

HOTEL LEEAVENTURE LIMITED

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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 note2)</i> | | <i>(refer note2)</i> | | | | |
| 1 | Income | | | | | | | |
| | (a) Net sales /income from operations | 20,644 | 20,361 | 19,642 | 71,854 | 69,802 | 71,854 | |
| | (b) Other income | 397 | 2,625 | 6,385 | 2,458 | 4,120 | 2,459 | |
| | Total income | 21,041 | 22,986 | 26,027 | 74,312 | 73,922 | 74,313 | |
| 2 | Expenses | | | | | | | |
| | (a) Food and beverages consumed | 1,726 | 1,803 | 1,561 | 6,513 | 6,164 | 6,513 | |
| | (b) Employee benefits expense | 4,439 | 5,093 | 4,660 | 19,279 | 19,178 | 19,279 | |
| | (c) Finance costs | 2,233 | 1,997 | 2,497 | 8,367 | 9,044 | 8,367 | |
| | (d) Depreciation and amortisation | 3,036 | 3,078 | 3,450 | 12,542 | 14,115 | 12,542 | |
| | (e) Other expenditure | 7,893 | 6,950 | 8,645 | 26,639 | 26,967 | 26,640 | |
| | Total expenses | 19,327 | 18,921 | 20,813 | 73,340 | 75,468 | 73,341 | |
| 3 | Profit / (loss) from operations before exceptional items and tax | 1,714 | 4,065 | 5,214 | 972 | (1,546) | 972 | |
| 4 | Exceptional items | (3,294) | - | - | (3,294) | - | - | |
| 5 | Profit/(loss) before tax | (1,580) | 4,065 | 5,214 | (2,322) | (1,546) | (2,322) | |
| 6 | Tax expenses | - | - | - | - | - | - | |
| 7 | Net Profit/(loss) for the period | (1,580) | 4,065 | 5,214 | (2,322) | (1,546) | (2,322) | |
| 8 | Other comprehensive income | | | | | | | |
| | - Remeasurement of defined benefit plan | 225 | (29) | (43) | 137 | (173) | 137 | |
| | - Gain/(losses) on financial assets to fair value | 86 | (29) | 96 | - | - | - | |
| | Total other comprehensive income for the period | 311 | (58) | 53 | 137 | (173) | 137 | |
| 9 | Total comprehensive income for the period | (1,269) | 4,007 | 5,267 | (2,185) | (1,719) | (2,185) | |
| 10 | Paid up equity share capital (face value Rs.2 per share) | 12,611 | 12,611 | 9,332 | 12,611 | 9,332 | 12,611 | |
| 11 | Other equity (excluding revaluation reserve) | | | | (7,552) | (34,605) | (7,552) | |
| 12 | Debenture redemption reserve | | | | 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) | |
| 14 | Interest service coverage ratio (refer note 8) | | | | Negative | Negative | Negative | |
| 15 | Debt service coverage ratio (refer note 8) | | | | Negative | Negative | Negative | |
| 16 | Debt equity ratio (refer note 8) | | | | 8.31 | 30.16 | 8.31 | |



| 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 |
| Total current assets | 30,628 | 32,704 | 32,703 | 30,628 | 32,704 | 32,703 |
| Non-current assets held for sale | | | | | | |
| 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 | | Rs in Lakhs |
|---|---------------|----------------|----------------------|
| | Quarter ended | Year ended | Consolidated |
| | 31-Mar-17 | 31-Mar-17 | Year ended 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

Place : Mumbai
Dated : 30th May 2018



Vivek Nair
Vivek Nair
Chairman and Managing Director

