

## **INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

### **TO THE MEMBERS OF LEADING HOTELS LIMITED**

#### **Report on the standalone Ind AS financial statements**

We have audited the accompanying standalone Ind AS financial statements of **Leading Hotels Limited** ("the Company"), which comprises the Balance Sheet as at **March 31, 2017**, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

#### **Management's responsibility for the standalone financial statements**

The Company's Board of Directors is responsible for the matters in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, Cash Flows and changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

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



We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its loss and cash flows and the changes in equity for the year ended on that date.

**Emphasis of Matters:**

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

- i) Note 25.02(a) to the Financial Statement regarding the petitions filed against the grant of costal regulation zone clearances to the Company's project at Goa;
- ii) Note 25.02(b) to the Financial Statement regarding directions of the Hon'ble High Court of Mumbai at Goa in the Public Interest Litigation (PIL) and Writ



petition filed challenging the tenancy free certificates issued for the land acquired by the Company for its project.

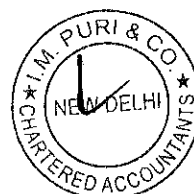
- iii) Note 25.02(c) to the Financial Statement regarding the order of the National Green Tribunal in petitions filed against the grant of Environment clearances (EC) to the Company's project.

The aforesaid matters indicate the existence of legal disputes that may impact the Company's project, the financial implication of which cannot be ascertained.

Our opinion is not modified in respect to these matters.

### **Report on other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor' 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, to the extent applicable.
- 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 appears from our examination of those books;
  - c) the balance Sheet, the statement of profit and loss, and Cash Flow Statement and the statement in changes in equity dealt with by this report are in agreement with books of accounts;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued there under;
  - e) on the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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**"; and



g) 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:

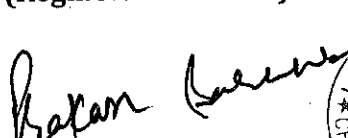
i. Due to the nature and possible effects of the matters described in the Emphasis of matters paragraph, the Company is unable to disclose the impact of pending litigations as at March 31, 2017 on its financial position, in its standalone Ind AS financial statements. - Refer Note 25.02 to the standalone Ind AS financial statements;

ii. the Company does not have any long-term contracts including derivatives contracts as at March 31, 2017 for which there were any material foreseeable losses.

iii. there were no amounts which were required to be transferred to the Investor and Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 25.11 to the standalone Ind AS financial statements.

**For I. M. Puri & Co.**  
**Chartered Accountants**  
**(Regn. No. 006352N)**

  
**Prakash Barnwal**  
**(Partner)**  
**Membership No. 512224**  
**May 27, 2017**  
**New Delhi**



## 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 Ind AS financial statements for the year ended March 31, 2017, 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, *subject to matters described in the Emphasis of matters paragraph*, 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, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company 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, value added tax, cess and other material statutory dues were in arrears as on 31 March 2017 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 and cess which have not been deposited with the appropriate authorities on account of any dispute as at 31<sup>st</sup> March, 2017.

- viii. Based on our audit procedures the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to any financial institution, banks and government. There are no debenture holders of the company.
- 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 Ind AS 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 I.M. Puri & Co.**  
**Chartered Accountants**  
**(Regn. No. 006352N)**

*Prakash Barnwal*

**Prakash Barnwal**  
**(Partner)**  
**Membership No. 512224**  
**May 27, 2017**  
**New Delhi**



## **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 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

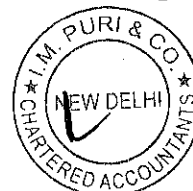
#### **Management's Responsibility for Internal Financial Controls**

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 Ind AS 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 2017, 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 I.M. Puri & Co.  
Chartered Accountants  
(Regn. No. 006352N)

*Prakash Barnwal*

Prakash Barnwal  
(Partner)  
Membership No. 512224  
May 27, 2017  
New Delhi



**LEADING HOTELS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2017**

(Amount in ₹)

Particulars	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	1,302,137,237	1,302,986,836	1,304,421,676
Capital work-in-progress	3	1,864,618,062	1,538,833,990	1,227,793,173
<b>Financial assets</b>				
Other financial assets	4	509,012	502,211	455,697
Other non-current assets	5	68,960,089	75,673,836	17,550,969
<b>Total Non-current assets</b>		<b>3,236,224,400</b>	<b>2,917,996,873</b>	<b>2,550,221,515</b>
<b>Current assets</b>				
<b>Financial assets</b>				
Cash and cash equivalents	6	1,979,830	5,658,405	7,003,171
Other financial assets	7	2,574,751	-	5,247
Current tax assets	8	425,870	-	-
Other current assets	9	35,813,611	34,093,255	2,482,372
<b>Total Current assets</b>		<b>40,794,062</b>	<b>39,751,660</b>	<b>9,490,790</b>
<b>TOTAL ASSETS</b>		<b>3,277,018,462</b>	<b>2,957,748,533</b>	<b>2,559,712,305</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	10	208,769,290	208,769,290	208,769,290
Other equity	11	783,880,127	798,493,048	811,918,384
<b>Total Equity</b>		<b>992,649,417</b>	<b>1,007,262,338</b>	<b>1,020,687,674</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	12	1,407,806,868	1,425,270,151	1,254,044,857
Provisions	13	1,500,042	1,638,025	1,600,942
Other non-current liabilities	14	235,455,816	205,060,818	94,300,000
<b>Total Non-current liabilities</b>		<b>1,644,762,726</b>	<b>1,631,968,994</b>	<b>1,349,945,799</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	15	551,591,730	235,935,598	69,500,000
Trade payables	16	14,672,574	19,766,303	7,635,321
Other financial liabilities	17	68,633,431	58,941,456	107,979,559
Other current liabilities	18	4,679,210	3,869,798	3,963,005
Provisions	19	29,374	4,046	947
<b>Total Current liabilities</b>		<b>639,606,319</b>	<b>318,517,201</b>	<b>189,078,832</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,277,018,462</b>	<b>2,957,748,533</b>	<b>2,559,712,305</b>

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 I.M.Puri & Co.  
Chartered Accountants  
Firm Registration No.: 006352N

**PRAKASH BARNWAL**  
Partner  
Membership No. 512224



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

**SHIV KUMAR JATIA**  
(Managing Director)  
DIN: 00006187

**AJAY KUMAR**  
(Chief Financial Officer)

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

**RABAB ZAIDI**  
(Company Secretary)  
Membership No.: ACS 44111

Place: New Delhi  
Date: 27th May, 2017

**LEADING HOTELS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017**

Particulars	Note	(Amount in ₹)	
		For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Revenue</b>			
Other Income	20	2,769,124	86,843
<b>Total income</b>		<b>2,769,124</b>	<b>86,843</b>
<b>Expenses</b>			
Employee benefits expense	21	6,966,315	2,627,122
Finance costs	22	2,481,037	1,253,246
Administrative & other expenses	23	7,934,693	9,781,412
<b>Total Expenses</b>		<b>17,382,045</b>	<b>13,661,780</b>
<b>Profit before tax</b>		<b>(14,612,921)</b>	<b>(13,574,937)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>(14,612,921)</b>	<b>(13,574,937)</b>
<b>Other comprehensive Income</b>			
		-	-
<b>Total comprehensive Income for the year</b>		<b>(14,612,921)</b>	<b>(13,574,937)</b>
Significant accounting policies			
Expenditure during construction period (net)	3		
<b>Earnings Per Equity Share (face value of Rs. 10 per share)</b>			
Basic		(0.70)	(0.65)
Diluted		(0.70)	(0.65)

**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 L.M.Puri & Co.  
Chartered Accountants  
Firm Registration No.: 006352M

**PRAKASH BARNWAL**  
Partner  
Membership Number : 512224



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

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(Company Secretary)  
Membership No.: ACS 44111

Place: New Delhi  
Date: 27th May, 2017

**LEADING HOTELS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2017**

(Amount in ₹)

	Note	For the year Ended 31 March 2017	For the year Ended 31 March 2016
<b>A Cash flow from operating activities :</b>			
Net Loss as per Statement of Profit & Loss		(14,612,921)	(13,574,937)
<b>Adjustments for :</b>			
Depreciation / Amortization		-	-
Interest expense		2,378,203	1,111,625
Interest Income		(245,372)	(86,843)
Gain on disposal of property, plant and equipment		(2,523,752)	35,438
Other Adjustments		(369,731)	-
Provision for gratuity		231,748	184,169
<b>Operating profit before working capital changes</b>		<b>(15,141,825)</b>	<b>(12,330,548)</b>
Other financial assets and other assets		(4,727,778)	(31,605,635)
Other financial liabilities, other liabilities and provisions		14,504,385	136,977,972
<b>Cash generated/(used) from operations</b>		<b>(5,365,218)</b>	<b>93,041,789</b>
Income Taxes paid / (Refund)		-	-
<b>Net Cash flow from Operating Activities</b>		<b>(5,365,218)</b>	<b>93,041,789</b>
<b>B Cash flow from Investing activities</b>			
Loans and advances (given) (net)		6,713,747	(58,166,866)
Purchase of property, plant and equipment		(4,748,037)	(3,022,621)
Sale proceeds of property, plant and equipment		3,780,000	97,000
Capital work-in-progress		(321,442,684)	(306,715,793)
Interest received		245,372	86,843
<b>Net Cash from Investing Activities</b>		<b>(315,451,602)</b>	<b>(367,721,438)</b>
<b>C Cash flow from Financing Activities</b>			
Proceeds from borrowings		319,516,448	274,446,508
Interest paid		(2,378,203)	(1,111,625)
<b>Net Cash from Financing Activities</b>		<b>317,138,245</b>	<b>273,334,883</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(3,678,575)</b>	<b>(1,344,766)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,658,405</b>	<b>7,003,171</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,979,830</b>	<b>5,658,405</b>

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 I.M.Puri & Co.  
Chartered Accountants  
Firm Registration No.: 006352N



**PRAKASH BARNWAL**  
Partner  
Membership No. 512224

Place: New Delhi  
Date: 27th May, 2017

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

**SHIV KUMAR JATTA**  
(Managing Director)  
DIN: 00006187

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

**RABAB ZAIDI**  
(Company Secretary)  
Membership No.: ACS 44111

LEADING HOTELS LIMITED

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2017

(Amount in ₹)

Balance as at 1 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017
208,769,290	-	208,769,290

For the year ended 31 March 2016

(Amount in ₹)

Balance as at 1 April 2015	Changes in equity share capital during the year	Balance as at 31 March 2016
208,769,290	-	208,769,290

(B) Other equity

For the year ended 31 March, 2017

(Amount in ₹)

	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at 1 April 2016	833,077,160	(34,584,112)	798,493,048
Profit for the year	-	(14,612,921)	(14,612,921)
Share application money received	-	-	-
Less: Shares allotted against share application money	-	-	-
<b>Balance as at 31 March 2017</b>	<b>833,077,160</b>	<b>(49,197,033)</b>	<b>783,880,127</b>

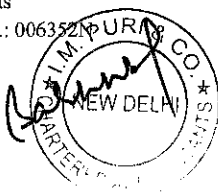
For the year ended 31 March 2016

(Amount in P)

	Reserves & Surplus		Total
	Securities Premium Reserve	Retained Earnings	
Balance as at 1 April 2015	833,077,160	(21,009,175)	812,067,985
Profit for the year	-	(13,574,937)	(13,574,937)
Share application money received	-	-	-
Less: Shares allotted against share application money	-	-	-
<b>Balance as at 31 March 2016</b>	<b>833,077,160</b>	<b>(34,584,112)</b>	<b>798,493,048</b>

"As per our report attached"

For LM.Puri & Co.  
Chartered Accountants  
Firm Registration No.: 006352



*Prakash Barnwal*  
**Prakash BARNWAL**  
Partner  
Membership No. 512224

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

*Shiv Kumar Jatia*  
**SHIV KUMAR JATIA**  
(Managing Director)  
DIN: 00006187

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

*Ajay Kumar*  
**AJAY KUMAR**  
(Chief Financial Officer)

*Rabab Zaidi*  
**RABAB ZAIDI**  
(Company Secretary)  
Membership No.: ACS 44111

Place: New Delhi  
Date: 27th May, 2017

**LEADING HOTELS LIMITED**  
Notes to the financial statements for the year ended 31 March 2017

**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 address of the company is No. 5 E-Block, Local shopping centre, Masjid Moth, Greater Kailash-II, New Delhi-110048. The company incorporated on December 01, 2005 and engaged in the business of hospitality services. The Company is Developing Golf Resort Complex in Goa.

**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).

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards has been applied. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 24.

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 tangible fixed assets 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 for the other fixed assets 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.



## 1.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over the irrespective 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 fixed assets 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.

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## 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 recover ability 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.

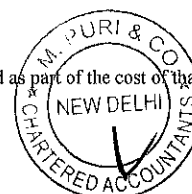
## 1.14 Earnings per share

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.

## 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.

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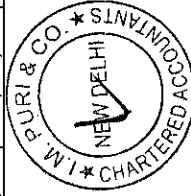
Property, plant and equipment

2 : Changes in the carrying value of property, plant and equipment for the year ended March 31, 2017:

Asset description	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01 April 2016	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2017	Upto 31 March 2016	For the year	On deletions/ adjustments	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
Land	1,283,470,278	654,245	1,256,248	1,282,868,275	-	-	-	-	1,282,868,275	1,283,470,278
Leasehold improvements	3,744,225			3,744,225	1,782,965	534,890		2,317,855	1,426,370	1,961,260
Furniture and fixtures	903,339	26,000		929,339	209,104	93,438		302,542	626,797	694,235
Vehicles	23,232,363	3,850,144		27,082,507	8,014,400	3,107,205		11,121,605	15,960,902	15,217,963
Office equipments	2,499,049	176,648		2,675,697	1,372,582	379,415		1,751,997	923,700	1,126,467
Computers	1,618,844	41,000		1,659,844	1,102,212	226,440		1,328,652	331,192	516,632
<b>Total</b>	<b>1,315,468,098</b>	<b>4,748,037</b>	<b>1,256,248</b>	<b>1,318,959,887</b>	<b>12,481,262</b>	<b>4,341,388</b>	<b>-</b>	<b>16,822,650</b>	<b>1,302,137,237</b>	<b>1,302,986,836</b>

Changes in the carrying value of property, plant and equipment for the year ended March 31, 2016:

Asset description	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK		
	As at 01 April 2015	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2016	Upto 31 March 2015	For the year	On deletions/ adjustments	Upto 31 March 2016	As at 31 March 2016	As at 31 March 2015
Land	1,281,924,758	1,545,520		1,283,470,278	-	-		-	1,283,470,278	1,281,924,758
Leasehold improvements	3,744,225			3,744,225	1,248,075	534,890		1,782,965	1,961,260	2,496,150
Furniture and fixtures	567,809	335,550		903,339	138,260	70,844		209,104	694,235	429,549
Vehicles	23,434,865		202,500	23,232,363	5,223,592	2,860,870	70,062	8,014,400	15,217,963	18,211,271
Office equipments	1,818,791	680,258		2,499,049	728,541	644,040		1,372,582	1,126,467	1,090,250
Computers	1,157,531	461,313		1,618,844	887,833	214,379		1,102,212	516,632	269,698
<b>Total</b>	<b>1,312,647,977</b>	<b>3,022,621</b>	<b>202,500</b>	<b>1,315,468,098</b>	<b>8,226,301</b>	<b>4,325,023</b>	<b>70,062</b>	<b>12,481,262</b>	<b>1,302,986,836</b>	<b>1,304,421,676</b>



*(Signature)*

### 3 Capital work in progress

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Opening Balance</b>	<b>1,538,833,990</b>	1,227,793,173	762,473,329
<b>Add : during the period</b>			
Travelling	10,717,509	12,901,220	13,604,629
Interest on loan	227,899,715	183,797,071	127,011,521
Loan processing fees	6,000	93,031	224,720,000
Project development	41,096,860	101,934,028	78,924,831
Communication	409,448	522,418	476,715
Entertainment	69,936	214,905	116,165
Printing and stationary	675,024	776,744	346,235
Security	5,787,294	9,222,602	2,053,946
Staff welfare	1,080,867	2,262,899	249,212
Repair and maintenance			
- Office equipments	71,686	148,562	78,354
- Others	133,312	1,076,968	260,425
Rent	2,287,598	2,447,371	3,563,809
Salary and wages	12,138,551	10,968,544	4,839,448
Gratuity	257,076	187,268	22,401
Site office running expenses	10,330,646	5,019,815	4,547,304
Depreciation	4,341,388	4,325,023	4,504,850
Site infrastructure expenses	7,428,624	19,097,168	-
	<b>1,863,565,524</b>	1,582,788,810	1,227,793,173
<b>Less : during the year</b>			
Add: Transfer from service tax cenvat ( reversal)	1,052,538		
Less: Transfer to service tax cenvat credit available a/c (current assets)		43,954,820	
	<b>1,864,618,062</b>	<b>1,538,833,990</b>	<b>1,227,793,173</b>

### 4 Other financial assets

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Rental deposits*	509,012	502,211	455,697
	<b>509,012</b>	<b>502,211</b>	<b>455,697</b>

\* Rental deposits carried at amortised cost

### 5 Other non current assets

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Capital advances</b>			
Unsecured, considered good			
Capital advances	67,007,900	68,057,900	17,057,900
	<b>67,007,900</b>	<b>68,057,900</b>	<b>17,057,900</b>
Securities deposits( unsecured)	1,952,189	5,516,189	165,600
Advance tax & tax deducted at source	-	2,099,747	327,469
	<b>68,960,089</b>	<b>75,673,836</b>	<b>17,550,969</b>



6 Cash and cash equivalents

(Amount in 5 )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Balance with banks</b>			
- On current account	1,939,676	5,640,289	6,171,496
<b>Cash on hand</b>	40,154	18,116	831,675
	<u>1,979,830</u>	<u>5,658,405</u>	<u>7,003,171</u>

7 Other financial assets

(Amount in 6 )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Interest accrued on</b>			
-Term deposits	136,751	-	5,247
<b>Other bank balances</b>			
- Bank deposits with original maturity of more than 12 months	2,438,000	-	-
Less: Interest accrued on term deposits	-	-	-
	<u>2,574,751</u>	<u>-</u>	<u>5,247</u>

8 Current tax assets

(Amount in 6 )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance tax & tax deducted at source	425,870	-	-
	<u>425,870</u>	<u>-</u>	<u>-</u>

9 Other current assets

(Amount in 5 )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Security deposits</b>			
Unsecured, considered good	35,397	15,398	54,753
	<u>35,397</u>	<u>15,398</u>	<u>54,753</u>
<b>Advances other than capital advances</b>			
Advance to vendors	2,431,391	2,142,846	2,337,857
Prepaid expenses	595,376	645,971	89,762
Balances with customs excise and other authorities	32,751,447	31,289,040	-
	<u>35,778,214</u>	<u>34,077,857</u>	<u>2,427,619</u>
	<u>35,813,611</u>	<u>34,093,255</u>	<u>2,482,372</u>

*[Handwritten signature]*



**10 Equity Share capital**

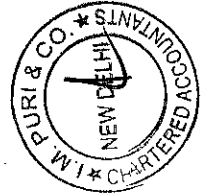
Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares	Number of shares	% holding in the shares
<b>Authorised</b>						
2,50,00,000 (previous year 2,50,00,000) equity shares of Rs. 10 each*		250,000,000		250,000,000		250,000,000
		<u>250,000,000</u>		<u>250,000,000</u>		<u>250,000,000</u>
<b>Issued, subscribed and fully paid up</b>						
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		208,769,290
		<u>208,769,290</u>		<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 being 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 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	% holding in the shares	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%	20,826,929	99.76%



11 Other equity

(Amount in ₹)

Particulars	As at	As at	As at 1 April 2015
	31 March 2017	31 March 2016	
<b>Reserve &amp; surplus</b>			
Securities premium reserve	833,077,160	833,077,160	833,077,160
Retained earnings	(49,197,033)	(34,584,112)	(21,158,776)
	<u>783,880,127</u>	<u>798,493,048</u>	<u>811,918,384</u>
<b>Reconciliation :</b>			
(b) Retained earnings			
Opening balance	(34,584,112)	(21,158,776)	(19,827,445)
Add: Profit/ (Loss) for the year	(14,612,921)	(13,574,937)	-
Gain/ (Loss) arising on changes in fair value	-	149,601	(1,331,330)
Closing balance	<u>(49,197,033)</u>	<u>(34,584,112)</u>	<u>(21,158,776)</u>

12 Borrowings

(Amount in ₹)

Particulars	Non-Current Portion			Current Maturities #		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Term loan</b>						
Secured						
From Bank *	1,386,228,346	1,379,935,461	1,199,144,495	-	-	-
<b>Vehicle loans</b>						
Secured						
From Bank **	2,138,863	-	-	752,346	-	605,024
From others **	3,598,889	11,044,570	7,843,147	7,445,681	8,766,893	2,865,462
<b>Other loans</b>						
Secured						
From body corporates ***	15,840,771	34,290,121	47,057,215	32469033	22,323,229	91,980,395
	<u>1,407,806,868</u>	<u>1,425,270,151</u>	<u>1,254,044,857</u>	<u>40,667,060</u>	<u>31,090,122</u>	<u>95,450,881</u>

Notes :

- \* Term loan from bank (Yes bank) has been secured at the interest rate of base rate 10.75% plus 0.62% i.e. 11.37% by Mortgage of land and building of Goa Hotels Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa hotel project.
- \*\* Loan from bank (Axis bank) for acquisition of Vehicles 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 @ 9.76% to 15.32% 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 15% to 18% p.a. by Mortgage of land of admeasuring 46100 sq. mts.

I. Current maturities are considered as other current liabilities (refer to note 17)

II. There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

*[Handwritten signature]*



**13 Provisions**

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gratuity	709,832	478,084	293,915
Lease equalisation reserve	790,210	1,159,941	1,307,027
Current tax	-	-	-
	<u>1,500,042</u>	<u>1,638,025</u>	<u>1,600,942</u>

**14 Other non-current liabilities**

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances and deposits for platinum golf membership (PGM) in goa project *	235,455,816	205,060,818	94,300,000
	<u>235,455,816</u>	<u>205,060,818</u>	<u>94,300,000</u>

\* Advances received from prospective buyer of Platinum Golf Membership in the Goa Project.

**15 Borrowings**

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Loans repayable on demand</b>			
From other parties*			
-body corporates	551,591,730	235,935,598	69,500,000
	<u>551,591,730</u>	<u>235,935,598</u>	<u>69,500,000</u>

**Notes :**

\* Inter Corporate Deposit carries interest rate from 8% to 18% p.a.

I. There is no continuing default as on the balance sheet date in repayment of loans and interest thereon.

**16 Trade Payables**

(Amount in ₹)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
For goods and services*	14,672,574	19,766,303	7,635,321
	<u>14,672,574</u>	<u>19,766,303</u>	<u>7,635,321</u>

\*As at 31 March 2017 and 31 March 2016, there are no outstanding amounts due to Micro and Small enterprises as certified by the management.





**17 Other financial liabilities**

(Amount in , )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term debts (refer to note 12)	40,667,060	31,090,122	95,450,881
Interest accrued	24,464,941	12,718,280	11,571,905
<b>Other payables</b>			
Payable to employees	1,909,697	1,363,391	700,969
Payable for expenses	417,100	549,548	237,748
Others	1,174,633	13,220,115	18,056
	<u>68,633,431</u>	<u>58,941,456</u>	<u>107,979,559</u>

**18 Other current liabilities**

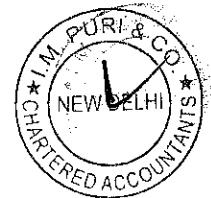
(Amount in , )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Tax deducted at source and other statutory dues	4,679,210	3,869,798	3,963,005
	<u>4,679,210</u>	<u>3,869,798</u>	<u>3,963,005</u>

**19 Provisions**

(Amount in , )

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Gratuity	29,374	4,046	947
	<u>29,374</u>	<u>4,046</u>	<u>947</u>



(Amount in ₹)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>20 Other Income</b>		
<b>Interest from</b>		
Income Tax refunds	93,426	30,204
Indian banks	151,946	56,639
<b>Other non-operating Income</b>		
compensation received for acquisition of land	2,523,752	-
	<u>2,769,124</u>	<u>86,843</u>
<b>21 Employee benefit expenses</b>		
Salaries and wages	6,799,320	2,452,494
Staff welfare expenses	166,995	174,628
	<u>6,966,315</u>	<u>2,627,122</u>
<b>22 Finance cost</b>		
Interest	2,378,203	1,111,625
Bank charges	102,834	141,621
	<u>2,481,037</u>	<u>1,253,246</u>
<b>23 Administrative &amp; other expenses</b>		
Advertisement	1,324,750	1,947,037
Books and periodicals	28,959	16,491
Donation	670,000	1,221,000
Communication	92,211	169,561
Printing and stationery	191,122	333,909
Conveyance	520,524	525,435
Foreign exchange loss (net)	10,642	12,200
Business promotion	1,032,408	2,667,333
Legal and professional	1,495,133	485,392
Loss on sale of fixed assets	-	35,438
Repair and maintenance		
- Office Equipments	15,305	26,669
- Others	36,472	65,541
- Computers	37,807	20,026
Rates and taxes	325,877	903,356
Audit fees	200,000	229,000
Travelling expenses	832,976	266,697
Miscellaneous expenses	42,099	15,134
Sundry balances written off	23,583	-
Security charges	1,054,825	841,193
	<u>7,934,693</u>	<u>9,781,412</u>




## 24. First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2015 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2017, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

## (I) Exemption and exceptions availed on first time adoption of Ind-AS 101

In the Ind AS Opening Balance Sheet as at 1 April 2015, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2015 are generally recognized and measured according to Ind AS in effect as on 31 March 2017. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

## a) Property, plant and equipment &amp; Intangible assets

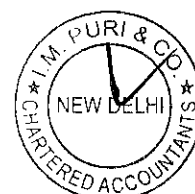
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

## Reconciliation of equity as at 1 April 2015 and as at 31 March 2016, as previously reported under IGAAP to Ind AS

(Amount in ₹)

	Note	1 April 2015			31 March 2016		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	2	1,304,421,676	-	1,304,421,676	1,302,986,836	-	1,302,986,836
Capital work in progress	3	1,227,793,173	-	1,227,793,173	1,538,833,990	-	1,538,833,990
Financial assets							
Other financial assets	4	-	(455,697)	455,697	-	(502,211)	502,211
Other non-current assets	5	18,030,969	480,000	17,550,969	76,197,836	524,000	75,673,836
<b>Total non-current assets</b>		<b>2,550,245,818</b>	<b>24,303</b>	<b>2,550,221,515</b>	<b>2,918,018,662</b>	<b>21,789</b>	<b>2,917,996,873</b>
<b>Current Assets</b>							
Financial assets							
Cash and cash equivalents	6	7,003,171	-	7,003,171	5,658,405	-	5,658,405
Other financial assets	7	5,247	-	5,247	-	-	-
Current tax assets (net)	8	-	-	-	-	-	-
Other current assets	9	2,482,372	-	2,482,372	34,093,255	-	34,093,255
		9,490,790	-	9,490,790	39,751,660	-	39,751,660
<b>Total Assets</b>		<b>2,559,736,609</b>	<b>24,303</b>	<b>2,559,712,305</b>	<b>2,957,770,322</b>	<b>21,789</b>	<b>2,957,748,533</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
Equity share capital	10	208,769,290	-	208,769,290	208,769,290	-	208,769,290
Other equity	11	813,249,715	1,331,330	811,918,384	799,674,778	1,181,730	798,493,048
<b>Total equity</b>		<b>1,022,019,005</b>	<b>1,331,330</b>	<b>1,020,687,674</b>	<b>1,008,444,068</b>	<b>1,181,730</b>	<b>1,007,262,338</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Financial liabilities							
Borrowings	12	1,254,044,857	-	1,254,044,857	1,425,270,151	-	1,425,270,151
Provisions	13	293,915	(1,307,027)	1,600,942	478,084	(1,159,941)	1,638,025
Other non-current liabilities	14	94,300,000	-	94,300,000	205,060,818	-	205,060,818
<b>Total non-current liabilities</b>		<b>1,348,638,772</b>	<b>(1,307,027)</b>	<b>1,349,945,799</b>	<b>1,630,809,053</b>	<b>(1,159,941)</b>	<b>1,631,968,994</b>
<b>Current liabilities</b>							
Financial liabilities							
Borrowings	15	69,500,000	-	69,500,000	235,935,598	-	235,935,598
Trade Payables	16	7,635,321	-	7,635,321	19,766,303	-	19,766,303
Other financial liabilities	17	-	(107,979,559)	107,979,559	-	(58,941,456)	58,941,456
Other current liabilities	18	111,942,564	107,979,559	3,963,005	62,811,254	58,941,456	3,869,798
Provisions	19	947	-	947	4,046	-	4,046
<b>Total current liabilities</b>		<b>189,078,832</b>	<b>-</b>	<b>189,078,832</b>	<b>318,517,201</b>	<b>-</b>	<b>318,517,201</b>
<b>Total equity and liabilities</b>		<b>2,559,736,608</b>	<b>24,303</b>	<b>2,559,712,305</b>	<b>2,957,770,322</b>	<b>21,789</b>	<b>2,957,748,533</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(Amount in k)

	Note	Year ended March 31, 2016		
		IGAAP	Adjustments	Ind AS
<b>INCOME</b>				
Other income	20	86,843	-	86,843
<b>Total Income</b>		<b>86,843</b>	<b>-</b>	<b>86,843</b>
<b>EXPENDITURE</b>				
Employee benefits expense	21	2,627,122	-	2,627,122
Finance costs	22	1,253,246	-	1,253,246
Administration & other expenses	23	9,781,412	-	9,781,412
<b>Total expenses</b>		<b>13,661,780</b>	<b>-</b>	<b>13,661,780</b>
<b>Profit before tax</b>		<b>13,661,780</b>	<b>-</b>	<b>13,661,780</b>
<b>Profit after tax</b>		<b>13,661,780</b>	<b>-</b>	<b>13,661,780</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>13,661,780</b>	<b>-</b>	<b>13,661,780</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to first-time adoption:

24 (a) Disclosure as per Ind AS 17 on 'Leases'

Operating leases

In accordance with Paragraph 33 of Ind AS 17: "Leases" issued by ICAI, the Lease payments under operating lease have been recognised as an expense on a straight-line basis over the lease term. For this purpose, lease agreements containing escalation terms for which the escalation rate is higher than the prevalent inflation rate have only been considered for adjustment purposes under the Ind AS.

(b) Cash flows Statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.



## 25.1 Capital Commitments

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>Commitments :-</b>		
Estimated amount of contracts remaining to be executed and not provided for in the financial statements aggregate	482,698,630	542,086,074

## 25.2 Contingent Liabilities

- a) Petitions have been filed against the grant of coastal regulation Zone clearances to the Company's project at Goa with the National Green Tribunal, which are being contested by the Company.
- b) A Public Interest Litigation (PIL) and Writ petition filed in the High Court of Mumbai at Goa, challenging the tenancy free certificates issued for the land acquired by the Company for its project was disposed off by the Hon'ble High court by directing the Dy. Collector to hold an inquiry into the claims and issue fresh Tenancy free certificates. Till such time, the NOC, & Sanad granted by the relevant authorities have been kept in abeyance. The Company can commence further construction after fresh tenancy free certificates are issued.
- c) In respect to the petitions filed against the grant of Environment clearances (EC) to the Company's project, the National Green Tribunal while disposing off the same, has ordered the concerned authorities to re-appraise the matter, while keeping the EC in abeyance for 4 months.

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

## 25.3 Details in respect of payment to auditors:

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>As auditor</b>		
Statutory audit fee*	200,000	200,000
<b>In other capacity</b>		
Other services*	150,000	-
<b>Total</b>	<b>350,000</b>	<b>200,000</b>

\* Exclusive of service tax.

## 25.4 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 31.03.2017	For the year ended 31.03.2016
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
<b>Profit (Loss) after tax for the year (B)</b>	<b>(14,612,921)</b>	<b>(13,574,937)</b>
<b>Basic earnings per share of face value of Re. 10 Each</b>	<b>(0.70)</b>	<b>(0.65)</b>
<b>Diluted earnings per share of face value of Re. 10 Each</b>	<b>(0.70)</b>	<b>(0.65)</b>

## 25.5 Deferred Tax

In view of the major capital expansion program and absence of foreseeable profits in the near future, deferred tax assets have not been created in the accounts.

## 25.6 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.

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

## 25.8 Employee Benefits

### Defined benefit plans

Gratuity is payable to all eligible employees of the Company on resignation, retirement, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act. The liability for gratuity as at 31 March, 2017 is Rs. 7,39,206/- shown under "Provisions for Gratuity" in the balance sheet.

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan and a detail of the same is given below:



**(a) Economic Assumptions:-**

	2016-2017	2015-2016
(a) Discounting Rate	7.47 P.A.	7.95 P.A.
(b) Salary Growth Rate	7.00 P.A.	7.00 P.A.
(c) Expected Rate of Return on Plan Assets	0.00 P.A.	0.00 P.A.

**(b) Demographic Assumptions:-**

	58 Years	58 Years
(a) Retirement Age		
(b) Mortality Table		IALM (2006-08)
(c) Employee Turnover / Attrition Rate		
18 to 30 Years	2.00%	2.00%
30 to 45 Years	2.00%	2.00%
Above 45 Years	1.00%	1.00%

**(c) Change in present value of obligation:-**

(a) Present value of obligation as at the beginning of the period (01/04/2016)	482130	294862
(b) Acquisition adjustment	---	---
(c) Interest cost	36015	23442
(d) Current service cost	284432	187358
(e) Past service cost	---	---
(f) Benefits paid	---	---
(g) Actuarial (gain)/loss on obligation	(63,371)	(23,532)
(h) Present value of obligation as at the end of period	739206	482130

<b>(d) The amounts to be recognized in balance sheet:-</b>		
(a) Present value of obligation as at the end of the period	739206	482130
(b) Fair value of plan assets as at the end of the period	---	---
(c) Funded status / Difference	(739,206)	(482,130)
(d) Net asset/(liability) recognized in balance sheet	(739,206)	(482,130)

<b>(e) Expense recognized in the statement of profit and loss:-</b>		
(a) Current service cost	284432	187358
(b) Past service cost	---	---
(c) Interest cost	36015	23442
(d) Expected return on plan assets	---	---
(e) Net actuarial (gain)/ loss recognized in the period	(63,371)	(23,532)
(f) Expenses recognized in the Balance Sheet - Pre Operative expenditure	257076	187268



25.9 Related Party Disclosure

(A) Name of Related Parties and description thereof :

<b>1. Holding Company</b>	Lexon Hotel Ventures Ltd – Mauritius Fineline Hospitality & Consultancy Pte Ltd – Mauritius Asian Hotels (North) Ltd
<b>2. Subsidiaries</b>	Nil
<b>3. Fellow Subsidiaries</b>	Nil
<b>4. Associates</b>	Nil
<b>5. Key Management Personnel</b>	Mr. Shiv Kumar Jatia (Executive) Mr. Tapesh Bharat Kumar Goenka (Executive) Mr. Anita Thapar ( Non-executive) Mr. Amrutesh Jatia ( Non-executive) Mr. Lalit Bhasin ( Independent Non-executive) Mr. Sudhir Ramkrishna Vyas (Independent Non-executive) Ms. Anshika Jain (company secretary)

(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 V)

Related party Name	Balance as on 31.03.2016 (net of TDS)	Service received during the period	Payment made during the period	TDS deducted during the period	Balance as on 31.03.2017 (net of TDS)	Nature of Transactions
Asian Hotels (North) Ltd.	1,510,759	2,941,220	4,393,136	58,843	Nil	Hotel Accommodation Services

Transaction with Key Management Personnel during the year :-

Particulars	31.03.2017	31.03.2016
<b>Director Sitting fee :-</b>		
Mr. Amrutesh Jatia	20,000	30,000
Mr. Anita Thapar	40,000	40,000
Mr. Sudhir Ramkrishna Vyas	40,000	10,000
Mr. Kaushik Dhirajlal Shah	-	50,000
Mr. Lalit Bhasin	80,000	80,000
<b>Company secretary</b>		
Salary	396,928	-
<b>Ms. Anshika Jain -</b>		

25.10 Other Information

(a) Expenditure in foreign currency

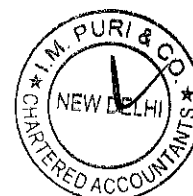
Particulars	For the Year Ended 31.03.17	For the Year Ended 31.03.16
(i) Fee for Technical and Consultancy	Rs. 55,57,776/-	Rs. 4,00,99,544/-
(ii) Travelling Expenses	Rs. 7,19,196/-	Rs. 10,45,631/-

25.11 Disclosure on Specified Bank Notes (SBNs)

Details of specified Bank Notes and other denomination note as per requirements of MCA notification G.S.R. 308(E) dated March 31, 2017 is as below:

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	Nil	Rs. 33,351/-	Rs. 33,351/-
(+) Permitted receipts	Nil	Rs. 2,00,000/-	Rs. 2,00,000/-
(-) Permitted payments	Nil	Rs. 1,48,286/-	Rs. 1,48,286/-
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on December 30, 2016	Nil	Rs. 85,065/-	Rs. 85,065/-

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.



## 26.1 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 2017	31 March 2016	1 April 2015
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>			
Cash and cash equivalent	1,979,830	5,658,405	7,003,171
Other financial assets	2,574,751	-	5,247
<b>Total</b>	<b>4,554,581</b>	<b>5,658,405</b>	<b>7,008,418</b>

#### (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.





## 26.2 Financial Risk Management

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty 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 has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

### (i) Financing arrangements

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

Particulars	31 March 2017	31 March 2016
<b>Fixed-rate borrowings</b>		
Term loans	2,613,771,654	2,620,064,539

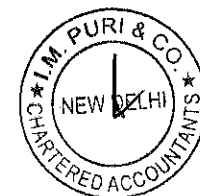
### (ii) Maturities of financial liabilities

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

31 March 2017		(Amount in ₹)				
Contractual maturities of financial liabilities						
	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total	
<b>Non-derivative financial liabilities</b>						
Rupee Term Loan	-		203,000,000	1,183,228,346	1,386,228,346	
Other secured loan	40,667,060	20,150,177	1,428,346		62,245,583	
Trade Payables	14,672,574	-			14,672,574	
Payable to employees	1,909,697	-	-	-	1,909,697	
Payable for expenses	417,100	-			417,100	
Others	1,173,633	-	1,000		1,174,633	
<b>Total</b>	<b>58,840,064</b>	<b>20,150,177</b>	<b>204,429,346</b>	<b>1,183,228,346</b>	<b>1,466,647,933</b>	

31 March 2016		(Amount in ₹)				
Contractual maturities of financial liabilities						
	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total	
<b>Non-derivative financial liabilities</b>						
Rupee Term Loan	-		245,000,000	1,134,935,461	1,379,935,461	
Other secured loan	31,090,122	33,357,468	11,977,223		76,424,813	
Trade Payables	19,766,303	-			19,766,303	
Payable to employees	1,363,391	-			1,363,391	
Payable for expenses	549,548				549,548	
Others	13,219,115		1,000		13,220,115	
<b>Total</b>	<b>65,988,479</b>	<b>33,357,468.00</b>	<b>256,978,223</b>	<b>1,134,935,461.00</b>	<b>1,491,259,631</b>	



## 26.3 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.

### 26.4 Interest rate risk

The Company is exposed to interest rate risk arising from long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

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

### Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year.

Particulars	31-Mar-17		31-Mar-16	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Rupee term loans	13,308,982	(13,308,982)	12,943,251	(12,943,251)

*[Handwritten mark]*



## 27. Fair Value Measurements

### (a) Financial instruments by category

All financial assets and liabilities viz. cash and cash equivalents, rental deposits, other bank balances, interest receivable, trade payables, employee related liabilities and payable for expenses are measured at amortized cost.

### (b) Fair value hierarchy

Fair value of short term deposits, trade payable and other current liabilities, term loans from bank, body corporates and other financial institutions approximate their carrying amounts largely due to the short term maturities of these instruments

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost. The company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

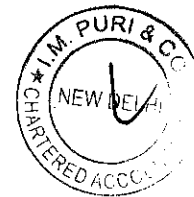
Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

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.



## 28. 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.

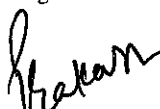
The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting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

	(Amount in y)	
	As at 31 March 2017	As at 31 March 2016
Total liabilities	2,284,369,045	1,950,486,195
Less : Cash and cash equivalent	1,979,830	5,658,405
<b>Net debt</b>	<b>2,282,389,215</b>	<b>1,944,827,790</b>
<b>Total equity</b>	<b>992,649,417</b>	<b>1,007,262,338</b>
<b>Net debt to equity ratio</b>	<b>229.93%</b>	<b>193.08%</b>

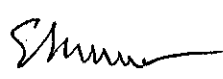
## 29. Sensitivity of estimates on provisions

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.

For I.M.Puri & Co.  
Chartered Accountants  
Firm Registration No.: 006382


  
**PRAKASH BARNWAL**  
Partner  
Membership No. 512224

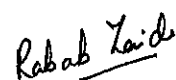


  
**SHIV KUMAR JATIA**  
(Managing Director)  
DIN: 00006187

  
**AJAY KUMAR**  
(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

  
**RABAB ZAIDI**  
(Company Secretary)  
Membership No.: ACS 44111

Place: New Delhi  
Date: 27th May, 2017