

HOTEL LEELAVENTURE LIMITED

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STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2018

Rs in lakhs

Particulars	Quarter Ended 30-Jun-18	Quarter Ended 31-Mar-18	Quarter Ended 30-Jun-17	Year Ended 31-Mar-18
	Unaudited reviewed	Unaudited reviewed	Unaudited reviewed	Audited
Income				
(a) Net sales / income from operations	15,620	20,644	14,940	71,854
(b) Other income	296	397	350	2,458
Total income	15,916	21,041	15,290	74,312
Expenses				
(a) Food and beverages consumed	1,481	1,726	1,429	6,513
(b) Employee benefits expense	4,902	4,439	4,840	19,279
(c) Finance costs	3,187	2,233	2,040	8,367
(d) Depreciation and amortisation	2,917	3,036	3,206	12,542
(e) Other expenses	10,683	7,893	6,139	26,639
Total expenses	23,170	19,327	17,654	73,340
Profit / (loss) from operations before exceptional items and tax	(7,254)	1,714	(2,364)	972
Exceptional items	585	(3,294)	-	(3,294)
Profit / (loss) before tax	(6,669)	(1,580)	(2,364)	(2,322)
Tax expenses	-	-	-	-
Net Profit / (loss) for the period	(6,669)	(1,580)	(2,364)	(2,322)
Other comprehensive income				
- Remeasurement of defined benefit plan	(51)	225	(43)	137
- Gain / (losses) on financial assets to fair value	-	86	(29)	-
Total other comprehensive income for the period	(51)	311	(72)	137
Total comprehensive income for the period	(6,720)	(1,269)	(2,436)	(2,185)
Paid up equity share capital (face value Rs.2 per share)	12,611	12,611	9,332	12,611
Other equity (excluding revaluation reserve)				(7,552)
Earnings per share (in Rs.) - Basic and diluted	(1.06)	(0.25)	(0.52)	(0.43)



Notes:

- 1 The unaudited financial results of the Company for the quarter ended 30th June 2018 have been subjected to limited review by the statutory auditors, reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on 13th August, 2018.
- 2 The results for the first quarter are not indicative of a full year's working, due to the seasonal nature of the hotel business in India.
- 3 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.
- 4 As the Company does not have reportable segment other than Hoteliering, segment-wise reporting is not applicable.
- 5 The figures for the quarter ended 31st March 2018 are balancing figures between audited figures of the full financial year and year to date published figures up to the third quarter of the relevant financial year which were subject to limited review.
- 6 Other expenses for the quarter ended 30th June 2018 includes exchange rate loss amounting to Rs.4282 lakhs.
- 7 Exceptional items for the quarter ended 30th June 2018 represents profit on sale of non-core asset amounting to Rs.585 lakhs and for the quarter and year ended 31st March 2018 represents net income from Joint development of property amounting to Rs.1893 lakhs and impairment of capital work in progress and leasehold rights amounting to Rs.5187 lakhs.
- 8 The erstwhile CDR Lenders with exposure of 95.6% of the CDR Debt assigned their debt to JM Financial Asset Reconstruction Company Limited and 1 lender with exposure of about 1% of the CDR Debt to Phoenix ARC Private Limited on 30th June, 2014. 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 quarter ending 30th June 2018 is Rs.20814 lakhs (previous year quarter ending 30th June 2017, Rs.19733 lakhs). The Company has been evaluating various options for a viable restructuring, including sale / monetisation of non-core assets, sale of hotels, equity infusion and debt refinancing by investors, etc. The Company expects the restructuring to include certain waiver / concessions in interest and repayment terms and pending approval of the same, has not provided for the interest as per rates notified by ARCs. If interest provision was made in accordance with the intimation received from the ARCs, the finance cost and the loss for the quarter ending 30th June 2018 would have been higher by Rs.20814 lakhs (previous year quarter ending 30th June 2017, Rs.19733 lakhs).
- 9 The Supreme Court had dismissed the special leave petition filed by the Company against the judgement of Delhi High Court setting aside the Award passed by the sole arbitrator in relation to a dispute with Airports Authority of India (AAI) regarding the minimum guaranteed amounts on lease of 11000 sq. meters of land. The review petition filed before the Supreme Court is rejected. The Company based on the expert legal opinion received, that the entire proceedings before the Ld. Arbitrator is a "nullity" in law and void ab initio as the proceedings before them were "without jurisdiction" and, accordingly, the Company is not liable to pay the demand raised by the AAI. According to AAI the amount outstanding is Rs.31119 lakhs upto 31st July 2017. The Company is disputing their claim and has initiated the appropriate legal proceedings against AAI for nullification of the outstanding claim. Hence, no provision is made for the demand raised by AAI.
- 10 AAI has unilaterally terminated the lease of 18000 sq. meters of land on which the Mumbai hotel is built and have commenced eviction proceedings. The Company, based on the legal advise is contemplating to legally challenge the same. Depreciation on the Mumbai hotel is provided at the applicable rate, on the assumption that the lease will be renewed.
- 11 Figures for earlier period have been regrouped or rearranged, wherever necessary.

Place : Mumbai
Dated : 13th August 2018

For and on behalf of the Board of Directors



Vivek Nair
Vivek Nair
Chairman and Managing Director

