



THE LEEEA

PALACES HOTELS RESORTS

May 30, 2018

The Department of Corporate Services

BSE Limited

1st floor, Rotunda Building

B.S. Marg, Fort

Mumbai – 400 001

Stock Code: 500193

NCD Code: HLVL19DEC08

The Listing Department

National Stock Exchange of India

Limited

Exchange-Plaza,

Bandra Kurla Complex

Bandra (E)

Mumbai – 400 051

HOTELEELA

Dear Sir,

Sub: Outcome of the Board Meeting held on 30th May, 2018

The Board of Directors of the Company at its meeting held today has approved the following:

1. Appointment of Ms. Saija Nair as an Independent Director

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the Board of Directors, based on the recommendations of the Nomination & Remuneration Committee, have approved the appointment of Ms. Saija Nair as an Additional Director in the category of Independent Director, with effect from 30th May, 2018 for a tenure of 5 years. The brief details of her appointment as prescribed in the SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 are as follows:

Reason for change viz. appointment, resignation, removal, death or otherwise	: Appointment
Date of appointment / cessation (as applicable) and term of appointment	: 30 th May, 2018. Appointed as an Additional Director in the category of Independent Director for a tenure of 5 years
Brief profile	: Ms. Saija Nair, aged 45 years, is a Commerce Graduate with over 15 years of experience in the field of marketing and business development. At present, she is a Director on the Board of Saija Fashions Private Limited, which is engaged in the business of garment fashions
Disclosure of Relationships with directors	: NIL

The Board has also nominated her as a Member of the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

Regd. Office:

HOTEL LEEAVENTURE LIMITED

The Leela Mumbai, Sahar, Mumbai 400 059 India. Phone: (91-22) 6691 1234; Fax: (91-22) 6691 1212; Email: leela@theleela.com; www.theleela.com

The Leela Palaces, Hotels and Resorts: New Delhi, Bengaluru, Chennai, Mumbai, East Delhi, Gurugram, Udaipur, Goa and Kovalam

Upcoming Hotels: Bhartiya City Bengaluru, Jaipur and Agra.

Corporate Identity Number (CIN): L55101MH1981PLC024097





2. **Annual Audited Financial Results for the Quarter and year ended 31st March 2018**

In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- (i) Audited Standalone and Consolidated Financial Results for the year ended 31st March, 2018;
- (ii) Auditors' Report, issued by M/s. N. S. Shetty, Statutory Auditors of the Company for the year ended 31st March, 2018.

We wish to inform you that the Statutory Auditors of the Company have issued Audit Reports with "unmodified opinion" on the Standalone and Consolidated Financial Statement of the Company for the year ended 31st March, 2018.

The extract of the financial results are also being published in newspapers.

We would like to further inform you that the Board in its meeting held today took note of the notice dated 29th May 2018 received by the Company from JM Financial Asset Reconstruction Company Limited (JMFARC) asking the Company to pass enabling resolutions for issue of upto 125 crore equity shares to JMFARC on preferential basis towards conversion of part of Debt into Equity. The Board has decided to convene a Board Meeting on 11th June 2018, to discuss the same.

The Board meeting started at 11.30 A.M. and concluded at 14.30 P.M.

Please take the above documents and information on record.

Thanking you,

Yours faithfully

For **Hotel Leelaventure Limited**

Alen Ferns
Company Secretary



Encl: as above

HOTEL LEELAVENTURE LIMITED

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

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. in lakhs

Sr. No.	Particulars	Standalone					Consolidated	
		Quarter Ended 31-Mar-18	Quarter Ended 31-Dec-17	Quarter Ended 31-Mar-17	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-18	Year Ended 31-Mar-17
		Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
		<i>(refer note 2)</i>	<i>(refer note 2)</i>	<i>(refer note 2)</i>				
1	Income							
	(a) Net sales /income from operations	20,644	20,361	19,642	71,854	69,802	71,854	69,802
	(b) Other income	397	2,625	6,385	2,458	4,120	2,459	4,121
	Total income	21,041	22,986	26,027	74,312	73,922	74,313	73,923
2	Expenses							
	(a) Food and beverages consumed	1,726	1,803	1,561	6,513	6,164	6,513	6,164
	(b) Employee benefits expense	4,439	5,093	4,660	19,279	19,178	19,279	19,178
	(c) Finance costs	2,233	1,997	2,497	8,367	9,044	8,367	9,044
	(d) Depreciation and amortisation	3,036	3,078	3,450	12,542	14,115	12,542	14,115
	(e) Other expenditure	7,893	6,950	8,645	26,639	26,967	26,640	26,968
	Total expenses	19,327	18,921	20,813	73,340	75,468	73,341	75,469
3	Profit / (loss) from operations before exceptional items and tax	1,714	4,065	5,214	972	(1,546)	972	(1,546)
4	Exceptional items	(3,294)	-	-	(3,294)	-	(3,294)	-
5	Profit / (loss) before tax	(1,580)	4,065	5,214	(2,322)	(1,546)	(2,322)	(1,546)
6	Tax expenses	-	-	-	-	-	-	-
7	Net Profit / (loss) for the period	(1,580)	4,065	5,214	(2,322)	(1,546)	(2,322)	(1,546)
8	Other comprehensive income							
	- Remeasurement of defined benefit plan	225	(29)	(43)	137	(173)	137	(173)
	- Gain / (losses) on financial assets to fair value	86	(29)	96	-	-	-	-
	Total other comprehensive income for the period	311	(58)	53	137	(173)	137	(173)
9	Total comprehensive income for the period	(1,269)	4,007	5,267	(2,185)	(1,719)	(2,185)	(1,719)
10	Paid up equity share capital (face value Rs.2 per share)	12,611	12,611	9,332	12,611	9,332	12,611	9,332
11	Other equity (excluding revaluation reserve)				(7,552)	(34,605)	(7,552)	(34,605)
12	Debenture redemption reserve				6,750	6,750	6,750	6,750
13	Earnings per share (in Rs.) - Basic and diluted	(0.25)	0.68	1.12	(0.43)	(0.33)	(0.43)	(0.33)
14	Interest service coverage ratio (refer note 8)				Negative	Negative	Negative	Negative
15	Debt service coverage ratio (refer note 8)				Negative	Negative	Negative	Negative
16	Debt equity ratio (refer note 8)				8.31	30.16	8.31	30.20



Statement of Assets and Liabilities						Rs. in lakhs
Particulars	Standalone			Consolidated		
	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-16
ASSETS						
Non-current assets						
Property, plant and equipment	3,74,499	3,90,307	4,03,266	3,80,149	3,95,957	4,08,915
Capital work-in-progress	464	1,248	1,189	506	1,289	1,231
Investment property	7,498	7,625	4,899	7,498	7,625	4,899
Goodwill				3,254	3,254	3,254
Intangible assets	229	373	872	229	373	872
Intangible assets under development	-	-	14	-	-	14
Financial assets:						
Investments	9,037	9,037	9,037	37	37	37
Other financial assets	5,987	5,267	6,296	5,995	5,276	6,304
Tax Assets (net)	1,986	1,581	1,301	1,986	1,581	1,301
Other non-current assets	7,155	7,798	11,010	7,155	7,798	11,010
Total non-current assets	4,06,855	4,23,236	4,37,884	4,06,809	4,23,190	4,37,837
Current assets						
Inventories	3,225	3,009	4,370	3,225	3,009	4,370
Financial assets						
Trade receivables	8,255	7,158	6,356	8,255	7,158	6,356
Cash and cash equivalents	2,040	1,589	2,520	2,076	1,625	2,558
Other balances with banks	448	2,935	790	448	2,935	790
Other financial assets	679	578	733	681	579	733
Other current assets	3,183	2,240	1,974	3,183	2,240	1,974
Total current assets	17,830	17,509	16,743	17,868	17,546	16,781
Non-current assets held for sale	30,628	32,704	32,703	30,628	32,704	32,703
Total assets	4,55,313	4,73,449	4,87,330	4,55,305	4,73,440	4,87,321
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	12,611	9,332	9,332	12,611	9,332	9,332
Other Equity	25,825	3,779	5,498	25,808	3,762	5,480
Total Equity	38,436	13,111	14,830	38,419	13,094	14,812
Liabilities						
Non-current liabilities						
Financial liabilities						
Borrowings	3,07,305	3,93,481	4,23,832	3,07,305	3,93,481	4,23,832
Other financial liabilities	2,124	2,081	2,056	2,124	2,081	2,056
Provisions	1,664	1,858	1,691	1,664	1,858	1,691
Total non-current liabilities	3,11,093	3,97,420	4,27,579	3,11,093	3,97,420	4,27,579
Current liabilities						
Financial liabilities						
Borrowings	11,955	1,926	1,926	11,964	1,934	1,935
Trade payables	9,624	8,271	7,684	9,624	8,271	7,684
Other financial liabilities	64,636	31,043	15,640	64,636	31,043	15,640
Other liabilities	3,679	3,399	3,086	3,679	3,399	3,086
Provisions	567	755	1,004	567	755	1,004
Total current liabilities	90,461	45,394	29,340	90,470	45,402	29,349
Advance received against asset held for sale	15,323	17,524	15,581	15,323	17,524	15,581
Total equity and liabilities	4,55,313	4,73,449	4,87,330	4,55,305	4,73,440	4,87,321

Notes:

- The audited results for the year ended 31st March, 2018 were considered by the Audit Committee and have been approved by the Board of Directors at their meeting held on 30th May, 2018.
- The figures for the last quarter ended 31st March 2018 and 31st March 2017 are derived after taking into account the unaudited financial information for the period of nine months ended 31st December 2017 and 31st December 2016 respectively.
- As the Company does not have reportable segment other than Hoteliering, segment-wise reporting is not applicable.
- 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. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS.
- Exceptional items for the quarter and year ended represent 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.



6 A reconciliation between financial results, as previously reported (referred to as 'Previous GAAP') and Ind AS for the quarter and year ended 31st March, 2017 is presented as under.

Particulars	Standalone		Consolidated
	Quarter ended	Year ended	Year ended
	31-Mar-17	31-Mar-17	31-Mar-17
Net Loss for the quarter and year ended 31st March, 2017 as reported	1,342	(10,251)	(10,251)
Foreign exchange fluctuations relating to long term loans credited to FCMTD under previous GAAP credited to Statement of Profit & Loss under Ind AS	4,598	2,202	2,202
Changes in depreciation and amortisation on account of change in accounting of foreign exchange fluctuation on long term borrowings	(1,350)	6,117	6,117
Foreign exchange fluctuations relating to borrowings attributable to depreciable fixed assets accounted under fixed assets under previous GAAP now credited to Statement of Profit & Loss	708	339	339
Fair valuation of security deposits	(31)	(126)	(126)
Remeasurement of Post-employment benefit obligations	303	173	173
Net Profit/(Loss) as per Ind AS	5,570	(1,546)	(1,546)
Other comprehensive income			
Remeasurement of post-employment benefit obligations	(303)	(173)	(173)
Total comprehensive income under Ind AS	5,267	(1,719)	(1,719)

7 Reconciliation between total equity as reported under previous GAAP and Ind AS are given below:

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31-Mar-17	1-Apr-16	31-Mar-17	1-Apr-16
Total Equity (shareholder's funds) as per previous GAAP	13,534	23,786	13,517	23,768
Adjustments:				
Reversal of balance in Foreign Currency Monetary Translation Differences Account (FCMTD)	(571)	(8,956)	(571)	(8,956)
Impact on property, plant and equipment on account of changes in foreign exchange fluctuation accounting	274	-	274	-
Fair Value of security deposits	(126)	-	(126)	-
Total Equity as per Ind AS	13,111	14,830	13,094	14,812

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 year is Rs.78873 lakhs and till 31st March 2018 is Rs.303145 lakhs; and (iii) the debt amount is Rs.560015 lakhs as against Rs.256870 lakhs accounted by the Company. 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 classified the debt as Non-current Liability in the Balance Sheet and 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 year would have been higher by Rs.78873 lakhs (previous year Rs 73327 lakhs) and the interest liability till 31st March 2018 would have been higher by Rs.303145 lakhs (previous year Rs 224272 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 Company has filed a review Petition before the Supreme Court which is yet to come up for hearing. According to AAI the amount outstanding is Rs.31119 lakhs upto 31st July 2017 (Previous year Rs. 28538 lakhs upto 31st December 2016), the Company has disputed their claim. The Company has now received expert legal opinion 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. Hence, no provision is made for the demand raised by AAI.

10 AAI has initiated eviction proceeding relating to 18000 sq. mtr of land on which the Mumbai hotel is built. The company has contested the same.

11 The listed non-convertible debentures of the Company amounting to Rs 6750 lakhs as at 31st March, 2018 are secured by way of mortgage/charge on certain properties of the Company. Details of Non-convertible debentures are as follows:

	Previous Due Date	Previous Due Date	Next Due Date	Next Due Date
	Principal	Interest	Principal	Interest
12.5% Non Convertible Debentures	30th Sep 17	19th Mar 18	30th Sep 18	19th Jun 18

Interest overdue as on 31st March 18 is Rs.1015 lakhs. Principal redemption amount overdue Rs.4500 lakhs of which Rs.2250 lakhs since 30th September 2016.

12 Formulae used for computation of "Interest Service Coverage Ratio"=[Profit before Interest, Depreciation and Tax/Interest], for "Debt Service Coverage Ratio"=[Profit before Interest, Depreciation and Tax/(Interest + Principal repayment)] and for "Debt Equity Ratio"=[Debt/Equity]

13 Figures have been regrouped or rearranged, wherever necessary.

For and on behalf of the Board of Directors


Vivek Nair
Chairman and Managing Director

Place : Mumbai
Dated : 30th May 2018



HOTEL LEELAVENTURE LIMITED

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

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

EXTRACT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND TWELVE MONTHS ENDED 31ST MARCH 2018

Rs in lakhs

Particulars	Standalone					Consolidated	
	Quarter Ended 31-Mar-18	Quarter Ended 31-Dec-17	Quarter Ended 31-Mar-17	Year Ended 31-Mar-18	Year Ended 31-Mar-17	Year Ended 31-Mar-18	Year Ended 31-Mar-17
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited	Audited
Total Income from operations (net)	21,041	22,986	26,027	74,312	73,922	74,313	73,923
Net Profit / (loss) for the period (before tax and exceptional items)	1,714	4,065	5,214	972	(1,546)	972	(1,546)
Net Profit / (loss) before tax (after exceptional items)	(1,580)	4,065	5,214	(2,322)	(1,546)	(2,322)	(1,546)
Net Profit / (loss) after tax	(1,580)	4,065	5,214	(2,322)	(1,546)	(2,322)	(1,546)
Total comprehensive income for the year	(1,269)	4,007	5,267	(2,185)	(1,719)	(2,185)	(1,719)
Equity share capital	12,611	12,611	9,332	12,611	9,332	12,611	12,611
Earnings per share (of Rs) - Basic and diluted	(0.25)	0.68	1.12	(0.43)	(0.33)	(0.43)	(0.33)

Notes

- The above is an extract of the detailed format of quarterly financial results filed with the Stock Exchanges under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The full format of the quarterly financial results are available on the websites of NSE and BSE at www.nseindia.com and www.bseindia.com respectively and on Company's website at www.theleela.com
- 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 year is Rs.78873 lakhs and till 31st March 2018 is Rs.303145 lakhs; and (iii) the debt amount is Rs.560015 lakhs as against Rs.256870 lakhs accounted by the Company. 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 classified the debt as Non-current Liability in the Balance Sheet and 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 year would have been higher by Rs.78873 lakhs (previous year Rs 73327 lakhs) and the interest liability till 31st March 2018 would have been higher by Rs.303145 lakhs (previous year Rs 224272 lakhs).
- 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 Company has filed a review Petition before the Supreme Court which is yet to come up for hearing. According to AAI the amount outstanding is Rs.31119 lakhs upto 31st July 2017 (Previous year Rs. 28,538 lakhs upto 31st December 2016), the Company has disputed their claim. The Company has now received expert legal opinion 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. Hence, no provision is made for the demand raised by AAI.

Place : Mumbai
Dated : 30th May 2018



For and on behalf of the Board of Directors

Vivek Nair
Vivek Nair
Chairman and Managing Director



N. S. SHETTY & CO.

CHARTERED ACCOUNTANTS

Phone : 2623 1716, 2623 7669 Fax : 2624 5364
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"Arjun", Plot No. 6A, V.P. Road,
Andheri (W), Mumbai - 400 058.

INDEPENDENT AUDITOR'S REPORT

To the Members of Hotel Leelaventure Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Hotel Leelaventure Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, cash flows and changes in equities of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31st March 2018 and its Loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

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

Note 36.1 relating to non-provision of interest, penal interest and sacrifice amount payable to Asset Reconstruction companies (ARC's) amounting to Rs.78,873 Lakhs for the year (Previous Year Rs.73,327 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 Rs.78,873 Lakhs (Previous Year Rs.73,327 Lakhs) and the interest liability till 31st March,2018 would have been higher by Rs.3,03,145 lakhs (Previous Year Rs.2,24,272 lakhs). Further, the Other Equity would have been negative to the extent of Rs.277,320 Lakhs (Previous Year Rs.220,493 Lakhs).

Note 36.2(a) relating to enhancement in rentals, unilateral termination of lease agreement of the Mumbai Hotel by Airports Authority of India (AAI) and eviction proceedings initiated by them which the Company is contesting. Disputed amount for the period upto 31st March ,2018 cumulatively amounts to Rs.3,877 lakhs (Previous Year Rs.2,659 lakhs).The accounts are prepared on the assumption that the lease would be renewed and no provision is made for losses on account of such eviction, if any, which is not ascertainable.

Note 36.2(b) regarding disputed demands relating to Royalty, Minimum Guarantee Fees including interest thereon according to AAI cumulatively amounting to Rs.31,119 lakhs upto 31st July,2017 (Previous Year Rs.28,538 lakhs upto 31st December,2016). The additional cost the company may have to incur towards restoration of FSI, which is not ascertainable.

Note 36.11 relating to non-provision for allowances of trade receivables of Rs.2,790 lakhs which is outstanding for more than a year as the management is confident of recovery.

Material uncertainty related to Going Concern

Matters relating to Emphasis of Matter referred above raises question on whether the Company can be considered as a "Going Concern". However, as the Company is hopeful of a viable restructuring package/refinancing of debt/monetisation of non-core assets, sale of hotels/equity infusion for reduction of debt and favourable judgement / settlement with respect to dispute with AAI and realization of trade receivables, the Company has prepared the financial statements on a "Going Concern" basis.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these standalone Ind AS financial statements are based on the statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Picardo & Co. whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 25th May,2017 and 26th May,2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us:



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, to the extent applicable 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 including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) The matters described in paragraph relating to Emphasis of Matter 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 31st March, 2018 and taken on record by the Board of Directors, except for Mr.Vivek Nair, Mr.Dinesh Nair and Mrs.Anna Malhotra who are disqualified, none of the other directors is disqualified as on 31st March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (h) With respect to the other matters to be included in the Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind As financial statements- Refer Note 36.2 and 36.4 (a) to (e) to the Standalone Ind AS financial statements.
 - ii. The Company has made provisions as required under the applicable law or Ind AS, 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November,2016 to 30th December 2016, are not relevant to these standalone Ind AS financial statements. Hence, reporting under this clause is not applicable.

For N S Shetty & CO.

Chartered Accountants
Registration No: 110101W


N S Shetty
Partner

Membership No. 035083
Mumbai, 30th May, 2018





N. S. SHETTY & CO.

CHARTERED ACCOUNTANTS

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"Arjun", Plot No. 6A, V.P. Road,
Andheri (W), Mumbai - 400 058.

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

TO THE MEMBERS OF HOTEL LEEAVENTURE LIMITED Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Hotel Leelaventure Limited (hereinafter referred to as "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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, and the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 Group preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

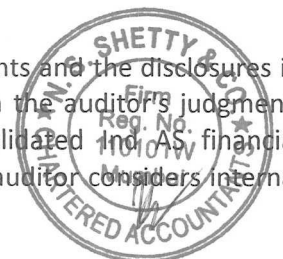
Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal



financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at 31st March 2018 and its consolidated loss, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated Ind AS financial statements:

Note 36.1 relating to non-provision of interest, penal interest and sacrifice amount payable to Asset Reconstruction companies (ARC's) amounting to Rs.78,873 Lakhs for the year (Previous Year Rs.73,327 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 for the year would have been higher by Rs.78,873 Lakhs (Previous Year Rs.73,327 Lakhs) and the interest liability till 31st March, 2018 would have been higher by Rs.3,03,145 lakhs (Previous Year Rs.2,24,272 lakhs). Further, the Other Equity would have been negative to the extent of Rs.277,337 Lakhs (Previous Year Rs.220,511 Lakhs).

Note 36.2(a) relating to enhancement in rentals, unilateral termination of lease agreement of the Mumbai Hotel by Airports Authority of India (AAI) and eviction proceedings initiated by them which the Company is contesting. Disputed amount for the period upto 31st March, 2018 cumulatively amounts to Rs.3,877 lakhs (Previous Year Rs.2,659 lakhs). The accounts are prepared on the assumption that the lease would be renewed and no provision is made for losses on account of such eviction, if any, which is not ascertainable.

Note 36.2(b) regarding disputed demands relating to Royalty, Minimum Guarantee Fees including interest thereon according to AAI cumulatively amounting to Rs.31,119 lakhs upto 31st July, 2017 (Previous Year Rs.28,538 lakhs upto 31st December, 2016). The additional cost the company may have to incur towards restoration of FSI, which is not ascertainable.

Note 36.11 relating to non-provision for allowances of trade receivables of Rs.2,790 lakhs which is outstanding for more than a year as the management is confident of recovery.

Material uncertainty related to Going Concern

Matters relating to Emphasis of Matter referred above raises question on whether the Company can be considered as a "Going Concern". However, as the Company is hopeful of a viable restructuring package/refinancing of debt/monetisation of non-core assets, sale of hotels/equity infusion for reduction of debt and favourable judgement / settlement with respect to dispute with AAI and realization of trade receivables, the Company has prepared the financial statements on a "Going Concern" basis.

Other Matters

The comparative financial information of the Group for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these Consolidated Ind AS financial statements are based on the statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by Picardo & Co. whose report for the year ended 31st March, 2017 and 31st



March, 2016 dated 25th May, 2017 and 26th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the difference in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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 Group so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with relevant books of account.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) The matters described in paragraph relating to the matters described in paragraph relating to Emphasis of Matter 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 March 31st, 2018, taken on record by the Board of Directors, except for Mr.Vivek Nair, Mr.Dinesh Nair and Mrs.Anna Malhotra who are disqualified, none of other directors is disqualified as on 31st March, 2018 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on audit reports of Holding and Subsidiary Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
- (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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements- Refer Note 36.2 and 36.4 (a) to (e) to the Consolidated Ind AS financial statements;
 - ii. The Company has made provisions, as required under the applicable law or Ind AS, 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November, 2016 to 30th December 2016, are not relevant to these Consolidated Ind AS financial statements. Hence, reporting under this clause is not applicable.

For N S Shetty & CO.

Chartered Accountants
Registration No: 110101W


N S Shetty
Partner

Membership No. 035083

Mumbai, 30th May, 2018

