>Sub-total (A)(2):</b>                                  | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0.00</b>       | <b>0</b>  | <b>0</b> | <b>0</b>         | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b> | <b>2,728,124</b>  | <b>6</b> | <b>2,728,130</b> | <b>100.00</b>     | <b>2,728,124</b>  | <b>6</b> | <b>2,728,130</b> | <b>100.00</b>     | <b>0.00</b>              |

| Category of Shareholders |  | No. of Shares held at the beginning of the year<br>01.04.2016 |          |           |                      | No. of Shares held at the end of the year<br>31.03.2017 |          |           |                      | % Change<br>during the year |
|--------------------------|--|---|----------|-----------|----------------------|---|----------|-----------|----------------------|-----------------------------|
|                          |  | Demat   | Physical | Total     | % of total<br>shares | Demat   | Physical | Total     | % of total<br>shares |                             |
| <b>B</b>                 | <b>Public shareholding</b>   |   |          |           |                      |   |          |           |                      |                             |
| <b>1</b>                 | <b>Institutions</b>  |   |          |           |                      |   |          |           |                      |                             |
| (a)                      | Mutual Funds   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (b)                      | Banks / FI   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (c)                      | Central Government   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
|                          | State Government(s)  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (d)                      | Venture Capital Funds  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (e)                      | Insurance Companies  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (f)                      | FIs  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (g)                      | Foreign Venture Capital Funds  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (h)                      | Others (specify)   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
|                          | <b>Sub-Total (B)(1)</b>  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| <b>2</b>                 | <b>Non-institutions</b>  |   |          |           |                      |   |          |           |                      |                             |
| (a)                      | Bodies Corporate   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (i)                      | Indian   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (ii)                     | Overseas   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (b)                      | Individuals  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (i)                      | Individual shareholders<br>holding nominal share capital<br>up to Rs 1 lakh          | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (ii)                     | Individual shareholders<br>holding nominal share capital<br>in excess of Rs. 1 lakh. | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| (c)                      | Others (specify)   | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| i)                       | NRI- holdings  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| ii)                      | Trust  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
|                          | <b>Sub-Total (B)(2)</b>  | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
|                          | <b>Total Public Shareholding<br/>(B) = (B) (1) + (B) (2)</b>                         | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
| <b>C</b>                 | <b>Shares held by Custodian for<br/>GDRs &amp; ADRs</b>                              | 0   | 0        | 0         | 0.00                 | 0   | 0        | 0         | 0.00                 | 0.00                        |
|                          | <b>Grand Total (A+B+C)</b>   | 2,728,124   | 6        | 2,728,130 | 100.00               | 2,728,124   | 6        | 2,728,130 | 100.00               | 0.00                        |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's name   | Shareholding at the beginning of the year<br>01.04.2016 |   |   | No. of Shares held at the end of the year<br>31.03.2017 |   |   | % change in<br>shareholding<br>during the year |
|---------|--|---|---|---|---|---|---|--|
|         |  | No. of<br>shares  | % of total<br>Shares<br>of the<br>company | % of Shares<br>Pledged /<br>encumbered to<br>total shares | No. of<br>shares  | % of total<br>Shares<br>of the<br>company | % of Shares<br>Pledged /<br>encumbered to<br>total shares |  |
| 1       | Hotel Leelaventure Limited   | 2,728,124   | 100.00                                    | 0.00  | 2,728,124   | 100.00                                    | 0.00  | 0.00   |
| 2       | Mr. Vivek Nair - Jointly Hotel<br>Leelaventure Limited                                   | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
| 3       | Mr. Dinesh Nair - Jointly Hotel<br>Leelaventure Limited                                  | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
| 4       | Leela Lace Holdings Private<br>Limited - Jointly Hotel<br>Leelaventure Limited           | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
| 5       | Leela Lace Software Solutions<br>Private Limited - Jointly Hotel<br>Leelaventure Limited | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
| 6       | Rockfort Estate Developers<br>Private Limited - Jointly Hotel<br>Leelaventure Limited    | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
| 7       | Leela Fashions Private Limited<br>-Jointly with Hotel Leelaventure<br>Limited            | 1   | 0.00                                      | 0.00  | 1   | 0.00                                      | 0.00  | 0.00   |
|         |  | 2,728,130   | 6   | 2,728,130   | 100.00  | 2,728,124                                 | 6   | 2,728,130                                      |

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

| Sr. No. | Name of shareholder   | Shareholding at the beginning end of the year (31.03.2016) |                                  | Date of transaction | Increase / Decrease in shareholding | Cumulative Shareholding during the year (31.03.2017) |                                  |
|---------|---|--|----------------------------------|---------------------|-------------------------------------|--|----------------------------------|
|         |   | No. of shares  | % of total shares of the Company |                     |                                     | No. of shares  | % of total shares of the Company |
| 1       | Hotel Leelaventure Limited  | 2,728,124  | 100.00                           | N.A.                | N.A.                                | 2,728,124  | 100.00                           |
| 2       | Mr. Vivek Nair - Jointly with Hotel Leelaventure Limited                                | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |
| 3       | Mr. Dinesh Nair - Jointly with Hotel Leelaventure Limited                               | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |
| 4       | Leela Lace Holdings Private Limited - Jointly with Hotel Leelaventure Limited           | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |
| 5       | Leela Lace Software Solutions Private Limited - Jointly with Hotel Leelaventure Limited | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |
| 6       | Rockfort Estate Developers Private Limited - Jointly with Hotel Leelaventure Limited    | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |
| 7       | Leela Fashions Private Limited - Jointly with Hotel Leelaventure Limited                | 1  | 0.00                             | N.A.                | N.A.                                | 1  | 0.00                             |

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

| Sl. No. | Particulars  | Shareholding at the beginning of the year |                                  | Cumulating shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|         | For each of the Top 10 Shareholders  |   |                                  |   |                                  |
|         | At the beginning of the year   |   |                                  |   |                                  |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity, etc.). | ----- N.A.-----                           |                                  |   |                                  |
|         | At the End of the year (or on the date of separation, if separated during the year)  |   |                                  |   |                                  |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | Particulars   | Shareholding at the beginning of the year |                                  | Cumulating shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
|         | For each of the Directors and KMP   |   |                                  |   |                                  |
|         | At the beginning of the year  |   |                                  |   |                                  |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity, etc.) | ----- N.A.-----                           |                                  |   |                                  |
|         | At the End of the year (or on the date of separation, if separated during the year)   |   |                                  |   |                                  |

**V. INDEBTEDNESS**

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

|  | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|-------------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                 |          |                    |
| i) Principal Amount  | 0                                   | 8,60,000        | 0        | 8,60,000           |
| ii) Interest due but not paid                              | 0                                   | 0               | 0        | 0                  |
| iii) Interest accrued but not due                          | 0                                   | 0               | 0        | 0                  |
| <b>Total (i + ii + iii)</b>                                | <b>0</b>                            | <b>8,60,000</b> | <b>0</b> | <b>8,60,000</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                 |          |                    |
| * Addition   | 0                                   | 0               | 0        | 0                  |
| * Reduction  | 0                                   | 0               | 0        | 0                  |
| <b>Net Change</b>  | <b>0</b>                            | <b>0</b>        | <b>0</b> | <b>0</b>           |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                 |          |                    |
| i) Principal Amount  | 0                                   | 8,60,000        | 0        | 8,60,000           |
| ii) Interest due but not paid                              | 0                                   | 0               | 0        | 0                  |
| iii) Interest accrued but not due                          | 0                                   | 0               | 0        | 0                  |
| <b>Total (i + ii + iii)</b>                                | <b>0</b>                            | <b>8,60,000</b> | <b>0</b> | <b>8,60,000</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| Sl. no. | Particulars of Remuneration   | Name of MD/WTD/ Manager | Total Amount |
|---------|---|-------------------------|--------------|
| 1       | Gross salary  | -----N.A.-----          |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                         |              |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                         |              |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                         |              |
| 2       | Stock Option  |                         |              |
| 3       | Sweat Equity  |                         |              |
| 4       | Commission - as % of profit - others, specify                                       |                         |              |
| 5       | Others, please specify  |                         |              |
|         | Total (A)   |                         |              |
|         | Ceiling as per the Act  |                         |              |

**B. Remuneration to other directors:**

| Sl. No. | Particulars of Remuneration                  | Name of Directors | Total Amount |
|---------|--|-------------------|--------------|
| 1       | Independent Directors                        | -----N.A.-----    |              |
|         | Fee for attending board / committee meetings |                   |              |
|         | Commission                                   |                   |              |
|         | Others, please specify                       |                   |              |
|         | Total (1)                                    |                   |              |

| Sl. No. | Particulars of Remuneration                  | Name of Directors | Total Amount |
|---------|--|-------------------|--------------|
| 2       | Other Non-Executive Directors                | -----N.A.-----    |              |
|         | Fee for attending board / committee meetings |                   |              |
|         | Commission                                   |                   |              |
|         | Others, please specify                       |                   |              |
|         | Total (2)                                    |                   |              |
|         | Total (B) = (1+2)                            |                   |              |
|         | Total Managerial Remuneration                |                   |              |
|         | Overall Ceiling as per the Act]              |                   |              |

C. Remuneration to key managerial personnel other than md / manager / wtd

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

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.



## **INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

To the Members of Leela Palaces and Resorts Limited  
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Leela Palaces and Resorts Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that shall give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding of the assets of the Company and preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, (hereinafter referred to as "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The going concern matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors. None of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal finance controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii. The Company has made provisions as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. We have been informed that the Company did not have any pending derivative contracts.
    - iii. As per the information and explanation given to us, the Company is not required to transfer any funds to the Investor Education and Protection Fund during the year under review.
    - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same are in accordance with the books of accounts maintained by the Company. Refer Note 4 to the standalone financial statements

**For Picardo & Co,**  
Chartered Accountants,  
Registration No: 107917W

**K.V. Gopalakrishnayya**  
Partner,  
Membership no: 21748  
Mumbai

25<sup>th</sup> May, 2017

## **ANNEXURE - A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, all the fixed assets were physically verified by the Management during the year under review, which in our opinion is reasonable, having regard to the size of the Company and nature of its

- business. According to the information given to us, no discrepancies were noticed on such verification.
- (c) 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 standalone financial statements are held in the name of the Company.
- ii. As explained to us, the Company has not held any inventory during the year under review. Hence clause 3(ii) of the Order is not applicable to the Company for the year under review.
- iii. In our opinion and according to the information and explanations given to us, 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 Companies Act, 2013 ('the Act'). Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.
- iv. As per the explanation given to us, 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 from the public in accordance with the provisions of Section 73 to 76 of the Act and the rules framed thereunder.
- 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. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, to the extent applicable to the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of customs, excise duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities .
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, value added tax, duty of customs, duty of excise, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, no sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited with the appropriate authorities as on 31<sup>st</sup> March, 2017 on account of any dispute .
- viii. According to the explanations and information given to us, the Company has not availed any loan from Government/ banks/financial institutions or raised fund by issue debentures. Hence clause 3(viii) of the Order is not applicable for the year under review.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial hence clause 3 (xi) of the Order is not applicable to the Company for the year under review.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- xiii. Based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For Picardo & Co,**  
Chartered Accountants,  
Registration No: 107917W

**K.V. Gopalakrishnayya**  
Partner,  
Membership no: 21748  
Mumbai

25<sup>th</sup> May, 2017

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls 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 Leela Palaces and Resorts Limited ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Outing issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the guarding 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 rating 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 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 Company's internal financial controls system over financial reporting.

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, 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 31<sup>st</sup> March, 2017, 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 Picardo & Co,**  
Chartered Accountants,  
Registration No: 107917W

**K.V. Gopalakrishnayya**  
Partner,  
Membership no: 21748  
Mumbai

25<sup>th</sup> May, 2017.

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2017

| Particulars  | Note No. | Amounts in ₹                       |                                    |
|--|----------|------------------------------------|------------------------------------|
|  |          | As at 31 <sup>st</sup> March, 2017 | As at 31 <sup>st</sup> March, 2016 |
| <b>1. EQUITY AND LIABILITIES</b>   |          |                                    |                                    |
| Shareholders' funds  |          |                                    |                                    |
| Share capital  | 2        | 27,281,300                         | 27,281,300                         |
| Reserves and surplus   | 3        | 545,540,807                        | 545,511,174                        |
|  |          | 572,822,107                        | 572,792,474                        |
| <b>CURRENT LIABILITIES</b>   |          |                                    |                                    |
| (a) Short-term borrowings from a related company - Interest free Unsecured |          | 860,000                            | 860,000                            |
| (b) Other current liabilities - Liabilities for expenses                   |          | 17,250                             | 17,175                             |
| (c) Provision for Income Tax   |          | 8,000                              | -                                  |
| <b>TOTAL</b>   |          | <b>885,250</b>                     | <b>877,175</b>                     |
| <b>2. ASSETS</b>   |          |                                    |                                    |
| <b>NON-CURRENT ASSETS</b>  |          |                                    |                                    |
| Fixed assets   |          |                                    |                                    |
| (i) Tangible assets  |          |                                    |                                    |
| Land - As per last Balance Sheet   |          | 564,951,658                        | 564,951,658                        |
| (ii) Capital work-in-progress  |          |                                    |                                    |
| Pre-Operative Expenses to be capitalized                                   |          | 4,164,940                          | 4,164,940                          |
| <b>CURRENT ASSETS</b>  |          |                                    |                                    |
| (a) Cash and cash equivalents  | 4        | 4,497,223                          | 4,525,298                          |
| (b) Short term loans and advances - Tax deducted at source                 |          | 6,855                              | 2,766                              |
| (c) Other current assets - Interest accrued on fixed deposits              |          | 86,681                             | 24,987                             |
| <b>TOTAL</b>   |          | <b>4,590,759</b>                   | <b>4,553,051</b>                   |
| <b>Significant accounting policies and Notes to Accounts</b>               | 1 to 6   | <b>573,707,357</b>                 | <b>573,669,649</b>                 |

As per our report of even date

For and on behalf of the Board of Directors

For PICARDO & CO.

Vivek Nair

Chartered Accountants

Director

Firm Registration No: 107917W

K V Gopalakrishnayya

Dinesh Nair

Partner

Director

Membership Number 21748

Firm Registration No: 107917W

Mumbai, 25<sup>th</sup> May, 2017

## STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017

| Particulars  | Note No. | Amounts in ₹                            |   |
|--|----------|---|---|
|  |          | Year ended 31 <sup>st</sup> March, 2017 | Year ended 31 <sup>st</sup> March, 2016 |
| <b>1. Revenue</b>  |          |   |   |
| (a) Revenue from operations                                  |          | -                                       | -                                       |
| (b) Other income   |          | 68,653                                  | 27,753                                  |
| <b>TOTAL REVENUE</b>   |          | <b>68,653</b>                           | <b>27,753</b>                           |
| <b>2. EXPENSES</b>   |          |   |   |
| (a) Finance costs - Bank charges                             |          | 345                                     | 15,115                                  |
| (b) Other expenses   | 5        | 30,675                                  | 34,521                                  |
| <b>TOTAL EXPENSES</b>  |          | <b>31,020</b>                           | <b>49,636</b>                           |
| <b>PROFIT/(LOSS) BEFORE TAX</b>                              |          | <b>37,633</b>                           | <b>(21,883)</b>                         |
| <b>TAX EXPENSES</b>  |          | <b>8,000</b>                            | <b>-</b>                                |
| <b>PROFIT/(LOSS) FOR THE PERIOD</b>                          |          | <b>29,633</b>                           | <b>(21,883)</b>                         |
| Earnings per equity share:                                   |          |   |   |
| (Basic & Diluted)  |          | 0.01                                    | (0.01)                                  |
| <b>Significant accounting policies and Notes to Accounts</b> | 1 to 6   |   |   |

As per our report of even date

For and on behalf of the Board of Directors

For PICARDO & CO.

Vivek Nair

Chartered Accountants

Director

Firm Registration No: 107917W

K V Gopalakrishnayya

Dinesh Nair

Partner

Director

Membership Number 21748

Firm Registration No: 107917W

Mumbai, 25<sup>th</sup> May, 2017

**CASH FLOW STATEMENT**  
**for the year ended 31<sup>st</sup> March, 2017**

Amounts in ₹

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2017 |           | Year ended<br>31 <sup>st</sup> March, 2016 |           |
|---|--|-----------|--|-----------|
|   |  |           |  |           |
| <b>A. CASH FROM OPERATING ACTIVITIES</b>                      |  |           |  |           |
| Net Profit before Tax and Extraordinary items                 | 37,633                                     |           | (21,883)                                   |           |
| Add : Interest income   | 68,653                                     |           | 27,753                                     |           |
| <b>Operating Profit/(Loss) before Working Capital Changes</b> |  | (31,020)  |  | (49,636)  |
| <b>Changes in:</b>  |  |           |  |           |
| Trade and other payables                                      |  | 8,075     |  | 321       |
| Trade and other receivables                                   |  | (58,928)  |  | (24,987)  |
| Cash generated from operation                                 |  | (81,873)  |  | (74,302)  |
| Income Tax paid (Net)   |  | (14,855)  |  | (2,766)   |
| <b>Net Cash flow From Operating activities</b>                |  | (96,728)  |  | (77,068)  |
| <b>B. CASH FROM INVESTING ACTIVITIES</b>                      |  |           |  |           |
| Interest income   |  | 68,549    |  | 27,753    |
| <b>Net Cash flow From investing activities</b>                |  | 68,549    |  | 27,753    |
| <b>C. CASH FROM FINANCIALS ACTIVITIES</b>                     |  |           |  |           |
| Unsecured loan received/(paid)                                |  | -         |  | 860,000   |
| Interest on Income Tax Refund                                 |  | 104       |  | -         |
| <b>Net Cash flow From Financial activities</b>                |  | 104       |  | 860,000   |
| <b>Net Changes in Cash &amp; Cash equivalents</b>             |  | (28,075)  |  | 810,685   |
| Cash & cash equivalents in the beginning of the Year          |  | 4,525,298 |  | 3,714,613 |
| Cash & cash equivalents in the end of the Year                |  | 4,497,223 |  | 4,525,298 |

**Notes forming part of the Financial Statements**

**Note 1 Significant Accounting Policies**

**a. Convention**

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

**b. Use of estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affects the reported balances of assets and liabilities and disclosures relating to the contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

**c. Fixed Assets**

Fixed assets are stated at cost less depreciation .Cost includes expenses incidental to installation of the assets and attributable borrowing costs. Cost includes expenses incidental to the installation of the assets and attributable borrowing costs.

**d. Depreciation / Amortization**

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

**e. Taxation**

- Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year.
- Deferred tax is recognized on timing difference being the difference between taxable income and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.
- Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount is written down to the extent there is no longer a convincing evidence that the Company will be liable to pay normal income tax during the specified period.

**f. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

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

Contingent Liability is disclosed in case of

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

**g. During the year under review the carrying amount of assets are reviewed and entries are passed for impairment of the same**

As per our report of even date For and on behalf of the Board of Directors

For PICARDO & CO.

Vivek Nair

Chartered Accountants

Director

Firm Registration No: 107917W

K V Gopalakrishnayya

Dinesh Nair

Partner

Director

Membership Number 21748

Firm Registration No: 107917W

Mumbai, 25<sup>th</sup> May, 2017

## 2 Share Capital

| Particulars   | Amounts in ₹                       |                        |                                    |                        |
|---|------------------------------------|------------------------|------------------------------------|------------------------|
|   | As at 31 <sup>st</sup> March, 2017 |                        | As at 31 <sup>st</sup> March, 2016 |                        |
|   | Number of shares                   | Amount in ₹            | Number of shares                   | Amount in ₹            |
| <b>Authorised</b>   |                                    |                        |                                    |                        |
| Equity shares of ₹ 10 each Issued, subscribed and paid-up   | 2,750,000                          | 27,500,000             | 2,750,000                          | 27,500,000             |
| Equity shares of ₹ 10 each Subscribed and fully paid-up   | 2,728,130                          | 27,281,300             | 2,728,130                          | 27,281,300             |
| Equity shares of ₹ 10 each  | 2,728,130                          | 27,281,300             | 2,728,130                          | 27,281,300             |
| <b>TOTAL</b>  | <b>2,728,130</b>                   | <b>27,281,300</b>      | <b>2,728,130</b>                   | <b>27,281,300</b>      |
| <b>Reconciliation of the number of shares outstanding:</b>  |                                    |                        |                                    |                        |
| Number of equity shares of par value ₹ 10 each at the beginning of the year                         | 2,728,130                          | 27,281,300             | 2,728,130                          | 27,281,300             |
| Number of equity shares of par value ₹ 10 each at the end of the year                               | 2,728,130                          | 27,281,300             | 2,728,130                          | 27,281,300             |
| <b>Details of Share in the Company held by each Shareholder holding more than 5 percent shares:</b> |                                    |                        |                                    |                        |
| <b>Name of the shareholder</b>  | <b>No of Share</b>                 | <b>% of Share Held</b> | <b>No of Share</b>                 | <b>% of Share Held</b> |
| Hotel Leelaventure limited  | 2,728,124                          | 100%                   | 2,728,124                          | 100%                   |

## 3 Reserves and Surplus

| Particulars  | Amounts in ₹                       |                    |                                    |                    |
|--|------------------------------------|--------------------|------------------------------------|--------------------|
|  | As at 31 <sup>st</sup> March, 2017 |                    | As at 31 <sup>st</sup> March, 2016 |                    |
| <b>Securities Premium Account</b>  |                                    |                    |                                    |                    |
| As per Last Balance Sheet  |                                    | 553,001,600        |                                    | 553,001,600        |
| <b>Surplus / (Deficit) in Statement of Profit &amp; Loss Account</b>           |                                    |                    |                                    |                    |
| Balance as per last financial statement  | 545,511,174                        |                    | (7,468,543)                        |                    |
| Add: Net Profit/(loss) after tax transferred from statement of profit and loss | 29,633                             | 545,540,807        | (21,883)                           | (7,490,426)        |
| Amount available for appropriation   |                                    |                    |                                    |                    |
| Appropriations:  |                                    |                    |                                    |                    |
| <b>Balance in Statement of Profit and Loss</b>                                 |                                    | <b>545,540,807</b> |                                    | <b>545,511,174</b> |
| <b>Total</b>   |                                    | <b>545,540,807</b> |                                    | <b>545,511,174</b> |

## 4 Cash and Bank Balances

| Particulars                               | Amounts in ₹                       |                                    |
|---|------------------------------------|------------------------------------|
|   | As at 31 <sup>st</sup> March, 2017 | As at 31 <sup>st</sup> March, 2016 |
| (a) Cash on Hand                          | 90,000                             | 90,000                             |
| (b) Balance with Banks on current account | 3,557,223                          | 3,585,298                          |
| (c) Balances in Fixed Deposit with bank   | 850,000                            | 850,000                            |
| <b>Total</b>                              | <b>4,497,223</b>                   | <b>4,525,298</b>                   |

\* Specified bank Notes (SBN) held and transferred during the period 08.11.2016 to 30.12.2016 as provided in the table below:-

|  | Amounts in ₹ |                          |        |
|--|--------------|--------------------------|--------|
|  | SBNs         | Other denomination notes | Total  |
| <b>Closing cash in hand as on 08.11.2016</b> | -            | 90,000                   | 90,000 |
| (+) Permitted receipts                       | -            | -                        | -      |
| (-) Permitted payments                       | -            | -                        | -      |
| (-) Amount deposited in Banks                | -            | -                        | -      |
| <b>Closing cash in hand as on 30.12.2016</b> | -            | 90,000                   | 90,000 |

## 5 Other Expenses

| Particulars                     | Amounts in ₹                       |                                    |
|---------------------------------|------------------------------------|------------------------------------|
|                                 | As at 31 <sup>st</sup> March, 2017 | As at 31 <sup>st</sup> March, 2016 |
| (a) Rates & Taxes               | 13,350                             | -                                  |
| (b) Professional Charges        | -                                  | 17,100                             |
| (c) Remuneration to Auditors    | 17,250                             | 17,421                             |
| (d) sundry balances written-off | 75                                 | -                                  |
| <b>Total</b>                    | <b>30,675</b>                      | <b>34,521</b>                      |

## 6 Additional Information to the Financial Statements

### 6.1 Computation of Earning Per Share (EPS) - Face value of Rs. 10 each

| Particulars                           | Amounts in ₹ |           |
|---------------------------------------|--------------|-----------|
|                                       | 2016-17      | 2015-16   |
| Profit/(Loss) Before Taxation         | 37,633       | (21,883)  |
| Weighted Average no. of Equity Shares | 2,728,130    | 2,728,130 |
| EPS (Basic and Diluted)               | 0.01         | (0.01)    |

### 6.2 Related party transactions

#### a) Details of related parties

| Description of relationship  | Names of Related Parties  |
|--|---|
| Holding Company  | Hotel Leelaventure Limited  |
| Key Management Personnel (KMP)   | 1) Mr. Vivek Nair<br>2) Mr. Dinesh Nair<br>3) Mrs. Anna Malhotra  |
| Relatives of KMP   | -   |
| Company in which KMP / Relatives of KMP can exercise significant influence |   |
| (a) Holding Company  | Hotel Leelaventure Limited  |
| (b) Associate Companies  | 1. Leela Lace Holding Pvt. Ltd.<br>2. Leela Realty Limited<br>3. Leela Lace Software Solutions Pvt. Ltd.<br>4. Rockfort Estate Developers Pvt. Ltd.<br>5. Leela Fashion Pvt. Ltd.<br>6. Season Apparels Pvt. Ltd.<br>7. Elegant Eateries Pvt. Ltd.<br>8. Vibgyor Leasing Pvt. Ltd.<br>9. Leela Housing Pvt. Ltd.<br>10. Leela Innovation Centre Pvt. Ltd.<br>11. Leela Villas Pvt. Ltd.<br>12. Emmel Realtors and Developers Pvt. Ltd.<br>13. Leela Capital & Finance Ltd.<br>14. Leela Constates Pvt. Ltd.<br>15. L. M. Relators Pvt. Ltd. |

| Description of relationship | Names of Related Parties               |
|-----------------------------|--|
|                             | 16. Leela Realcon pvt. Ltd.            |
|                             | 17. Leela IT Projects Pvt. Ltd.        |
|                             | 18. Leela Lace Builders Pvt. Ltd.      |
|                             | 19. Zillion Hotels & Resorts Pvt. Ltd. |
|                             | 20. Leela Techno Parks Pvt. Ltd.       |
|                             | 21. Francisco Hospitality Pvt. Ltd.    |
|                             | 22. LMV Associates Limited             |
|                             | 23. Leela Hospitality Pvt. Ltd.        |
|                             | 24. Leela Lace Estates Pvt. Ltd.       |
|                             | 25. Leela Palace Chennai Pvt. Ltd.     |

**b) Transactions carried out with related parties**

|  |                              |
|--|------------------------------|
| Unsecured loan taken during the year and outstanding as on 31st March,2017 |                              |
| Leela Villas Pvt. Ltd.   | ₹ 8,60,000 (P.Y. ₹ 8,60,000) |

- 6.3** Fixed deposit with HDFC Bank limited amounting to ₹ 8.50 lakhs is pledged with them as security towards a bank guarantee for ₹ 8.50 lakhs issued by them.

As per our report of even date For and on behalf of the Board of Directors

For **PICARDO & CO.** **Vivek Nair**  
Chartered Accountants Director  
Firm Registration No: 107917W

**K V Gopalakrishnaya** **Dinesh Nair**  
Partner Director  
Membership Number 21748  
Firm Registration No: 107917W  
Mumbai, 25<sup>th</sup> May, 2017