

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to submit their Fifteenth (15th) Report together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS, STATE OF COMPANY'S AFFAIRS & FUTURE OUTLOOK

Your Company has yet to commence commercial operations. The Company is developing an all villa hotel complex and a PGA Standard 18 hole, 72 par championship golf course in Goa for which it has acquired substantial parcels of land. The said project will be under the management of Four Seasons, a world famed hotel chain and Hospitality Management Company.

The Company has already obtained permissions/approvals from various government authorities.

During the year under review, the Company has earned a total income of Rs. 12,70,259/- on account of interest income as compared to Rs. 5,14,883/- in the previous year. After meeting the administrative expenses of Rs. 28,64,108/- (Previous Year Rs. 81,14,358/-), the Company registered a loss of Rs. 15,93,849/- as compared to a loss of Rs. 75,99,475/- in the previous year.

TRANSFER TO RESERVES/DIVIDEND

Since the Company has not yet commenced its operations, it is neither in a position to declare any dividend nor transfer any amount to General Reserve for the year under review.

RESTRUCTURING PLAN

Based on the recommendations of the Audit Committee of the Company, your Directors in their meeting held on 12th November, 2020 have considered and approved the restructuring proposal which includes extension in scheduled commercial operation date (SCOD)/restructuring from its Banker as the project is on hold due to ongoing litigation and the project implementation has been delayed due to circumstances beyond the control of the Company and its management.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Your Directors would like to apprise the Members that the Company's project in Goa is facing litigation on two major counts i.e. one relating to Environmental issues and secondly on Tenancy issues.

In a Petition filed before the High Court of Bombay at Goa, the Order passed by the Deputy Collector declaring the disputed land free from tenancy was challenged. However, the Hon'ble Court while determining whether the Deputy Collector's decision has to be intervened with, passed certain restrictions and injunctions restrained the parties concerned not to act any further

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on the impugned order until further orders of the Hon'ble Court. The Company is taking appropriate legal recourse, and is confident of its positive outcome.

Petitions filed before the National Green Tribunal (NGT) against grant of Coastal Regulation Zone and Private Forest by the competent authorities to the aforesaid project at Goa are being contested by the Company. However, NGT has taken a view that since the Hon'ble High Court is seized of the tenancy matters, let these tenancy matters be settled and then based on the outcome of the tenancy matters, NGT will take up these petitions.

Based on legal advice received and outcome of similar cases in the past, your directors are hopeful of a favorable outcome and do not foresee these petitions having any material impact on the progress of the project.

Save as otherwise stated above with regard to the litigation faced by the Company and extension of SCOD/restructuring proposal, no material change or commitment has occurred since the end of the financial year under review or subsequently up to the date of this Report which may adversely affect the financial position of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review or since the end of that financial year and up to the date of this report, no significant and material orders were passed by the Regulators or Courts or Tribunals, save as otherwise stated herein above, which may impact the going concern status and future operations of the Company.

CAPITAL STRUCTURE

There is no change in the Company's capital structure since the last report.

STATUTORY AUDITORS AND THEIR REPORT

M/s. Dhirubhai Shah & Doshi, Chartered Accountants, Ahmedabad (Firm Registration No.-102511W), now known as M/s. Dhirubhai Shah & Co LLP, Firm Registration No. 102511W/W100298, were appointed as the statutory auditors of the Company in the 12th Annual General Meeting of the Company, held on 10th August, 2017, to hold office from the conclusion of the said Annual General Meeting till the conclusion of the 17th Annual General Meeting of the Company.

M/s. Dhirubhai Shah & Co LLP, Chartered Accountants, have conveyed their consent and eligibility for their continued appointment as Statutory Auditors of the Company for the financial year 2020-21.

Auditors' Report on the Financial Statements for the year under review is with modified opinion.

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The Statutory Auditors in their report have invited attention of the Members towards Note no. 29.2 to the Financial Statements regarding non-provisioning of interest liability amounting to Rs. 17,67,04,283/- (which includes interest payable for earlier year amounting to Rs. 6,58,84,357/-) relating to Inter-Corporate Deposits and other financial commitments, which has resulted in understatement of Capital Work-in-Progress to that extent as such interest was supposed to be capitalized and not liable to be charged to the Statement of Profit and Loss. Their report has expressed a modified opinion to this extent.

In response to the above qualification, the management clarifies that in view of the current financial crunch being faced by the Company, provisions for interest liability for the said amount was not made by it and that the said non-provisioning has had no impact on the current profit/(loss) of the Company, since this would have otherwise formed part of the Capital work-in-progress in the financial statements.

The Auditors had also expressed a material uncertainty regarding its going concern status which in their outlook is largely dependent on the outcome of the ongoing litigation and the Company's ability to raise fund for its project.

The status of the litigation being faced by the Company; and proposed restructuring of SCOD have been detailed herein above.

Your Directors would like to assure the Members that they are confident of favorable outcome of the ongoing litigation. Further, your Directors are of the view that the project is unique and has a great potential going forward, and the management is in the process of mobilizing the required funds to enable the Company to execute the project.

The Financial Statements have been prepared on the basis that the Company continues as a going concern, and no adjustments have been made to the classifications of the asset and liabilities and their carrying values.

No frauds have been reported under Section 143(12) of the Companies Act, 2013 (the Act) by the Auditors of the Company.

SECRETARIAL AUDITORS

In continued compliance of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and further, in pursuance of Section 204 of the Act which became applicable to the Company effective, 1st April, 2020, your Directors re-appointed M/s. Chandrasekaran Associates, Company Secretaries, as Secretarial Auditors of the Company for the financial year 2020-21.

M/s. Chandrasekaran Associates, Company Secretaries, the Secretarial Auditors of the Company, have submitted their report for the financial year ended 31st March, 2020 which is annexed as **Annexure 'A'** and forms part of this Report.

INTERNAL AUDITORS

During the year under review, M/s. BGJC & Associates LLP, Chartered Accountants (FRN: 003304N), the internal auditors of the Company conducted periodic audits of the Company. The Audit Committee reviews the internal audit reports submitted by the Internal Auditors.

Further, based on the recommendations of the Audit Committee, the Board of Directors re-appointed BGJC & Associates LLP, Chartered Accountants as internal auditors of the Company for the financial year 2020-21.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Amritesh Jatia (DIN: 02781300) retires by rotation at the ensuing annual general meeting and, being eligible, offers himself for re-appointment. Accordingly, an appropriate resolution is proposed at Item No. 2 of the Notice convening the ensuing annual general meeting.

Your Directors are of the opinion that it will be in the best interest of the Company to re-appoint Mr. Amritesh Jatia and therefore, recommend approving the proposed resolution at Item No. 2 of the accompanying Notice as Ordinary Resolution.

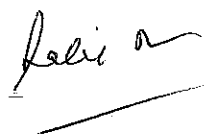
During the year under review, Mr. Tapeshe Bharat Goenka resigned from the office of Joint Managing Director and CEO with effect from 25th March, 2020. Further, Ms. Anita Thapar resigned from the office of Director effective 1st August, 2020.

During the year under review, Mr. Ajay Kumar resigned from the position of Chief Financial Officer of the Company effective 11th April, 2019. Subsequently, Ms. Priya Sethi was appointed as the Chief Financial Officer effective 1st October, 2019.

During the year under review, Ms. Rabab Zaidi resigned from the position of Company Secretary effective 1st October, 2019. Later, Ms. Nitika Garg was appointed as Secretary of the Company with effect from 10th February, 2020, who also resigned from the said position effective 3rd June, 2020. Consequently, based on the recommendations of the Nomination and Remuneration Committee, the Board in its meeting held on 18th July, 2020 appointed Ms. Tanya Agarwal as the Company Secretary.

The Board in its meeting held on 10th August, 2020, evaluated the performance of Dr. Lalit Bhasin and Mr. Sanjay Banthiya, Independent Non-Executive Directors in pursuance of the evaluation mechanism set-out in Schedule IV to the Act read with Section 178 of the Act, as amended, and the criteria set-out in the Nomination, Remuneration and Evaluation Policy of the Company, and commended their performance and decided to continue with their respective terms. The Board also evaluated the performance of Managing Director and other individual directors.

Further, the Board in its meeting held on 12th November, 2020 evaluated the performance of the Board, its Committees and the Chairman of the Board in pursuance of the Section 178 of the Act,





as amended, and the criteria set-out in the Nomination, Remuneration and Evaluation Policy of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, your Directors confirm as under:

- that in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the loss of the Company for that year;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual accounts on a going concern basis; and
- that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

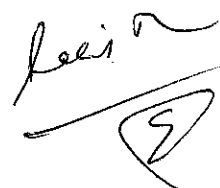
The Company's project is still in its initial stages and therefore, in the opinion of the Board, the required particulars pertaining to conservation of energy and technology absorption in terms of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable.

Further, foreign exchange earnings and outgo during the year under review as well as in the previous year are as under:

Particulars	F.Y. 2019-20	F.Y. 2018-19
	(in Rupees)	(in Rupees)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo on account of:		
Fee for Technical and Consultancy	Nil	37,77,359
Travelling Expenses	Nil	-
Total	Nil	37,77,359

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no loans, guarantees or investments made by the Company under Section 186 of the Act during the year under review.

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EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in the prescribed Form MGT-9 is annexed as **Annexure B** and forms part of this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

No contracts or arrangements with related parties referred to in Section 188(1) of the Act were entered into by the Company during the year under review. Accordingly, there are no transactions which are required to be reported in Form AOC-2.

NOMINATION, REMUNERATION AND EVALUATION POLICY

The Nomination, Remuneration and Evaluation Policy as approved and adopted by the Nomination and Remuneration Committee and the Board of Directors of the Company, enumerating the criteria laid down for nomination/selection, appointment, evaluation and remuneration of the directors and key managerial personnel, and determining qualifications, positive attributes and independence of directors and/or key managerial personnel, is annexed as **Annexure C** and forms part of this Report.

MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, six (6) Board meetings were held respectively on 10th April, 2019, 25th May, 2019, 23rd July, 2019, 30th September, 2019, 12th November, 2019 and 10th February, 2020.

AUDIT COMMITTEE


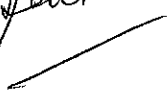

The Company has constituted an Audit Committee under the provisions of Section 177 of the Act. The said Committee comprises of three members namely, Dr. Lalit Bhasin and Mr. Sanjay Banthiya, both Independent Non-Executive Directors and Mr. Shiv Kumar Jatia, Managing Director. Dr. Lalit Bhasin chairs the Audit Committee meetings and the quorum for the Committee meetings is two members.

During the year under review, five (5) Board meetings were held respectively on 10th April, 2019, 25th May, 2019, 23rd July, 2019, 12th November, 2019 and 10th February, 2020.

All the recommendations made by the Audit Committee during the year under review were duly accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted Nomination and Remuneration Committee under the provisions of Section 178 of the Act. The said Committee comprises of three members namely, Dr. Lalit

Bhasin and Mr. Sanjay Banthiya, both Independent Non-Executive Directors and Mr. Amrithesh Jatia, Non-Executive Director. Mr. Amrithesh Jatia chairs the Nomination and Remuneration Committee meetings and the quorum for the Committee meetings is two members.

During the year under review, four (4) Board meetings were held respectively on 25th May, 2019, 23rd July, 2019, 30th September, 2019 and 10th February, 2020.

DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, both the independent non-executive directors have confirmed and submitted declaration to the effect that they meet the criteria of independence as laid down under Section 149 and 150 and rules framed thereunder and other applicable provisions of the Act. Independent non-executive directors have also submitted declarations for the financial year 2020-21 confirming that they continue to meet the criteria of independence as laid down under aforesaid provisions.

Further, they have confirmed that they have obtained registration with the Indian Institute of Corporate Affairs as an Independent Director and such registration continues to be valid; and that they shall ensure renewal of such registration within a period of thirty days from the date of its expiry, as applicable; and that they shall pass the Online Proficiency Self-Assessment Test conducted by the abovenamed institute within a period of one year from the date of inclusion of their respective names in the databank, if applicable, in pursuance of Section 150 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

Further, the Board is of the opinion that Dr. Lalit Bhasin and Mr. Sanjay Banthiya fulfils the conditions specified under various provisions of the Act and are considered independent of the management. The Board also recommends their continued association with the Company as independent directors.

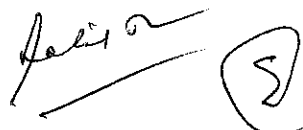
Reliance was placed on these confirmations/declarations while ascertaining the adequacy of number of independent directors for the purposes of compliance with the applicable provisions of the Act.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

No company has become/ceased to be a Subsidiary, Joint Venture or Associate of the Company.

DEPOSITS

The Company has not invited or accepted any deposits during the year under review.



CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

DISCLOSURES

a) Risk Management Policy/Systems

During the year under review, the Board in its meeting held on 25th May, 2019, had evaluated the Risk Management Systems existing in the Company, in the light of the Risk Management Policy of the Company, and noted that these are working effectively. Further, the Board noted that the Company is conscious of the risk factors and is confident of meeting the challenges.

Subsequent to the year under review, the Board in its meeting held on 10th August, 2020, reviewed the Risk Management Policy and noted that the risks set-out in the said policy continues to be relevant, hence it does not require any up-dation. Further, in the light of the said policy the Board evaluated the Risk Management Systems existing in the Company and noted that such systems are working effectively.

b) Whistle Blower Policy/Vigil Mechanism


The Board of Directors of the Company has duly approved and adopted a Whistle Blower Policy which provides a mechanism for the directors and employees of the Company to report any violation of the Company's Code of Conduct or any instance of actual or suspected fraud or unethical behavior to the competent authority, i.e. the Chairman of the Audit Committee. During the year under review, no case was reported under this mechanism nor anyone was denied access to the Chairman, Audit Committee. The said policy is annexed as **Annexure D** and forms part of this Report.

c) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is not required to constitute an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Further, no case was filed with the Local Complaints Committee, constituted by the District Officer under Section 6(1) of the said Act.

d) Internal Financial Controls

The Company has effective and adequate internal financial controls and systems which are operating effectively and which ensure the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

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ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to its bankers, business associates, consultants, employees and various government authorities for their continued support and confidence in the Company.

For and on behalf of the Board



Shiv Kumar Jatia
Managing Director
DIN: 00006187



Lalit Bhasin
Chairman of the Board
& Audit Committee
DIN: 00001607

Date: 12th November, 2020
Place: New Delhi



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

The Members

Leading Hotels Limited

131, First Floor, Ansal Chambers - II
6 Bhikaiji Cama Place
New Delhi - 110066

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Leading Hotels Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): Not Applicable
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vi) As confirmed and certified by the management of the Company, there is no law specifically applicable to the Company based on their sector/ industry as the Company has not yet commenced its commercial operations.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Not Applicable

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except delay in filing of few e-forms with the Registrar of Companies.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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We further report that during the audit period the Company had no specific events / actions that had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates
Company Secretaries

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Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050
UDIN: A028994B000546381

Date: 03.08.2020

Place: Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



Annexure A

The Members

Leading Hotels Limited

131, First Floor, Ansal Chambers - II
6 Bhikaiji Cama Place
New Delhi - 110066

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

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Shashikant Tiwari

Partner

Membership No. A28994

Certificate of Practice No. 13050

UDIN: A028994B000546381

Date: 03.08.2020

Place: Delhi

ANNEXURE A
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2020
of Leading Hotels Limited

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

I	CIN	U55101DL2005PLC143141
II	Registration Date	01.12.2005
III	Name of the Company	Leading Hotels Limited
IV	Category/Sub-category of the Company	Company limited by shares
V	Address of the Registered Office & contact details	131, First Floor Ansal Chamber- II, 6 Bhikaiji Cama Place, New Delhi-110066
VI	Whether listed company	No
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Hotel Operations*	55101	N.A.

*The Company has not yet commenced commercial operations

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Asian Hotels (North) Limited (AHNL)	L55101DL1980PLC011037	Holding	AHNL holds 100% equity in Fineline Hospitality & Consultancy Pte. Ltd., Mauritius	2(46)
2	Fineline Hospitality & Consultancy Pte. Ltd.,	N.A.	Holding	FHCPL holds 80% equity in Lexon Hotel Ventures Ltd.,	2(46)

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	Mauritius (FHCPL)			Mauritius	
3	Lexon Hotel Ventures Ltd., Mauritius (Lexon)	N.A.	Holding	Lexon holds 99.76% equity in Leading Hotels Limited	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01.04.2019]				No. of Shares held at the end of the year [As on 31.03.2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	9,960	0	9,960	0.05	9,960	0	9,960	0.05	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1):	9,960	0	9,960	0.05	9,960	0	9,960	0.05	0
(2) Foreign									
a) Individuals (NRIs/Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	2,08,66,929	0	2,08,66,929	99.95	2,08,66,929	0	2,08,66,929	99.95	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investors	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	2,08,66,929	0	2,08,66,929	99.95	2,08,66,929	0	2,08,66,929	99.95	0
Total shareholding of promoters (A) = (A)(1) + (A)(2)	2,08,76,889	0	2,08,76,889	99.999	2,08,76,889	0	2,08,76,889	99.999	0
B. Public Shareholding									

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1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	40	40	0.0001	0	40	40	0.0001	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	40	40	0.0001		40	40	0.0001	0

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Total Public Shareholding (B)=(B)(1)+(B)(2)	0	40	40	0.0001	0	40	40	0.0001	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2,08,76,889	40	2,08,76,929	100.00	2,08,76,889	40	2,08,76,929	100.00	0

B) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Shiv Kumar Jatia	9,900	0.05	0	9,900	0.05	0	0
2	Archana Jatia	60	0.00	0	60	0.00	0	0
3	Lexon Hotel Ventures Ltd., Mauritius	2,08,26,929	99.76	0	2,08,26,929	99.76	0	0
4	R.S.J Developers Private Limited*	40000	0.19	0	40000	0.19	0	0
4	Asian Hotels (North) Limited	0	0	0	0	0	0	0

Inadvertently shown as public shareholding as of the previous year ended 31st March, 2019.

C) Change in Promoters' Shareholding (please specify, if there is no change)

THERE IS NO CHANGE IN THE PROMOTERS' SHAREHOLDING

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,08,76,889	99.999	2,08,76,889	99.999

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Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	-	-	-	-
At the end of the year	2,08,76,889	99.999	2,08,76,889	99.999

D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
	No. of shares at the beginning (01.04.2019)/end of the year (31.03.2020)	% of total shares of the Company				No. of shares	% of total shares of the Company
Deepak Gupta	10	0	1.04.2019/ 31.03.2020	0	No change during the year	10	0
Narottam Sharma	10	0	1.04.2019/ 31.03.2020	0	No change during the year	10	0
Raj Kumar Jha	10	0	1.04.2019/ 31.03.2020	0	No change during the year	10	0

E) Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
	No. of shares at the beginning (01.04.2019)/end of the year (31.03.2020)	% of total shares of the Company				No. of shares	% of total shares of the Company

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Shiv Kumar Jatia	9900	0.05	1.04.2019 / 31.03.2020	0	No change during the year	9900	0.05
Anita Thapar	10	0	1.04.2019 / 31.03.2020	0	No change during the year	10	0

V. INDEBTEDNESS -

(In Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1504064425	1094825000	Nil	2598889426
ii) Interest due but not paid	25949997	21247249	Nil	47197246
iii) Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	1530014422	1116072249	Nil	2646086671
Change in indebtedness during the financial year				
* Addition	-	237844304	Nil	237844304
* Reduction	26102983	-	Nil	26102983
Net Change	(26102983)	237844307	Nil	211741321
Indebtedness at the end of the financial year				
i) Principal Amount	1464617228	1334050000	Nil	2798667228
ii) Interest due but not paid	39294211	19866553	Nil	59160764
iii) Interest accrued but not due	-	-	Nil	-
Total (i+ii+iii)	1503911439	1353916553	Nil	2857827992

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, ~~WHOLE-TIME DIRECTORS AND/OR MANAGER~~

S.No.	Particulars of Remuneration	Name of MD	Name of JMD	Total Amount
		Mr. Shiv Kumar Jatia	Mr. Tapesht Kumar Goenka*	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0	0	0
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0	0	0
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit - others	0	0	0
5	Others, please specify	0	0	0
	Total (A)	0	0	0
	Ceiling as per the Act	N.A.	N.A.	N.A.

*Resigned with effect from 25.03.2020

B. REMUNERATION TO OTHER DIRECTORS

S.No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Lalit Bhasin	Sanjay Banthiya	
	Fee for attending board and committee meetings	1,60,000	1,60,000	3,20,000
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (1)	1,60,000	1,60,000	3,20,000
2	Other Non-Executive Directors	Amritesh Jatia	Anita Thapar	
	Fee for attending board and committee meetings	0	50,000	50,000

Lalit Bhasin
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Commission	0	0	0
Others, please specify	0	0	0
Total (2)	0	50,000	50,000
Total Managerial Remuneration (B)=(1+2)			3,70,000
Overall Ceiling as per the Act#			

#Non-executive directors were paid only the sitting fees for attending the meetings of the Board or committees thereof during the financial year 2019-20.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

S. No.	Particulars of Remuneration	CS – Ms. Rabab Zaidi (From 01.04.2019 till 01.10.2019)	CS – Ms. Nitika Garg (From 10.02.2020 till 03.06.2020)	CFO – Mr. Ajay Kumar Passi (From 01.04.2019 to 10.04.2019)	CFO – Ms. Priya Sethi (Appointed on 1 st October, 2019)	Total
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,33,750	24,677	26,750	1,28,742	4,13,919
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as % of profit	0	0	0	0	0
	- others, specify	0	0	0	0	0
5	Others (Ex-gratia/LTA/Leave Encashment)	61,755	0	78,226	2,183	1,42,164
	Total	2,95,505	24,677	1,04,976	1,30,295	5,55,453

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences during the year ended 31st March, 2020.

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LEADING HOTELS LIMITED
Nomination, Remuneration and Evaluation Policy

Preamble

The Nomination, Remuneration and Evaluation Policy of Leading Hotels Limited is designed to attract, motivate and retain human resources; creating a competitive work environment, thus improving productivity; encouraging initiatives leading to personal growth; team work by inculcating a sense of belongingness and involvement, and also by laying down an appropriate evaluation and reward mechanism.

Definitions

“Act” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“Board” or “Board of Directors” means collective body of directors of the Company.

“Company” means Leading Hotels Limited.

“Director” means a director appointed to the Board of the Company.

“Independent Director” means a director referred to in Section 149 (6) of the Act.

“Key Managerial Personnel” or “KMP” means:

- i. The CEO or the Managing Director;
- ii. Whole-time Director(s);
- iii. Chief Financial Officer;
- iv. Company Secretary; and
- v. Such other person as may be prescribed.

“Nomination and Remuneration Committee” or “Committee” means the Nomination and Remuneration Committee of Board of Directors of the Company, as constituted from time to time, in accordance with the provisions of Section 178 of the Act.

“Policy” means this policy namely Nomination, Remuneration & Evaluation Policy.

“Senior Management Personnel” or “SMP” means employees of the Company who are members of its core management team who are one level below the executive director viz. Chief Financial Officer, Company Secretary, all Vice Presidents, General Managers and Division Heads.

Applicable regulatory provisions

This Policy has been formulated for due compliance of Section 178 of the Act, read with rules framed there-under.

The Policy & its applicability

This Policy, as formulated below, applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

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1. Purpose

The primary objective of the Policy is to provide a framework and set benchmarks for the nomination, remuneration and evaluation of the Directors, KMP and SMP. The Company endeavours to attain an ideal mix of merit, experience, professional acumen and leadership traits amongst its Directors, KMP and SMP.

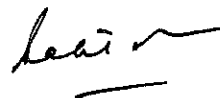
2. Accountabilities

The Board delegates the primary responsibility of assessing and selecting candidates to hold the office of Director, KMP and SMP to the Nomination and Remuneration Committee which inter-alia makes nominations / recommendations for appointment by the Board.

3. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible:

- 3.1 To identify persons who are qualified to become directors, and who may be appointed in senior management positions in accordance with the criteria laid down in the policy;
- 3.2 To formulate criteria for determining qualifications, positive attributes and independence of a director;
- 3.3 To recommend a remuneration policy for the Directors / KMP / SMP so appointed / re-appointed ensuring that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate them and comprises of an ideal balance of fixed and variable compensation that is linked to meeting appropriate performance benchmarks, and within the frame work of the said policy, to recommend remuneration for such persons from time to time;
- 3.4 To formulate criteria for evaluation of performance of the independent directors, such evaluation is to be done by the Board (excluding the directors being evaluated);
- 3.5 To formulate criteria for evaluation of performance of the non-independent directors and the Board as a whole, such evaluation is to be done by the independent directors exclusively in their separate meeting;
- 3.6 To formulate criteria for evaluation of the Chairman's performance, to be done by the independent directors exclusively in their separate meeting taking into account the views of executive directors and non-executive directors;
- 3.7 To recommend to the Board the appointment and removal of directors and senior management;
- 3.8 Succession planning for Directors, KMP and SMP, and overseeing the transition process;
- 3.9 To carry out any other function as is mandated by the Board from time to time and / or required by the statute or any amendment or modification therein, from time to time;



3.10 To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. Appointment of Directors / KMP / SMP

4.1 The Nomination and Remuneration Committee while selecting a candidate for nomination to the Board shall first and foremost evaluate the candidate's contribution in enhancing the competencies of the Board as a whole. When recommending a candidate for nomination for the office of director, the Nomination and Remuneration Committee shall:

- assess the appointee in the back drop of a range of criteria which among others include his/her qualification, merit, experience, professional acumen and leadership skills, industry experience, and other qualities required to operate successfully in that position, and the benefits of the diversity in the Board, he/she brings;
- consider the extent to which appointee is likely to contribute to the overall effectiveness of the Board while working constructively with the existing directors thus enhance the effectiveness of the Company's business;
- consider further the nature of existing positions held by the appointee including directorships or other relationships and the impact these could have on the appointee's ability to exercise independent judgement; and
- assess whether the appointee meets the statutory obligations, more so if the nomination is for the position of an independent director, and ensure that his/her independence is not compromised either due to any disability arising out of the requirements of Section 149 read with the rules framed there-under and Schedule IV to the Act or otherwise.

4.2 While selecting a candidate for a position of KMP / SMP, the Nomination and Remuneration Committee shall:

- o assess the appointee in the back drop of a range of criteria which among others include his/her qualification, merit, experience, professional acumen and leadership skills, industry experience, and other qualities required to operate successfully in the position considered for.

The criteria discussed above may be listed as:

- Academic profile
 - Professional qualifications
 - Overall experience
 - Experience in diverse organisations / industry
 - Demonstrable leadership skills
 - Communication, inter-personal and representational skills
 - Ability to handle conflicting situations and conflict management
 - Commitment to high standards of governance, ethics, personal integrity and probity
 - Commitment to the promotion of equal opportunities for all
 - Commitment to continuous learning and professional development
- o the extent to which appointee is likely to contribute to achieve the overall objectives of the Company, working constructively in tandem with peers.



5. Letters of Appointment

Each Director / KMP / SMP shall be issued a letter of appointment detailing the terms of appointment and the role assigned in the Company.

6. Remuneration of Directors, KMP and SMP

6.1 Guiding Principles

The guiding principle is that the quantum and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate the appointee as Director, KMP or SMP, and shall be commensurate to the academic and professional qualifications, overall experience, and the responsibilities the appointee is expected to shoulder. Needless to say the Nomination and Remuneration Committee shall also keep in mind the statutory provisions and limiting factors therein while deciding the remuneration of its Directors.

The Nomination and Remuneration Committee shall determine remuneration for Directors, KMP and SMP of the Company individually, primarily taking into account the factors listed in para 4.2 above as also the industry norms, prevailing business environment, financial health of the Company, extant regulatory guidelines or restrictions.

6.2 Remuneration Structure

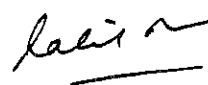
The overall remuneration payable to the directors of the Company and to each one of the managing / whole-time director and non-executive director of the Company are governed by the provisions of Section 197 and 198 of the Act, rules framed thereunder and Schedule V to the said Act.

Managing Director / Whole-time Director

As the Company is in a nascent stage, both the Managing Director and Joint Managing Director have been appointed without any remuneration for a term of three years each.

However, in the future, the remuneration package of the Managing Director and/or the whole time directors shall have three components namely, salary, perquisites and commission on net profit as calculated in terms of Section 198 of the Act.

- a) Salary (Base salary as fixed compensation)
Ought to be competitive and reflective of the individual's role, responsibility and experience, usually reviewed on an annual basis based on the overall operational & financial performance and financial health of the Company.
- b) Perquisites
Benefits like housing accommodation or allowance in lieu thereof, employer's contribution to provident fund, gratuity, leave travel assistance, medical reimbursement, company car / telephone etc. which are normally part of remuneration package in line with the market practice.



- c) **Commission on net profit (Variable compensation linked to profit)**
A commission on profit not exceeding a specified percentage of net profit as calculated in terms of Section 198 of the Act for the concerned financial year is paid which acts as performance linked variable remuneration.

The Nomination and Remuneration Committee may in its discretion, structure any portion of remuneration as rewards linked to corporate and individual performance, fulfilment of specified targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial or non-financial metrics.

Non-executive Directors

Presently, no remuneration is being paid to the non-executive directors. However, in the future, all non-executive directors including the independent directors collectively may be paid remuneration up to an amount not exceeding 1% of the net profit of the Company as calculated in terms of Section 198 of the Act for the concerned financial year. The Nomination and Remuneration Committee may set any limit beyond which any such director may not be entitled for remuneration within the overall limit of 1% of the net profit collectively for all such directors. The remuneration payable to individual directors may vary within the limits specified above, based on their individual performance evaluation.

In the meantime, the non-executive directors are only entitled to, and are being paid sitting fees for attending the meetings of the Board and Committees thereof. The sitting fee thus payable shall not exceed the amount as prescribed under the Act from time to time. The sitting fee paid to the independent directors shall not be less than the sitting fee payable to the other directors.

6.3 The remuneration payable to the KMP shall be decided by the Board based on the recommendations of the Nomination and Remuneration Committee made in view of the factors listed in para 4.2 and guiding principles mentioned in para 6.1 above.

6.4 The remuneration payable to the SMP shall be decided based on the factors listed in para 4.2 and guiding principles mentioned in para 6.1 above and in overall consonance with this Policy.

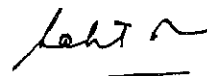
7. Evaluation of Directors / KMP / SMP

The evaluation of the Directors, KMP and SMP of the Company shall be conducted annually.

The criteria for evaluating the performance of persons belonging to each of the categories namely, Directors, KMP and SMP are listed below:

Chairman

- Leadership abilities
- Stewarding the Board and shareholders' meetings
- Ensuring dissemination of timely, regular and adequate material information to the Board and the shareholders
- Whether he encourages other Board members to share their views



- Moderation of conflicting views
- Conducting meetings in an un-biased manner, giving adequate and fair representation to all at the meetings as well as while recording minutes of the proceedings

Managing Director / Whole-time Director

- Leadership abilities
- Contribution to define Corporate Objectives
- Achievements vis-a-vis Corporate Objectives
- Overall operational and financial performance of the Company
- Mitigation of significant risks
- Adherence of internal controls systems
- Corporate Governance and Legal Compliance Matrix
- Timely, regular and adequate dissemination of material information to the Board
- Communication of expectations and concerns with KMP & SMP
- Strategic planning aimed at sustainable growth of the Company

Independent Directors / Other Non-executive Directors

- Contribution towards enhancing Board's competency
- Leadership abilities
- Contribution towards defining Corporate Objectives and their achievement
- Contribution towards mitigation of significant risks and strengthening internal control systems
- Contribution towards strengthening Corporate Governance and Legal Compliance environment
- Contribution towards strategic planning for the growth of the Company
- Attendance at the Board / Committee meetings and participation there-at
- Contribution as a balancing force for the protection of all stakeholders' interest [exclusively for independent directors]

KMP / SMP

- Professional knowledge and acumen
- Ability to lead his team
- Contribution towards achieving the Corporate Objectives
- Contribution towards overall operational and financial performance of the Company
- Mitigation of significant risks pertaining to the functional area
- Adherence of standard operating procedures and internal controls systems
- Maintaining Governance, Legal Compliance environment and ethical behaviour
- Personal integrity, honesty and probity
- Timely, regular and adequate submission of material information to the Managing Director and/or the Board
- Constantly assess, evaluate and upgrade existing policies, structures and procedures to meet future challenges
- Cost consciousness
- Ability to handle conflicting situations and conflict management
- Commitment to the promotion of equal opportunities for all

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- Commitment to continuous learning and professional development for self and team members
- Ability to work constructively in tandem with peers

Evaluation of the Chairman's performance shall be done by the independent directors exclusively in their separate meeting taking into account the views of executive directors and non-executive directors, based on the relevant parameters detailed above.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for the Managing / Whole-time Director and each of the Non-independent Directors in a separate meeting of the Independent Directors.

The Board will evaluate each of the Independent Directors on the aforesaid parameters. However, the Independent Director being evaluated at a given time shall not participate in the discussions at the relevant time.

8. Evaluation of the Board

The Independent Directors shall evaluate the functioning of the Board annually in their separate meeting. The parameters for evaluating the Board shall be as under:

- Could the Board lay down the Corporate Objectives clearly and effectively?
- Could the Board provide a distinct direction for growth foreseeing the future trends in the industry?
- Could the Board visualize significant risks and future challenges?
- Could the Board ensure achievement of annual targets and projected financial results / performance?
- Could the Board provide fresh impetus for accelerated growth?
- Could the Board plan strategically for the sustained growth of the Company?
- Could the Board ensure Board diversity?
- Could the Board ensure compliance with Corporate Governance, Company's Policies and Code of Conduct at all levels?

9. Removal

In case a director, KMP or SMP suffers from any disqualification mentioned in the Act or under any other statute or regulations; or under the Articles of Association or the Code of Conduct or any other Policy of the Company, the Committee may recommend to the Board with reasons recorded in writing, to remove a Director, KMP or SMP subject to a fair and equitable opportunity being provided to the said person to explain his position.

10. Retirement

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policies of the Company. However, the Board shall have the discretion to extend or retain the services of such Director, KMP or SMP in the same position and remuneration or otherwise even after his attaining the age of retirement, for the benefit of the Company.

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11. Composition of the Nomination and Remuneration Committee & conduct of its meetings

The Committee, as constituted by the Board, comprises of two (2) Independent Non-executive Directors and one (1) Non-executive Director. The Committee is chaired by the Non-executive Director. In the absence of the Chairman, the members of the Committee present at the meeting elects one amongst themselves to act as the Chairman of the meeting.

The Committee meets as and when required to attend to its business and that any two members constitute a quorum for the Committee meetings.

Proceedings of all meetings are minuted and signed by the Chairman of the Committee. Minutes of the Committee meetings are tabled at the subsequent Committee meeting for confirmation and are also placed before the Board meeting held immediately after such Committee meetings.

Other provisions relating to the conduct of the Board meetings of the Company applies mutatis mutandis to the Committee meetings.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

12. Review and Amendment

The Committee or the Board may review, amend or re-state this Policy as and when it deems necessary. The Committee may supplement this Policy by issuing guidelines, procedures, formats, reporting mechanism etc. for its better implementation.

13. Deviations from the Policy

The Board, in extraordinary circumstances and on the recommendations of the Committee, may take decisions in deviation of this policy in the interests of the Company.

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LEADING HOTELS LIMITED WHISTLE BLOWER POLICY

Preface

The Company is committed to conduct its business in a fair and transparent manner by adhering to the highest standards of professionalism, honesty, integrity and ethical behavior.

Towards this end, the Company has framed and adopted a code of conduct, which lays down the principles and standards that should be followed while pursuing the business of the Company by its directors and senior management personnel. Needless to say, it is of paramount importance that all concerned should follow the said Code of Conduct at all times. Any violation of the said Code of Conduct or any instance of actual or suspected fraud or unethical behavior would be a matter of serious concern for the Company. While the directors and employees of the Company are encouraged to voice their genuine concerns about such instances by bringing relevant facts to the attention of the competent authority, it is essential that adequate safeguards are in place to protect the identity and interests of persons voicing such concerns, and that they are not subjected to victimization for the same.

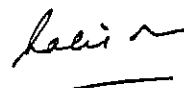
Section 177(9) of the Companies Act, 2013 (the Act), read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 mandates every listed company, companies accepting deposits from the public, and companies which have borrowed money from banks and public financial institutions in excess of Rs. 50 crore, to establish a vigil mechanism for their directors and employees to report their genuine concerns regarding the situations discussed in the forgoing paragraph, and providing for adequate safeguards against victimization of directors or employees accessing the vigil mechanism.

Further, Schedule IV to the Act read with Section 149(8) thereof, enjoins upon the independent directors of the Company to ascertain and ensure that the Company has an adequate and functional vigil mechanism to which any concern about unethical behavior, actual or suspected frauds or violation of Company's Code of Conduct can be reported by any director or employee and to ensure that interests of such director or employee are not prejudicially affected on account of such reporting.

Accordingly, the following policy which shall be called "LHL Whistle Blower Policy" has been formulated to meet the aforesaid requirements and shall come into force from the date of its adoption by the Board of Directors of the Company.

1. Objectives

The objective of this policy is to establish and provide a mechanism for the directors and employees of the Company to report any violation of the Company's Code of Conduct or any instance of actual or suspected fraud or unethical behavior, ensuring that such mechanism incorporates adequate safeguards against victimization of such directors or employees who avail of this mechanism.



Accordingly, this policy sets out a functional vigil mechanism to receive and investigate into any genuine concern reported by any employee or director in relation to any violation of the Company's Code of Conduct or any instance of actual or suspected fraud or unethical behavior, and after conclusion of the investigation, take requisite corrective and penal action. The policy provides for direct access to the Chairman, Audit Committee.

Simultaneously, this policy also provides for adequate safeguards against victimization of such persons who avail of this mechanism thus encouraging secure and responsible use of this policy. However, this policy should not be misused by anyone to settle personal scores or with an intention to harass colleagues by raising malicious or unfounded allegations.

2. Applicability

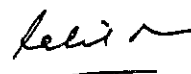
This Policy shall be applicable once approved by the Board of Directors of the Company and hosted on the official web-site of the Company.

The Board of Directors reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.

3. Definitions

The following expressions used hereinafter shall have the meaning as defined below:

- a) "Audit Committee" means the Audit Committee as constituted by the Board of Directors of the Company from time to time in accordance with Section 177 of the Act. .
- b) "Board of Directors" or "Board" means the collective body of directors of the Company.
- c) "Code" means the Code of Conduct for Directors and Senior Management Personnel as adopted by the Board of Directors of the Company from time to time.
- d) "Company" means Leading Hotels Limited.
- e) "Competent Authority" means the Chairman of the Audit Committee.
- f) "Employee" means every employee of the Company, wherever working, including the directors in the employment of the Company.
- g) "Improper Activity" means any activity by an Employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is:
 - in violation of the Company's Code of Conduct,
 - abuse of authority for personal benefit or the benefit of third party,
 - a suspected or actual manipulation of company data/record, or accounting or financial mis-reporting,
 - pilferage of confidential / proprietary information, or unauthorized disclosure of information to third party,



- a suspected or actual criminal offence, corruption, bribery, theft, conversion or misuse of the Company's property or fraud,
- an activity involving gross misconduct, and any other unethical, biased, favoured or imprudent act.

Activities which have no nexus to the working of the Company and are purely of personal nature are specifically excluded from the definition of Improper Activity.

- h) "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence an "Improper Activity".
- i) "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- j) "Whistle Blower" means someone who makes a Protected Disclosure under this Policy.

4. Eligibility

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures should relate only to the activities or matters concerning the Company.

5. Guiding Principles

- a) The Whistle Blower and / or the person(s) processing the Protected Disclosure are not subjected to victimization.
- b) Complete confidentiality as to the identity of the Whistle Blower is maintained.
- c) Opportunity of being heard is provided to the Subject of Protected Disclosure.
- d) Evidence of Protected Disclosure is not concealed and appropriate action including disciplinary action is taken in case anyone destroys or conceals evidence of the Protected Disclosure made or to be made.

6. Role of Whistle Blower

- a) The Whistle Blower is not required to conduct any investigation on his own.
- b) The Whistle Blower does not have any right to participate in the investigation.
- c) Protected Disclosure will be appropriately dealt with by the Competent Authority.
- d) The Whistle Blower shall have a right to be informed of the disposition of his disclosure except for overriding legal or other reasons.

7. Disqualifications

- a) Genuine Whistle Blowers will be accorded protection from any kind of unfair treatment / victimization. However, any abuse of this protection will warrant disciplinary action.

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- b) Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c) Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala-fide, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this policy and the Audit Committee may take suitable action against such persons including reprimand.

8. Procedure

- a) The Protected Disclosure should be attached to a letter bearing the identity of the Whistle Blower i.e. Name, Employee Number and Location, and should be in a closed / secured / sealed envelope addressed to the Competent Authority which should be super-scribed "Protected Disclosure".
- b) If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, directly or indirectly or the Protected Disclosure directly or indirectly relates to the Competent Authority, he may send his Protected Disclosure directly to the Audit Committee of the Board of Directors of the Company.
- c) Anonymous or pseudonymous Protected Disclosure shall not be entertained.
- d) Protected Disclosure should either be typed or written in legible hand writing in English or Hindi, and should provide a clear understanding of the Improper Activity involved or issue / concern raised/sought to be raised by the Whistle Blower. It must contain as much relevant information as possible and should help in initial assessment and investigation.
- e) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

9. Investigation

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Competent Authority or the Audit Committee, as applicable, in accordance with the normal procedure. The Competent Authority or the Audit Committee may at its discretion, consider taking assistance of any Employee, director, third party, or external agency for the purpose of investigation.
- b) The decision to conduct an investigation should not be construed as an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the claim/conclusion of the Whistle Blower that an Improper Activity was committed.
- c) The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- d) Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- e) Subjects shall have a duty to co-operate with the Competent Authority or the Audit Committee during the investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

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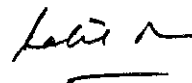
- f) Subjects have a right to consult with a person or persons of their choice, except the Competent Authority, Audit Committee, other persons involved in the investigation and Whistle Blower. This may involve representation including legal representation. Subjects shall be free at any time to engage a counsel at their own cost to represent them in the investigation proceedings.
- g) Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed, or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects. If he/she is found indulging in any such actions they will make themselves liable for disciplinary actions. Under no circumstances, Subjects should compel Competent Authority to disclose the identity of the Whistle Blower.
- h) Subjects have a right to be informed of the outcome of the investigation.
- i) The investigation shall be completed normally within 45 days of the date of receipt of the Protected Disclosure or such extended period as the Competent Authority may permit for reasons to be recorded.

10. Protection

- a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle Blowers.
- b) Complete protection will be given to the Whistle Blowers against any unfair practice. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure etc.
- c) The Whistle Blower shall be protected from any retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- d) Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

11. Decision

If an investigation leads the Competent Authority to conclude that an Improper Activity has been committed, the Competent Authority shall recommend to the management of the Company to take such disciplinary or corrective action as they deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.



12. Reporting

A quarterly report with number of complaints received under the policy, investigation conducted and their outcome shall be placed by the Competent Authority before the Audit Committee.

The Audit Committee shall have power to review any action or decision taken by the Competent Authority.

13. Access to the Chairman of the Audit Committee

The Whistle Blower shall always have right to access the Chairman of the Audit Committee as the Competent Authority is none other than the Chairman of the Audit Committee.

14. Confidentiality

All concerns and issues raised under this Policy shall be treated in a confidential manner except to the extent (i) necessary to conduct a complete, fair and effective investigation and (ii) required to be disclosed for legal or compliance reasons.

The Whistle Blower, the Subject, Competent Authority, Members of Audit Committee, Investigators and everyone involved in the process shall maintain complete confidentiality/ secrecy of the matter. Non-adherence of confidentiality is liable to invite disciplinary action as the Board may consider appropriate.

15. Retention of documents

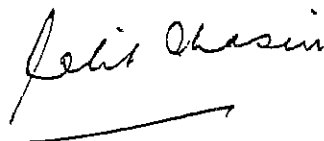
All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

16. Administration and Review of the Policy

The Board of Directors shall be responsible for the interpretation, application, administration and review of this policy. The Board is empowered to bring about necessary changes to this Policy, as and when required, with the concurrence of the Audit Committee.

17. Amendments to the Policy

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Any amendment to the policy shall take effect from the date when approved by the Board of Directors of the Company and hosted on the Company's website.





Independent Auditor's Report

To the Members of Leading Hotels Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Leading Hotels Limited ("the Company"), which comprises the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Subject to the following, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements provides the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

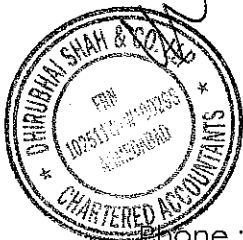
Basis for Qualified Opinion

- 1. Attention is invited to Note No. 29.2 for non-provision of interest liability amounting to Rs. 17.67 Crore by the Company, relating to Inter Corporate Deposits and other financial commitments. The non-provisioning of interest has resulted in understatement of CWIP to the extent of Rs. 17.67 Crore.*

Material Uncertainty Regarding Going Concern:

- 1. We draw attention to Note 29.2 to the financial statements of the Company. On account of ongoing litigations at various regulatory forums which are sub judice at this point in time and has resulted in substantial delay in the development of villa, hotel complex and a 18 hole, 72 par championship golf course. This has resulted in shortage of funds whereby the Company has also defaulted in interest repayment obligations for January 2020 & February 2020 with respect to Bank Loans amounting to Rs. 2.56 Crore. The financial statements indicate net current liabilities of the Company at Rs. 144.91 Crore as on the balance sheet date.*

Further, the current Covid-19 pandemic scenario has severely affected the future prospects of the Hospitality sector which casts significant doubts with respect to the



company's ability to meet its existing financial obligations as well as the continuation of the project itself.

However, as informed to us by the management, the Company is in the process of mobilising the required funds and has received a non-binding offer from a potential investor on 20th July 2020 (subject to fulfilment of certain conditions precedents). Further, the Company has also been able to get sanction of credit facility from a NBFC amounting to Rs. 75 Crores which will enable the Company to revive development of the project and meet the remaining financial obligations.

The measures above are contingent upon approval of lenders and fulfilment of the condition precedents, which are not wholly under the control of the Company. The Company's ability to continue as a going concern largely is dependent on the successful outcome(s) of the above mentioned fund raising plans.

As stated in the note, the management is confident of obtaining required approvals from the lenders and fulfilment of the condition precedents. The management is also confident of infusing additional funds in the Company by way of credit line drawn from NBFC to meet Company's financial obligations and thereby continuing project development. Having regard to the aforesaid, the standalone financial statements presently have been prepared on the basis that the Company will continue as a going concern and hence no adjustments have been made to the classification of the assets and liabilities and its carrying values. Our opinion is not modified in respect of this matter.

Emphasis of Matter

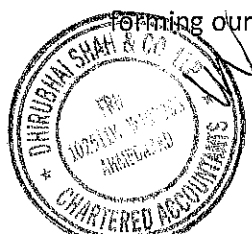
Uncertainty related to outcome of contingent liabilities:

Refer Note 24.1-(i) to the standalone financial statements which, describe the uncertainty related to the outcome of certain disputes and law-suits filed against the company. The impact (if any) of these disputes/law-suits on the standalone financial statements of the Company could not be ascertained. Our opinion is not modified in respect of this matter.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules hereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have

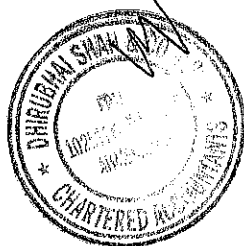


determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Response to Key Audit Matter
<p>A. Evaluation of uncertain tax matters</p> <p>The Company has a material uncertain income tax outstandings w.r.t AY 2016-17. The matter is presently disputed and is being contested in appeal. As required the Company has deposited part of the tax demand and the matter is now pending for disposal by the Appellate Authority.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following audit procedures:</p> <ol style="list-style-type: none"> 1. Obtained details of assessment notice / order. 2. Obtained necessary details from the tax consultant regarding on going tax litigations 3. Verified whether the Company has taken appropriate steps to defend itself before the appellate authorities and has filed necessary appeal as per the prescribed process within the given timelines.
<p>B. Non-Payment/belated payment of Interest to Bankers / Lenders</p> <p>Company has not paid/paid belatedly interest amount to Bankers / Lenders.</p> <p>Payment of interest to Bankers / Lenders in time reflects on the health of the company apart from the need for us to report on such issues to the members.</p> <p>We have, therefore, considered payment of interest to Bankers / Lenders' dues as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>We have performed the following audit procedures.</p> <ol style="list-style-type: none"> 1. Obtained details of interest payments to be made by company on term loan and inter-corporate & other deposits. 2. Evaluated the existence of internal controls relating to compliance with interest payments with Bankers / Lenders. 3. Verified that whether company has been regular in payment of interest dues.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company 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 Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

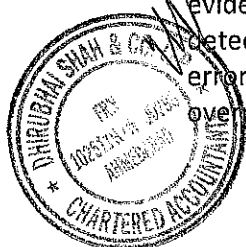
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

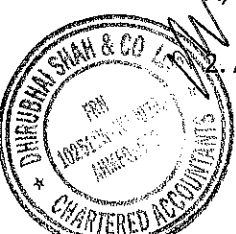
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. 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 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 Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. In our opinion and based on the consideration of reports of, the managerial remuneration for the year ended 31st March 2020 has been paid / provided by the Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- 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, 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, wherever necessary, of pending litigations on its financial position in its standalone financial statements - Refer Note 24.1 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including 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.

For Dhirubhai Shah & Co LLP

Chartered Accountants

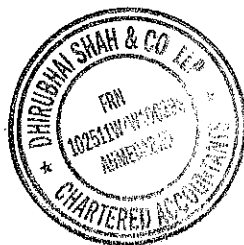
Firm's registration number: 102511W/W100298


Kaushik D Shah

Partner

Membership number: 016502

UDIN: 20016502AAAAAK3582



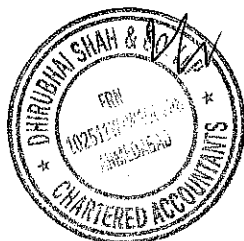
Place: Ahmedabad

Date: 10th August, 2020

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Leading Hotels Limited ("the Company") on the standalone financial statements for the year ended March 31, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanation given to us, physical verification of fixed assets has been carried out in terms of the phased program of verification adopted by the company and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of company.
- ii. As the Company does not hold any inventory, paragraph 3(iii) of the Order is not applicable.
- iii. As per the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus paragraphs 3(iii) (a) & (b) of the Order are not applicable.
- iv. In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the companies Act, 2013 with respect to the loans and investments made.
- v. As per the information and explanation given to us, the company has not accepted any deposits. Thus paragraph 3(v) of the Order is not applicable.
- vi. To the best of our knowledge and according to the explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company is generally not regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, GST, cess and other material statutory dues with appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, GST, value added tax, cess and other material statutory dues were in arrears as on 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no material dues of sales tax, service tax, duty of customs, duty of excise, value added tax, GST and cess which have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2020. Following are the dues relating to Income Tax which are not deposited on account of dispute:

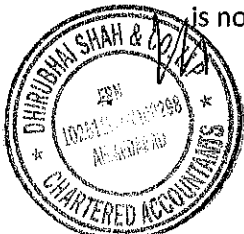
Assessment Year	Demand Amount (in Rs.)	Amount Paid under Dispute (in Rs.)	Unpaid Amount under Dispute (in Rs.)
2016-17	14,03,34,724	50,01,000	13,53,33,724

- viii. Based on our audit procedures the information and explanations given by the management, we are of the opinion that, *except for the summary given below*, the company has generally not defaulted in repayment of loans or borrowings to any financial institution, banks and government. There are no debenture holders of the company.

Summary of defaults made during the year:

Bank	Amount Due	Nature	Due Date
Yes Bank	Rs. 2,56,58,456	Interest on loan	01.02.2020, 01.03.2020

- ix. According to the information and explanations given to us, the company has not raised any moneys by way of initial public offer or further public offer. The term loans raised during the year have been applied for the purposes for which they were raised.
- x. According to the information and explanation given to us, no material fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.



- xiii. According to the information and explanation given to us, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- xv. According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Dhirubhai Shah & Co LLP
Chartered Accountants
Firm Registration No.: 102511W / W100298



Kaushik D Shah
Partner
Membership number: 016502
UDIN: 20016502AAAAAK3582



Place: Ahmedabad
Date: 10th August, 2020

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Leading Hotels Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dhirubhai Shah & Co LLP

Chartered Accountants

Firm Registration No.: 102511W / W100298



Kaushik D Shah

Partner

Membership number: 016502

UDIN: 20016502AAAAAK3582



Place: Ahmedabad

Date: 10th August, 2020

LEADING HOTELS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2020
CIN: U55101DL2005PLC143141

(Amount in Rs)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,290,121,668	1,293,680,495
Capital work-in-progress	3	2,773,742,719	2,549,137,247
Financial assets			
Other financial assets	4	89,359	168,190
Other non-current assets	5	1,954,847	1,902,347
Total Non-current assets		4,065,908,593	3,844,888,279
Current assets			
Financial assets			
Cash and cash equivalents	6	428,970	1,135,173
Other financial assets	7	2,712,954	3,071,265
Current tax assets	8	5,064,563	5,041,981
Other current assets	9	23,785,622	23,380,938
Total Current assets		31,992,109	32,629,357
TOTAL ASSETS		4,097,900,702	3,877,517,636
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	208,769,290	208,769,290
Other equity	11	766,471,881	768,065,730
Total Equity		975,241,171	976,835,020
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	1,428,835,088	1,450,733,669
Provisions	13	42,563	1,049,486
Other non-current liabilities	14	212,655,816	212,655,816
Total Non-current liabilities		1,641,533,467	1,664,438,971
Current liabilities			
Financial liabilities			
Borrowings	15	1,369,832,140	1,148,155,756
Trade payables	16	10,795,066	10,479,382
Other financial liabilities	17	99,650,632	76,235,102
Other current liabilities	18	848,226	1,359,734
Provisions	19	-	13,671
Total Current liabilities		1,481,126,064	1,236,243,645
TOTAL EQUITY AND LIABILITIES		4,097,900,702	3,877,517,636

Corporate information and significant accounting policies 1

The accompanying notes 1 to 29 are an integral part of the Financial Statements

"As per our report attached"

For **DHIRUBHAI SHAH & CO LLP**
Chartered Accountants
Firm Registration No. 102511W / W100298

KAUSHIK D SHAH
Partner
Membership No. 016502



Place: Ahmedabad
Date: 10 AUG 2020

For and on behalf of the Board of Directors
LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

SHIV KUMAR JATIA
(Managing Director)
DIN: 00006187
Priya Sethi
PRIYA SETHI
(Chief Financial Officer)

DR. LALIT BHASIN
(Chairman of the Board and Audit Committee)
DIN: 00001607
Tanya Agarwal
TANYA AGARWAL
(Company Secretary)
Membership No. ACS57841

LEADING HOTELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020
CIN: U55101DL2005PLC143141

(Amount in Rs)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Other Income	20	1,270,259	514,883
Total income		1,270,259	514,883
Expenses			
Employee benefits expense	21	583,122	2,988,423
Finance costs	22	599,705	1,179,798
Administrative & other expenses	23	1,681,280	3,946,137
Total Expenses		2,864,108	8,114,358
Profit/(Loss) before tax		(1,593,849)	(7,599,475)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		(1,593,849)	(7,599,475)
Other comprehensive Income			
Re-measurement gains/ (losses) on post employment benefit plans		-	42,157
Other comprehensive Income		-	42,157
Total comprehensive Income for the year		(1,593,849)	(7,557,318)
Significant accounting policies	1		
Expenditure during construction year (net)	3		
Earnings Per Equity Share (face value of Rs. 10 per share)			
Basic		(0.08)	(0.36)
Diluted		(0.08)	(0.36)

Corporate information and significant accounting policies

The accompanying notes 1 to 29 are an integral part of the Financial Statements

"As per our report attached"

For DHIRUBHAI SHAH & CO LLP

Chartered Accountants

Firm Registration No. 102511W / W100298

For and on behalf of the Board of Directors

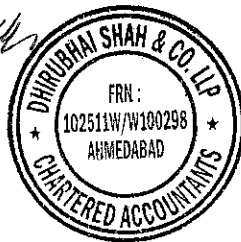
LEADING HOTELS LIMITED

CIN No.: U55101DL2005PLC143141

KAUSHIK D SHAH

Partner

Membership No. 016502



Shiv Kumar Jatia

SHIV KUMAR JATIA
(Managing Director)

DIN: 00006187

Lalit Bhasin

DR. LALIT BHASIN
(Chairman of the Board and
Audit Committee)

DIN: 00001607

Priya Sethi

PRIYA SETHI
(Chief Financial Officer)

Tanya Agarwal

TANYA AGARWAL
(Company Secretary)
Membership No. ACS57841

Place: Ahmedabad

Date: 10 AUG 2020

LEADING HOTELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020
CIN: U55101DL2005PLC143141

(Amount in Rs)

	Note	For the year ended 31 March 2020	For the year Ended 31 March 2019
A Cash flow from operating activities :			
Net Loss as per Statement of Profit & Loss		(1,593,849)	(7,599,475)
Adjustments for :			
Depreciation / Amortization		-	-
Interest expense		444,546	1,165,341
Interest Income		(340,188)	(500,237)
Gain on disposal of property, plant and equipment		-	-
Other Adjustments		(90,523)	(40,688)
Provision for gratuity		(916,400)	306,767
Sundry balance written back		-	-
Operating profit before working capital changes		(2,496,414)	(6,668,292)
Other financial assets and other assets		9,876	(6,815,736)
Other financial liabilities, other liabilities and provisions		11,242,517	(2,916,894)
Cash generated/(used) from operations		8,755,979	(16,400,922)
Income Taxes paid / (Refund)		-	-
Net Cash flow from Operating Activities		8,755,979	(16,400,922)
B Cash flow from Investing activities			
Loans and advances (given) (net)		(52,500)	21,289
Purchase of property, plant and equipment		(42,490)	(209,352)
Sale proceeds of property, plant and equipment		78,033	-
Capital work-in-progress		(221,082,188)	(269,961,404)
Interest received		340,188	500,237
Net Cash from Investing Activities		(220,758,957)	(269,649,229)
C Cash flow from Financing Activities			
Proceeds from borrowings		211,741,320	266,971,836
Interest paid		(444,546)	(1,165,341)
Net Cash from Financing Activities		211,296,774	265,806,495
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(706,204)	(20,243,656)
Cash and cash equivalents at the beginning of the year		1,135,173	21,378,829
Cash and cash equivalents at the end of the year		428,970	1,135,173

Corporate information and significant accounting policies

1

The accompanying notes 1 to 29 are an integral part of the Financial Statements

"As per our report attached"

For **DHIRUBHAI SHAH & CO LLP**
Chartered Accountants
Firm Registration No. 102511W / W100298

For and on behalf of the Board of Directors
LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

KAUSHIK D SHAH
Partner

Membership No. 016502



SHIV KUMAR JATIA
(Managing Director)

DIN: 00006187

DR. LALIT BHASIN
(Chairman of the Board and Audit Committee)

DIN: 00001607

Priya Sethi
PRIYA SETHI
(Chief Financial Officer)

Tanya Agarwal
TANYA AGARWAL
(Company Secretary)
Membership No. ACS57841

Place: Ahmedabad

Date: **10 AUG 2020**

LEADING HOTELS LIMITED
CIN: U55101DL2005PLC143141

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2020

(Amount in Rs)

Balance as at 1 April 2019	Changes in equity share capital during the year	Balance as at 31 March 2020
208,769,290	-	208,769,290

(B) Other equity

For the year ended 31 March 2020

(Amount in Rs)

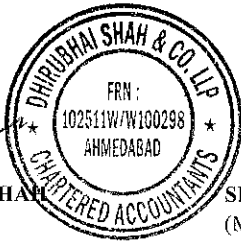
Particulars	Reserves & Surplus			Total
	Securities Premium Reserve	Retained Earnings	Fair Value through other Comprehensive Income [FVTOCI] Reserve	
Balance as at 1 April 2019	833,077,160	(65,239,195)	227,765	768,065,730
Profit for the year	-	(1,593,849)		(1,593,849)
Transfer from/to Other Comprehensive income/(loss) for the Year:				
Remeasurements gain/(loss) on defined benefit plan	-	-	-	-
Balance as at 31 March 2020	833,077,160	(66,833,044)	227,765	766,471,881

"As per our report attached"

For **DHIRUBHAI SHAH & CO LLP**
Chartered Accountants

For and on behalf of the Board of Directors
LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

KAUSHIK D SHAH
Partner
Membership No. 016502



SHIV KUMAR JATIA
(Managing Director)
DIN: 00006187

DR. LALIT BHASIN
(Chairman of the Board and Audit Committee)
DIN: 00001607

Place: Ahmedabad
Date:

10 AUG 2020

PRIYA SETHI
(Chief Financial Officer)

TANYA AGARWAL
(Company Secretary)
Membership No. ACS57841

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

Note: 1 Corporate Information and Significant accounting policies

1.1 Corporate Information

Leading Hotels Limited (the "Company") is a Company domiciled in India and limited by shares (CIN No. U55101DL2005PLC143141). The registered office of the company is situated at No. 131, First Floor, Ansal Chamber-II, 6 Bhikaiji Cama Place, New Delhi-110066. The company was incorporated on December 01, 2005 and is engaged in the business of hospitality services. The Company is presently developing an all villa hotel complex and an 18 hole, 72 par championship golf course.

Significant Accounting Policies

1.2 Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hither to in use.

1.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions. These estimates and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates include provisions for doubtful debts, provision for income taxes and the useful lives of fixed assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Revenue recognition

Income is recognized over the period in which such services are performed, provided, no significant obligations remain at the end of the period and collection of resulting receivables is reasonably certain.

The expenses are recognized as and when they accrue.

1.5 Property, Plant & Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

1.6 Depreciation and amortization

Depreciation on items of Property, Plant and Equipment is provided on the Straight Line method over the useful lives of Assets estimated by the Management. Depreciation for assets purchased/ sold during a period is proportionately charged. The Management estimates the useful lives are as follows:

	%	Useful Lives
- Furniture & Fixtures	9.50%	10 years
- Vehicles	11.88%	08 years
- Vehicles (two wheelers)	9.50%	10 years
- Office Equipments	19.00%	05 years
- Computers	31.67%	03 years



Depreciation on Leasehold Improvements is being charged equally over the period of lease.

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

1.8 Capital work-in-progress

Administration and general overhead expenses attributable to construction of items of Property, Plant and Equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis to the cost of the related assets.

1.9 Employee's benefits

Short term employee benefits

All employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Post employment benefits

Defined contribution plans

Provident fund is a defined contribution plan. The Company expenses its contributions towards provident fund, which are deposited with the Regional Provident Fund Commissioner.

Defined benefit plans

Gratuity is a defined benefits plan. The present value of obligations under defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs.

Other long-term benefits

Benefits under the Company's compensated absences scheme constitute other employee benefit. The liability in respect of compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

1.10 Foreign exchange transactions

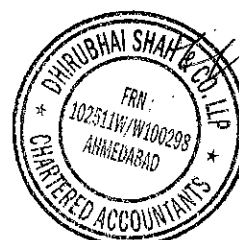
Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. Exchange differences arising on revenue transactions due to the differences in the exchange rate between the transaction date and the date of settlement of any monetary items, are taken to the Statement of Profit and Loss.

Monetary assets and monetary liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet and resultant gain/ loss, if any, is taken to the Statement of Profit and Loss in the period in which they arise.

1.11 Income Taxes

Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. However, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.



LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

1.12 Financial instruments

I Non-derivative financial instruments

Financial assets & liabilities

a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent measurement

Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

In addition, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

c) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.13 Impairment

a) Financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability when ever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

b) Non-financial assets

Intangible assets and property, plant and equipment

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.14 Earnings per share

The basic earnings per share are computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed using the weighted average number of equity and dilutive equivalent equity shares outstanding during the year, except where the results would be anti-dilutive.



LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

1.15 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period to which they relate.

1.16 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

1.17 Leases

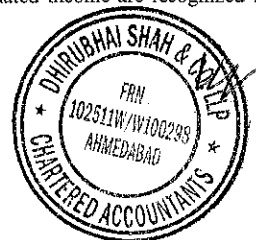
Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, which ever is lower. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

1.18 Segment Reporting

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

1.19 Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company does not recognize assets which are of contingent nature. However, if it has become virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the financial statements of the period in which the change occurs.



LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

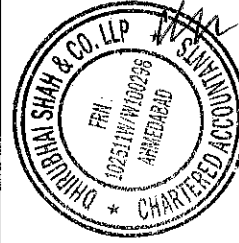
Notes to the financial statements for the year ended 31 March 2020

Property, Plant and Equipment

2 Changes in the carrying value of property, plant and equipment for the year ended March 31, 2020:

(Amount in Rs)

Asset description	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK			
	As at 01 April 2019	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2020	Upto 31 March 2019	For the year	On deletions/ adjustments	Upto 31 March 2020	As at 31 March 2020	As at 31 March 2019
Land	1,282,953,255	42,490	-	1,282,995,745	-	-	-	-	1,282,995,745	1,282,953,255
Leasehold improvements	3,744,225	-	-	3,744,225	3,387,634	356,591	-	3,744,225	-	356,591
Furniture and fixtures	809,437	-	88,188	721,249	437,863	76,689	47,971	466,580	254,669	371,574
Vehicles	26,452,886	-	-	26,452,886	17,227,209	2,772,589	-	19,999,798	6,453,088	9,225,677
Office equipments	2,224,889	-	562,320	1,662,569	1,680,329	213,705	525,324	1,368,711	293,858	544,560
Computers	1,193,751	-	16,400	1,177,351	964,913	103,710	15,580	1,053,043	124,308	228,838
Total	1,317,378,443	42,490	666,908	1,316,754,025	23,697,948	3,523,284	588,875	26,632,357	1,290,121,668	1,293,680,495
Previous Year	1,317,169,091	209,352	-	1,317,378,443	19,458,270	4,239,678	-	23,697,948	1,293,680,495	1,297,710,821



LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

3 Capital work in progress

(Amount in Rs)

Particulars	As at	As at
	31 March 2020	31 March 2019
Opening Balance	2,549,137,247	2,274,936,165
Add : during the year		
Travelling	133,603	1,086,016
Interest on loan	211,957,060	222,833,994
Loan processing and syndication expenses	1,787,711	3,107,145
Project development (excluding sample villa expenditure)	1,558,897	11,668,358
Communication	95,498	214,416
Entertainment	8,615	9,514
Printing and stationary	39,645	58,892
Security	1,288,560	1,357,032
Staff welfare	314,447	442,708
Repair and maintenance		
- Office equipments	10,800	8,601
- Others	69,963	6,166
Rent	862,449	1,488,283
Salary and wages	24,756	23,101,795
Gratuity	-	310,477
Sitting Fee	370,000	190,000
Site office running expenses	2,580,339	3,021,245
Depreciation	3,523,284	4,239,678
Sample Villa development expenditure	-	1,060,478
	<u>2,773,762,874</u>	<u>2,549,140,965</u>
Less: Interest on security deposits (Ind As) A/c	20,155	3,718
	<u>2,773,742,719</u>	<u>2,549,137,247</u>

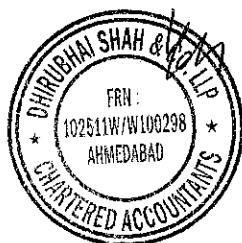
4 Other financial assets

Particulars	As at	As at
	31 March 2020	31 March 2019
Rental deposits*	89,359	168,190
	<u>89,359</u>	<u>168,190</u>

* Rental deposits carried at amortised cost

5 Other non current assets

Particulars	As at	As at
	31 March 2020	31 March 2019
Capital advances		
Unsecured, considered good		
Capital advances	-	-
Securities deposits(unsecured)	1,954,847	1,902,347
	<u>1,954,847</u>	<u>1,902,347</u>



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

6 Cash and cash equivalents

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks		
- On current account	426,222	1,130,521
Cash on hand	2,748	4,652
	<u>428,970</u>	<u>1,135,173</u>

7 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued on		
-Term deposits	274,954	633,265
Other bank balances		
- Bank deposits with original maturity of more than 12 months	2,438,000	2,438,000
	<u>2,712,954</u>	<u>3,071,265</u>

8 Current tax assets

Particulars	As at 31 March 2020	As at 31 March 2019
Advance tax & tax deducted at source	20,143	40,981
Income Tax Paid for AY 2016-17 (in Appeal)	5,044,420	5,001,000
	<u>5,064,563</u>	<u>5,041,981</u>

9 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
Advances other than capital advances		
Advance to vendors	181,256	111,302
Prepaid expenses	480,982	589,634
Balances with GST Dept.(input credit)	23,123,384	22,680,002
	<u>23,785,622</u>	<u>23,380,938</u>



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

10 Equity Share capital

(Amount in Rs)

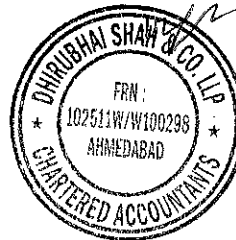
Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
2,50,00,000 (previous year 2,50,00,000) equity shares of Rs.10 each*	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and fully paid up		
2,08,76,929 (previous year 2,08,76,929) equity shares of Rs. 10 each fully paid up*	208,769,290	208,769,290
	<u>208,769,290</u>	<u>208,769,290</u>

* The Company has one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

10 (a) 20,826,929 (previous year 20,826,929) equity shares of Rs. 10 each fully paid up, are held by Lexon Hotel Ventures Ltd which is a subsidiary of Asian Hotels (North) Limited, the ultimate holding company.

10 (b) Shareholders holding more than 5% shares of the Company:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Lexon Hotel Ventures Ltd.	20,826,929	99.76%	20,826,929	99.76%



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

11 Other equity

(Amount in Rs)

Particulars	As at	
	31 March 2020	31 March 2019
Reserve & surplus		
Securities premium reserve	833,077,160	833,077,160
Retained earnings	(66,833,044)	(65,239,195)
Fair Value through Other Comprehensive Income [FVTOCI] Reserve	227,765	227,765
	<u>766,471,881</u>	<u>768,065,730</u>
Reconciliation :		
Retained earnings		
Opening balance	(65,239,195)	(57,639,720)
Add: Profit/ (Loss) for the year	(1,593,849)	(7,599,475)
Gain/ (Loss) arising on changes in fair value	-	-
Closing balance	<u>(66,833,044)</u>	<u>(65,239,195)</u>
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	227,765	185,608
Add: Adjusted from surplus in statement of Profit & Loss		
- Re- measurement gains/(losses) on employee benefit	-	42,157
Closing balance	<u>227,765</u>	<u>227,765</u>

12 Borrowings

Particulars	Non-Current Portion		Current Maturities #	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Term loan				
Secured				
From Bank *	1,428,835,088	1,426,895,013	35,393,258	37,333,333
Vehicle loans				
Secured				
From Bank **	-	402,496	-	909,270
From others **	-	-	-	4,701,285
Other loans				
Secured				
From body corporates ***	-	23,436,161	388,882	10,386,868
	<u>1,428,835,088</u>	<u>1,450,733,669</u>	<u>35,782,140</u>	<u>53,330,756</u>

Notes :

- * Term loan from bank (Yes bank) is secured, at the interest rate of base rate 10.25% plus 0.62% and TL-II & III base rate 10.25% plus 2.40% ,by Mortgage of land and building of Goa Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa project.
- ** Vehicle Loan from bank (Axis bank) carried interest @ 9.51% pa. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- ** Loan from Non-banking financial institutions (Kotak Mahindra Prime Ltd) for acquisition of vehicles carried interest @ 10.69% to 12.976% pa. The loan is repayable in monthly installments along with interest, from the date of loan. The loan is secured by hypothecation of certain vehicles of the company.
- *** Inter Corporate Deposit carries interest rate 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.

I. Current maturities are considered as other current liabilities (refer to note 15)



LEADING HOTELS LIMITED
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Notes to the financial statements for the year ended 31 March 2020

13 Provisions

Particulars	(Amount in Rs)	
	As at 31 March 2020	As at 31 March 2019
Gratuity	-	916,400
Lease equalization reserve	42,563	133,086
	<u>42,563</u>	<u>1,049,486</u>

14 Other non-current liabilities

Particulars	As at	
	31 March 2020	31 March 2019
Advances / securities deposits for platinum golf membership (PGM) in goa project *	212,655,816	212,655,816
	<u>212,655,816</u>	<u>212,655,816</u>

* Advances / refundable securities towards Platinum Golf Membership in the Goa Project.

15 Borrowings

Particulars	As at	
	31 March 2020	31 March 2019
Inter Corporate Deposit repayable on demand		
From other parties*		
-body corporates	1,334,050,000	1,094,825,000
Current maturities of long-term debts (refer to note 12)		
Secured		
Term loan	35,393,258	37,333,333
Secured		
Vehicle loans		
From Bank	-	909,270
From others	-	4,701,285
Secured		
Other loans		
From body corporates	388,882	10,386,868
	<u>1,369,832,140</u>	<u>1,148,155,756</u>

Notes :

* Inter Corporate Deposits (both secured and unsecured) carry interest rate from 12% to 18% p.a.

** The Company has made default in servicing the interest obligation on term loan amounting to Rs. 2,56,58,456/- pertaining to Yes Bank.



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Notes to the financial statements for the year ended 31 March 2020

16 Trade Payables

(Amount in Rs)

Particulars	As at 31 March 2020	As at 31 March 2019
For goods and services	10,741,066	10,479,382
Dues to micro and small enterprises*	54,000	-
	<u>10,795,066</u>	<u>10,479,382</u>

The disclosure pursuant to the said Act is as under:

DISCLOSURE UNDER MSMED ACT, 2006	2019-20 (Rs.)	2018-19 (Rs.)
(a) Principal amount due to suppliers under MSMED Act, 2006	54,000	-
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company

17 Other financial liabilities

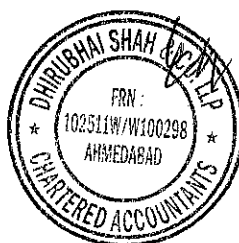
Particulars	As at 31 March 2020	As at 31 March 2019
Interest accrued	59,160,764	47,197,246
Other payables		
Payable to employees	6,389,868	6,936,856
Others	34,100,000	22,101,000
	<u>99,650,632</u>	<u>76,235,102</u>

18 Other current liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Tax deducted at source and other statutory dues	668,226	1,179,734
Payable for Expenses	180,000	180,000
	<u>848,226</u>	<u>1,359,734</u>

19 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Gratuity	-	13,671
	<u>-</u>	<u>13,671</u>

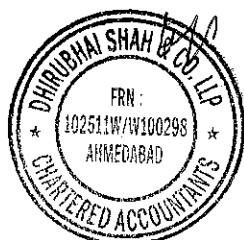


LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020

(Amount in Rs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
20 Other Income		
Interest from		
Income Tax refunds	2,439	33,108
Others	136,312	255,368
Indian banks	201,437	211,761
Foreign exchange Profit (net)	-	8,646
Excess provision written back	930,071	6,000
	1,270,259	514,883
21 Employee benefit expenses		
Salaries and wages	573,600	2,815,313
Staff welfare expenses	9,522	173,110
	583,122	2,988,423
22 Finance cost		
Interest	444,546	1,165,341
Bank charges	155,159	14,457
	599,705	1,179,798
23 Administrative & other expenses		
Advertisement	545	-
Books and periodicals	5,760	-
Rent	50,000	-
Communication	84,579	135,289
Printing and stationery	37,704	136,574
Conveyance	598,493	531,774
Business promotion	15,520	143,632
Legal and professional	349,051	315,630
Loss on sale of fixed assets	50,033	-
Repair and maintenance		
- Office Equipments	1,380	23,614
- Others	36,290	36,185
- Computers	31,212	36,996
Rates and taxes	204,212	66,122
Audit fees	200,000	200,000
Travelling expenses	13,198	553,780
Miscellaneous expenses	3,303	2,096
Security charges	-	1,764,445
	1,681,280	3,946,137



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Notes to the financial statements for the year ended 31 March 2020

24.1 Contingent Liabilities

i. In respect of petitions filed before the NGT

Petitions have been filed before the National Green Tribunal against grant of Coastal Regulation Zone and Private Forest by the competent authorities to the Company's project at Goa, which are being contested by the Company.

Based on legal advice received and outcome of similar cases in past, the management is hopeful of favorable outcome and does not foresee them to have any material impact on the progress of the project of the Company.

ii. In respect of Income Tax Matters

The income tax assessment of the Company for AY 2016-17 was completed u/s 143(3) of the Income Tax Act 1961 in earlier year, wherein additions of Rs.30.56 Crore was made u/s 68 of the said Act in respect of later corporate deposits received by the Company, consequently a demand of Rs. 14.03 Crores, comprising of tax and interest, was raised. The Company has filed appeal before the CIT(A) against the said assessment order and has deposited Rs. 50,01,000 towards the disputed tax demand, which is pending.

24.2 Details in respect of payment to auditors:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
As auditor		
Statutory audit fee*	200,000	200,000
In other capacity		
Other services*	-	-
Total	200,000	200,000

24.3 Earnings per share:

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings / (loss) per equity share is set out below:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Number of shares outstanding at the beginning of the year of face value of Rs. 10 each	20,876,929	20,876,929
Number of shares outstanding at the end of the year of face value of Rs. 10 each	20,876,929	20,876,929
Weighted average number of equity shares outstanding during the year (A)	20,876,929	20,876,929
Profit (Loss) after tax for the year (B)	(1,593,849)	(7,599,475)
Basic earnings per share of face value of Re. 10 Each	(0.08)	(0.36)
Diluted earnings per share of face value of Re. 10 Each	(0.08)	(0.36)

24.4 Deferred Tax

In view of the project under development and absence of foreseeable profits in the near future, deferred tax assets have not been created in the accounts.

24.5 Operating Segments

In the opinion of Management, there is only one operating segment ("Hospitality/Hotel Business") at one location, namely Goa (India) as envisaged by Indian Accounting standard (Ind-AS) 108 "Operating Segments", prescribed by the Companies (Indian Accounting standards) Rules,2016. Accordingly, no separate disclosure for Operating segment is required to be made in the Ind AS financial statements of the Company.

24.6 Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 are presently not applicable to the Company.

24.7 DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS

During the year, the Company has not made any provision for Gratuity and accordingly not performed actuarial valuation as no employee is eligible for Gratuity in term of Provisions of Payment of Gratuity Act 1972.



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

24.8 Related Party Disclosure

(A) Name of Related Parties and description thereof :

1. Holding Company	Lexon Hotel Ventures Ltd – Mauritius
	Fineline Hospitality & Consultancy Pte Ltd – Mauritius
	Asian Hotels (North) Ltd
2. Subsidiaries	Nil
3. Fellow Subsidiaries	Nil
4. Associates	Nil
5. Key Management Personnel	Mr. Shiv Kumar Jatia (Executive)
	Mr. Tapesh Bharat Kumar Goenka (Executive)
	Ms. Anita Thapar (Non-executive)
	Mr. Amritesh Jatia (Non-executive)
	Mr. Lalit Bhasin (Independent Non-executive)
	Mr. Sanjay Banthiya (Independent Non-executive)
	Ms. Nitika Garg (Company secretary)
	Ms. Priya Sethi (Chief Financial Officer)
	Ms. Rabab Zaidi (Company secretary) (Till 01st October, 2019)
	Mr. Ajay Kumar (Chief Financial Officer) (Till 10th April, 2019)

(B) Enterprise over which key management personnel are able to exercise significant influence and with whom transactions have taken place during the year :-

- a). Lexon Hotel Ventures Ltd.
b). Asian Hotels (North) Ltd.

(Amount in Rs)

Related party Name	Balance as on 31.03.2019 (net of TDS)	Service received during the period	Payment made during the period	TDS deducted during the period	Balance as on 31.03.2020 (net of TDS)	Nature of Transactions
Asian Hotels (North) Ltd.	688,935	-	-	-	688,935	Hotel Accommodation Services

Transaction with Key Management Personnel during the year :-

Particulars	31.03.2020	31.03.2019
Director Sitting fee :-		
Ms. Anita Thapar	50,000	30,000
Mr. Sanjay Banthiya	160,000	70,000
Mr. Lalit Bhasin	160,000	90,000
Company Secretary		
Salary Ms. Nitika Garg	24,677	-
Salary Ms. Rabab Zaidi till dt. 01.10.2019	295,505	478,332
Chief Financial Officer		
Salary Ms. Priya Sethi	128,472	-
Salary Mr. Ajay Kumar till dt 10.04.2019	104,976	1,012,350

24.9 Other Information

(a) Expenditure in foreign currency

Particulars	For the Year Ended 31.03.20	For the Year Ended 31.03.19
(i) Fee for Technical and Professional Consultancy	-	Rs. 37,77,359/-
(ii) Travelling Expenses	-	-



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

25.1 Financial Risk Management

The Company's principal financial liabilities comprise loans in domestic currency and inter-corporate deposits. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	31 March 2020	31 March 2019
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	428,970	1,135,173
Other financial assets	2,712,954	3,071,265
Total	3,141,924	4,206,438

(ii) Provision for expected credit losses

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

25.2 Financial Risk Management

Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company always endeavours to manage liquidity risk through banking facilities and inter-corporate borrowings and by continuously monitoring forecast and actual cash flows, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters, pandemics.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2020	31 March 2019
Fixed-rate borrowings		
Term loans	2,535,771,654	2,535,771,654

(ii) Maturities of financial liabilities

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

31 March 2020

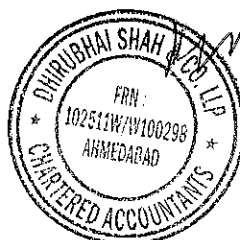
(Amount in Rs)

Contractual maturities of financial liabilities					
	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
Non-derivative financial liabilities					
Rupee Term Loan	35,393,258	73,696,629	297,696,629	1,057,441,829	1,464,228,346
Other secured loan	388,882	-	-	-	388,882
Unsecured loan	1,334,050,000	-	-	-	1,334,050,000
Trade Payables	10,795,066	-	-	-	10,795,066
Payable to employees	6,389,868	-	-	-	6,389,868
Payable for expenses	180,000	-	-	-	180,000
Others	34,100,000	-	-	-	34,100,000
Total	1,421,297,074	73,696,629	297,696,629	1,057,441,829	2,850,132,162

31 March 2019

(Amount in Rs)

Contractual maturities of financial liabilities					
	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
Non-derivative financial liabilities					
Rupee Term Loan	37,333,333	74,666,667	298,666,667	1,053,561,679	1,464,228,346
Other secured loan	15,997,423	12,821,224	11,017,433	-	39,836,080
Unsecured loan	1,116,072,249	-	-	-	1,116,072,249
Trade Payables	10,479,382	-	-	-	10,479,382
Payable to employees	6,936,856	-	-	-	6,936,856
Payable for expenses	180,000	-	-	-	180,000
Others	22,101,000	-	-	-	22,101,000
Total	1,209,100,243	87,487,891	309,684,100	1,053,561,679	2,659,833,913



LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2020

25.3 Financial Risk Management

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises.

25.4 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 12 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

26. Financial Instruments - Accounting Classifications and fair value measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly

Level 3 : techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data

There are no financial assets/liabilities measured at fair value/amortized cost for which Level 1 or Level 2 inputs have been used hence disclosure related to Level 1 or Level 2 inputs are not applicable.

The carrying amounts of short term deposits, trade payables, other current liabilities, employee related liabilities and payable for expenses and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.



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Notes to the financial statements for the year ended 31 March 2020

I. Figures as at March 31, 2019

	Carrying amount As at 31-03-2019	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank Deposits (Non-Current)	2,438,000			
Other Non-Current Financial Assets	633,265			
Trade Receivables	-			
Cash and Cash Equivalents	4,652			
Bank Balances Other than Cash and Cash Equivalents	1,130,521			
Other Current Financial Assets	-			
TOTAL	4,206,438	-	-	-
Financial assets at fair value through profit or loss:				
Security Deposits (Non-Current)	1,902,347			1,902,347
TOTAL	1,902,347	-	-	1,902,347
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	1,450,733,669			
* Level 3 Includes deferment of loan charges on pro-rata basis during the tenure of loan				
Borrowings (Current)	1,148,155,756			
Trade Payables	10,479,382			
Security Deposits (Current)	-			
Other financial liabilities (Current)	76,235,102			
TOTAL	2,685,603,909	-	-	-
Financial liabilities at fair value through profit or loss:				
Security Deposits (Non-Current)				
TOTAL	-	-	-	-

II. Figures as at March 31, 2020

	Carrying amount As at 31-03-2020	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank Deposits (Non-Current)	2,438,000			
Other Non-Current Financial Assets	274,954			
Trade Receivables	-			
Cash and Cash Equivalents	2,748			
Bank Balances Other than Cash and Cash Equivalents	426,222			
Other Current Financial Assets	-			
TOTAL	3,141,924	-	-	-
Financial assets at fair value through profit or loss:				
Security Deposits (Non-Current)	1,954,847			1,954,847
TOTAL	1,954,847	-	-	1,954,847
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	1,428,835,088			
* Level 3 Includes deferment of loan charges on pro-rata basis during the tenure of loan				
Borrowings (Current)	1,369,832,140			
Trade Payables	10,795,066			
Security Deposits (Current)	-			
Other financial liabilities (Current)	99,650,632			
TOTAL	2,909,112,926	-	-	-



LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2020**27. Capital Management**

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

	(Amount in Rs)	
	As at 31 March 2020	As at 31 March 2019
Total liabilities	3,122,659,531	2,900,682,616
Less : Cash and cash equivalent	428,970	1,135,173
Net debt	3,122,230,561	2,899,547,443
Total equity	975,241,171	976,835,020
Net debt to equity ratio	320.15%	296.83%

28. Sensitivity of estimates on provisions

The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the company to compute the possible effect of assumptions and estimates made in recognizing these provisions.

29.1 Status of Business operations

During the year, due to continuing litigation and restricted permissions by the Hon'ble High Court, further development of the Project (development of villa, hotel complex and a 18 hole 72 par championship golf course) could not be carried out, accordingly no further leasing of Golf Membership Villas could be done. This has resulted into a huge cash crunch position for the Company. The Company is defending the Court cases, however regular hearings are not taking place due to current lockdown situation.

29.2 Material uncertainty regarding Going Concern

The Company has defaulted in making interest payments to its bankers amounting to Rs. 256,58,456/- relating to January and February 2020 and has not made provision for interest payable on ICD lenders aggregating to Rs.17,67,04,283/- (which includes interest payable for earlier year Rs.6,58,84,357/-). Further, the net current liabilities as on March 31,2020 stands at Rs. 144,91,33,955/-. The borrowings repayable after 12 months from the balance sheet date have continued to be classified as "non-current" based on the confirmations/repayment schedule received from the bankers.

The Board of Directors have evaluated these conditions time and again and advised the management to take measures to improve the liquidity condition of the Company and follow up with the legal professionals assisting in this ongoing litigation for an early hearing / conclusion of the matter.

The Management is actively working towards this and has received a non-binding offer from a potential investor on 20-07-2020 which envisions infusion of additional equity in the Company. Further the management has also tied up with a NBFC for immediate additional funding which will enable the Company to continue developing the Project and take care of the ongoing financial obligations.

These measures are contingent upon the approval of lenders and fulfilment of the condition precedent and such events are not wholly within the control of the Company. The Company's ability to continue as a going concern is largely dependent on successful outcome of the aforesaid fundraising plans as well as conclusion of ongoing litigations in its favour.

The management is confident of successfully completing the fund-raising plans as well as it anticipates outcome of the ongoing litigation in the favour of the Company. Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern and no adjustments have been made to the carrying value or classification of the assets and liabilities.

For **DHIRUBHAI SHAH & CO LLP**
Chartered Accountants
Firm Registration No. 102511W / W100298

KAUSHIK D SHAH
Partner
Membership No. 016542



SHIV KUMAR JATIA
(Managing Director)
DIN: 00006187

Priya Sethi
PRIYA SETHI
(Chief Financial Officer)

For and on behalf of the Board of Directors
LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

DR. LALIT BHASIN
(Chairman of the Board and Audit Committee)
DIN: 00001607

Tanya Agarwal
TANYA AGARWAL
(Company Secretary)
Membership No. ACS57841

Place: Ahmedabad
Date: 10 AUG 2020