

September 21, 2015

PALACES HOTELS RESORTS

Ms. Dhara Barot
Asst. Manager – Listing Compliance
BSE Limited, 1st floor,
Rotunda Building,
B.S. Marg, Fort, Mumbai – 400 001
Stock Code: 500193

Dear Madam.

Sub: Rumour Verification - news item appearing in "MINT"

We refer to your e-mail dated 21st September, 2015 in relation to a news article in today's "MINT", tiled as "Leelaventure may sell 24% stake to cut debt".

We wish to submit that the Company is in discussion with various investors and lenders, for raising funds to meet debt servicing obligations. However, the Company has not entered into agreement with any of them.

The Company and its senior management continue to evaluate proposals and announcement, if any, will be made to the Stock Exchanges at an appropriate time.

We would request you to place this information on record.

Thanking You,

Yours Faithfully,

For Hotel Leelaventure Limited

Anandghan Bohra Company Secretary Membel &

C.C.:

The Listing Department, National Stock Exchange of India Limited Exchange-Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Stock Code: HOTELEELA