

HLV LIMITED

(Formerly known as HOTEL LEELAVENTURE LIMITED)

Registered Office: The Leela, Sahar, Mumbai - 400 059

Tel: 022-6691 1234 ☐ Fax: 022-6691 1458 Email: investor.service@hlvtd.com ☐ Website: www.hlvtd.com ☐ CIN No.: L55101MH1981PLC024097

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

							Rs. in lakhs
Sr. No.	Particulars	Quarter Ended 31-Dec-19	Quarter Ended 30-Sep-19	Quarter Ended 31-Dec-18	Nine Months Ended 31-Dec-19	Nine Months Ended 31-Dec-18	Previous year ended 31-Mar-19
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Net sales / income from operations	4,369	3,257	3,996	10,814	11,128	15,434
	(b) Other income	326	75	72	507	317	418
	Total income	4,695	3,332	4,068	11,321	11,445	15,852
2	Expenses						
	(a) Food and beverages consumed	343	261	372	891	984	1,330
	(b) Employee benefits expense	1,862	1,399	1,351	4,696	4,443	6,043
	(c) Finance costs	4	6	6	13	36	40
	(d) Depreciation and amortisation	243	260	219	768	671	957
	(e) Other expenditure	3,297	2,321	1,922	7,525	6,036	8,296
	Total expenses	5,749	4,247	3,870	13,893	12,170	16,666
3	Profit / (loss) from operations before exceptional items and tax	(1,054)	(915)	198	(2,572)	(725)	(814)
4	Exceptional items	582	1,119	102	2,178	1,416	(2,966)
5	Profit/(loss) before tax	(472)	204	300	(394)	691	(3,780)
6	Tax expenses	-	-	-	-	-	-
7	Net Profit/(loss) from continued operations for the period	(472)	204	300	(394)	691	(3,780)
8	Profit/(loss) from discontinued operations						
	(a) from operations	(28,090)	1,462	4,117	(27,254)	(13,713)	(8,110)
	(b) from sale of business undertaking (refer note no.5)	46,185	-	-	46,185	-	-
	(c) from sale of investment in subsidiary (refer note no.5)	2,500	-	-	2,500	-	-
9	Tax expenses from discontinued operations	-	-	-	-	-	-
10	Net Profit/(loss) from discontinued operations for the period	20,595	1,462	4,117	21,431	(13,713)	(8,110)
11	Net Profit/(loss) for the period	20,123	1,666	4,417	21,037	(13,022)	(11,890)
12	Items that may not be reclassified subsequently to the statement of profit and loss						
	- Remeasurement of defined benefit plan	107	(207)	(198)	(171)	(69)	22
	- Gain/(losses) on financial assets to fair value	-	-	-	-	-	-
13	Items that may be reclassified subsequently to the statement of profit and loss	-	-	-	-	-	-
14	Total other comprehensive income for the period	107	(207)	(198)	(171)	(69)	22
15	Total comprehensive income for the period	20,230	1,459	4,219	20,866	(13,091)	(11,868)
	Paid up equity share capital (face value Rs.2 per share)	12,611	12,611	12,611	12,611	12,611	12,611
	Other equity (excluding revaluation reserve)						(18,616)
	Debenture redemption reserve						6,750
	Earnings per share (continued operations) (in Rs.) - Basic and diluted	(0.07)	0.03	0.05	(0.06)	0.11	(0.60)
	Earnings per share (discontinued operations) (in Rs.) - Basic and diluted	3.27	0.23	0.65	3.40	(2.17)	(1.29)
	Earnings per share (continued and discontinued operations) (in Rs.) - Basic and diluted	3.19	0.26	0.70	3.34	(2.06)	(1.89)



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Notes:

- 1 The financial results for the quarter and nine months ended 31st December, 2019 were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 10th February, 2020. The results have been reviewed by the Statutory Auditors of the Company.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 As the Company does not have reportable segment other than Hoteliering, segment-wise reporting is not applicable.
- 4 Exceptional items for the quarter and nine months represent net income from Joint development of property amounting to Rs.582 lakhs and Rs.2178 lakhs respectively.
- 5 In order to resolve the Company's debt problem, the Company has transferred, its hotel business undertakings at New Delhi, Udaipur, Bengaluru and Chennai, Hospitality and Hotel Operations Business and 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 ("Disposal groups"), on 16th October, 2019 as per the framework agreement entered with BSREP III INDIA BALLETT PTE LTD. ("Brookfield") on 18th March, 2019 for an amount of Rs.395,000 lakhs (Brookfield Transaction). The transaction has been approved by Board on 18th March, 2019 and the shareholders by way of special resolution passed through a postal ballot on 26th September, 2019. Pursuant to completion of said transactions there is profit of Rs. 46185 lakhs from sale of Business undertaking and Rs.2500 lakhs on sale of investment in subsidiary.
- 6 The consolidated financial results are not prepared, since Company sold its subsidiary as a part of transaction referred herein above.
- 7 The petition filed by some minority shareholders with Securities & Exchange Board of India (SEBI) and subsequent appeal with Securities Appellate Tribunal(SAT) has been disposed off in favour of the Company. However, one minority shareholder has filed an appeal with Supreme Court of India which is pending. Further the petition filed by the said minority shareholder before National Company Law Tribunal ("NCLT"), Mumbai alleging oppression and mismanagement is pending for disposal.
- 8 In compliance with Ind AS 105, operational results of the Disposal Group(s) forming part of the Brookfield Transaction are disclosed as 'profit/(loss) from discontinued operations'. The Company has therefore not adopted Ind AS 116 for its discontinued operations. 'Loss from discontinued operations' include net interest cost of Rs. 28974 Lakhs on one time settlement with lenders.
- 9 Airports Authority of India (AAI) has arbitrarily increased the lease rent payable for the Mumbai hotel, effective from 1st October 2014, the increased rentals on basis of such arbitrary increase works out to Rs.352 lakhs for the quarter ended 31st December 2019 and Rs.6,240 lakhs for the period upto 31st December, 2019. The Company has objected to this increase and has not provided for the same. AAI has unilaterally terminated the lease and commenced eviction proceedings, 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.
- 10 AAI has claimed an amount of Rs.80,705 lakhs as on 31st January 2019 towards rent and minimum guarantee amount in respect of lease of 11,000 sq.mtrs. of land in Mumbai. The Company is disputing the claim on several grounds and based on the legal opinion obtained, the liability is contingent in nature. Hence, no provision is made for the claim.
- 11 In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Ordinance, 2019, Company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. In view of huge accumulated losses of earlier years, Company has exercised this option, hence no provision for Income Tax has been made.
- 12 The standalone financial statements of the Company have been prepared on a 'Going concern basis' as (a) the Brookfield Transaction has been concluded and the Company has paid as a one time settlement to banks and financial institutions who were the lenders to the company, (b) the Company is confident of getting favourable judgment/ orders in respect of disputes with AAI and continuing the Mumbai Hotel operations.
- 13 Figures have been regrouped, rearranged or reclassified wherever necessary.

For and on behalf of the Board of Directors


Dinesh Nair

Co-Chairman and Managing Director

Place : Mumbai

Dated : 10th February 2020

