



Leela Palaces and Resorts Limited

(Formerly Iskon Estates Private Limited)

CIN: U70101DL2005PLC134480

CORPORATE INFORMATION

Board of Directors

Capt. C. P. Krishnan Nair	Director (upto 17.05.2014)
Mr. Vivek Nair	Director
Mr. Dinesh Nair	Director
Mr. Venu Krishnan	Director (upto 31.07.2014)
Mr. Sachin Shridhar	Director (upto 08.08.2014)
Mr. Krishna Deshika	Director (w.e.f. 11.08.2014)
Mrs. Anna Malhotra	Director (w.e.f. 12.02.2015)

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M/s. Picardo & Co.

Bankers

HDFC Bank Limited

Registered Office

The Leela Palace
Diplomatic Enclave
Chanakyapuri
New Delhi – 110 023

ANNUAL REPORT 2014-15

DIRECTORS' REPORT

Dear Members,

Your Directors present the 10th Annual Report on the business and operations of your Company, together with the audited accounts for the year ended March 31, 2015.

1. Business Overview and Outlook

Indian economy is witnessing signs of return to high-growth trajectory because of lower fiscal deficit, lower inflation and structural policy reforms. However, the impact of it in the tourism sector could take some more time.

The Indian tourism and hospitality industry has emerged as one of the key drivers of growth in India. Tourism sector accounts for around 12.4 per cent of the total employment in the country. The number of foreign tourist arrivals has grown steadily in the last three years and was around 7.46 million during the calendar year 2014 and the domestic demand has also showcased a significant growth. The overall occupancy rates in the country increased marginally in 2014 fiscal year over the previous year. However, the Average Room Rates (ARRs) remained almost flat.

The ARR's are expected to be largely flat while occupancies are estimated to improve marginally during 2014-15.

The outlook for the Indian Hotel Industry is expected to remain subdued in the short term, given the gap between supply and demand and slow economic recovery. However, the recent measures by the Government to drive tourism through several strong policy initiatives such as e-visa is expected to bring stronger demand, supporting the Industry over the medium to long run.

2. State of Affairs of the Company

The Company did not undertake any operations during the financial year 2014-15. During the year, the Company has incurred a loss of ₹ 850,999 as compared to a loss of ₹ 305,934 during the previous year.

The Company has applied to the authorities concerned for various permissions and licenses, including renewal / extension of certain licenses and permissions, which are required for construction and operation of a proposed hotel, on the land owned by the Company in Agra. The hotel will be constructed by the new investor after acquisition of 100% shareholding in the Company from Hotel Leelaventure Limited.

Hotel Leelaventure Limited, the holding company, is in the process of the transferring their entire shareholding in the Company to an Indian / foreign investor for a consideration.

3. Dividend

In view of losses, the directors do not recommend any dividend for the financial year ended 31st March, 2015.

4. Changes in Paid up Capital

In terms of the approval accorded by the shareholders of the Company at the Extra-ordinary General Meeting held on 1st January, 2015, the Company has allotted 17,28,130 fully paid up equity shares of ₹ 10 each, at a price of ₹ 330 per equity share (including premium of ₹ 320 per equity share) aggregating to ₹ 57,02,82,900 to Hotel Leelaventure Limited, the holding company, during the year under review, towards conversion of outstanding loans and advances. With the aforesaid allotment, the paid up share capital of the Company stands increased from ₹ 1,00,00,000 divided into 10,00,000 equity shares of the face value of ₹ 10 each to ₹ 2,72,81,300 divided into 27,28,130 Equity Shares of the face value ₹ 10 each.

5. Changes in Directorate

Capt. C. P. Krishnan Nair, Chairman, passed away on 17th May, 2014, at the age of 92, after a brief illness. We place on record our deep appreciation for the invaluable contributions made by Capt. C. P. Krishnan Nair to the Company during the tenure as Chairman of the Company.

Mr. Venu Krishnan, resigned from the Board with effect from 31st July, 2014 and Mr. Sachin Sridhar resigned from the Board with effect from 8th August, 2014, due to other pre-occupations. The Board places on record the valuable contributions rendered by them during their tenure with the Company.

Mr. Krishna Deshika joined the Board with effect from 11th August, 2014 as an Additional Director and his appointment was approved by the members at the last Annual General Meeting held on 22nd September, 2014.

Mrs. Anna Malhotra (Independent Director of Hotel Leelaventure Limited, the Holding Company) joined the Board with effect from 12th February, 2015 as an Additional Director. She has declared that she meets the criteria of independence in terms of Section 149(6) of the Companies Act, 2013.

In accordance with the provisions of the Companies Act, 2013, Mr. Dinesh Nair retires by rotation at the forthcoming Annual General Meeting and has offered himself for re-appointment.

The Board commends their appointment / reappointment by the members at the forthcoming Annual General Meeting.

Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses.

The Board met six (6) times during the financial year 2014-15 viz. on 27th May, 2014, 11th August, 2014, 5th November, 2014, 1st January, 2015, 12th January, 2015 and 12th February, 2015.

6. Statutory Auditors

M/s. Picardo & Co., Chartered Accountants, will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received the consent from the Auditors and confirmation to the effect that they are not disqualified to be appointed as the Auditors of the Company in terms of the provisions of the Companies Act 2013 and rules made thereunder. Accordingly, the Board of Directors has recommended the re-appointment of M/s. Picardo & Co., Chartered Accountants, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

7. Material Changes and Commitment affecting Financial Position of the Company

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2015 and the date of the Directors' report i.e. 27th May, 2015.

8. Employee Remuneration

Since the Company has no employees, disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

Since the Company has no whole-time directors, the disclosure of remuneration of directors in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable.

9. Fixed Deposits

During the year, the Company has not accepted any deposits from the public or from the shareholders.

10. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

As there were no business activities during the financial year, the above disclosures under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

11. Particulars of Loans, Guarantees or investments under Section 186 of the Companies Act, 2013

The Company has neither given any loans and guarantees nor made any investments during the financial year 2014-15.

12. Related Party Transactions

The Company has not entered into any related party transactions, except with Hotel Leelaventure Limited, the holding Company. Suitable disclosures have been made in the notes to the Accounts.

13. Risk Management Policy

The Board of Directors oversees the Risk Management Processes including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting.

14. Corporate Social Responsibility Initiatives

As per Section 135 of Companies Act, 2013, the Company does not fall under the criteria of net worth or turnover for Corporate Social Responsibility spending, hence the same is not applicable to the Company.

15. Extracts of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2015 forms part of this report and is attached.

16. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts for the financial year ending 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the directors had 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 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Acknowledgements

Your directors are grateful for all the help, guidance and support being received from the Central and State Governments and regulatory authorities.

The Directors would like to place on record their appreciation for the continued support and co-operation received from Hotel Leelaventure Limited, the holding company.

On Behalf of the Board of Directors
For Leela Palaces and Resorts Limited

Vivek Nair
Director

Dinesh Nair
Director

Mumbai, 27th May, 2015

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U70101DL2005PLC134480
ii)	Registration Date	29th March, 2005
iii)	Name of the Company	LEELA PALACES AND RESORTS LIMITED
iv)	Category / Sub - Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and Contact details	The Leela Palace, Chanakyapuri, New Delhi - 110023 Tel. 39331234
vi)	Whether listed Company	No
viii)	Name , Address & contact details of Registrar & Transfer Agents 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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	N.A.		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name and address of the Company	CIN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Hotel Leelaventure Limited, The Leela, Sahar, Mumbai - 400059	L55101MH1981PLC024097	Holding	100.000%	2(46)

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

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015			% Change during the year	
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
1	Indian									
(a)	Individuals/ HUF	0	6	6	0.00	0	6	6	0.00	0.00
(b)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Bodies Corporate	999,994	0	999,994	100.00	2,728,124	0	2,728,124	100.00	0.00
(e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Any Others-Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(1):	999,994	6	1,000,000	100.00	2,728,124	6	2,728,130	100.00	0.00
2	Foreign	0	0	0	0.00	0	0	0	0.00	0.00
(a)	NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	999,994	6	1,000,000	100.00	2,728,124	6	2,728,130	100.00	0.00
B	Public shareholding									
1	Institutions									
(a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders		No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015			% Change during the year	
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(b)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
	State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	Non-institutions									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Indian	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
i)	NRI- holdings	0	0	0	0.00	0	0	0	0.00	0.00
ii)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding (B) = (B) (1) + (B) (2)	0	0	0	0.00	0	0	0	0.00	0.00
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	999,994	6	1,000,000	100.00	2,728,124	6	2,728,130	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2014			No. of Shares held at the end of the year 31.03.2015			% change in shareholding 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	Hotel Leelaventure Limited	999,994	100.00	0.00	2,728,124	100.00	0.00	0.00
2	Mr. Vivek Nair - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
3	Mr. Dinesh Nair - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
4	Leela Lace Holdings Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
5	Leela Lace Software Solutions Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
6	Rockfort Estate Developers Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
7	Leela Fashions Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	0.00	1	0.00	0.00	0.00
		1,000,000	100.00	0	2,728,130	100.00	0.00	100.00

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

Sr. No.	Name of shareholder	Shareholding at the beginning end of the year (31.03.2014)		Date of transaction	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (31.03.2015)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Hotel Leelaventure Limited	999,994	100.00	01/04/2014	1,728,130	Conversion into equity	2,728,124	100.00
			0.00	21/11/2014				
2	Capt C. P. Krishnan Nair- Jointly with Hotel Leelaventure Limited	2,728,124	100.00	31/03/2015	-1	Transmitted	0	0.00
		1	0.00	01/04/2014				
3	Mr. Vivek Nair - Jointly with Hotel Leelaventure Limited	0	0.00	31/03/2015	No change	No change	1	0.00
		1	0.00	01/04/2014				
4	Mr. Dinesh Nair -Jointly with Hotel Leelaventure Limited	2	0.00	31/03/2015	No change	No change	1	0.00
		1	0.00	01/04/2014				
5	Leela Lace Holdings Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	01/04/2014	No change	No change	1	0.00
		1	0.00	31/03/2015				
6	Leela Lace Software Solutions Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	01/04/2014	No change	No change	1	0.00
		1	0.00	31/03/2015				
7	Rockfort Estate Developers Private Limited - Jointly with Hotel Leelaventure Limited	1	0.00	01/04/2014	No change	No change	1	0.00
		1	0.00	31/03/2015				
8	Leela Fashions Private Limited - Jointly with Hotel Leelaventure Limited	0	0.00	01/04/2014	1	Transmitted	1	0.00
		1	0.00	31/03/2015				

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulating 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				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity, etc.).	----- N.A.-----			
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulating 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				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity, etc.).	----- N.A.-----			
	At the End of the year (or on the date of separation, if separated during the year)				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		0	0	0
i) Principal Amount	0	556,056,019	0	556,056,019
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)		556,056,019		556,056,019
Change in Indebtedness during the financial year		0	0	0
* Addition	0	0	0	0
* Reduction	0	556,056,019	0	556,056,019
Net Change		0	0	0
Indebtedness at the end of the financial year		0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i + ii + iii)		0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	-----N.A.-----	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify		
5	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board / committee meetings	-----N.A.-----	
	Commission		
	Others, please specify		
	Total (1)		

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
2	Other Non-Executive Directors				Total Amount
	Fee for attending board / committee meetings	-----N.A.-----			
	Commission				
	Others, please specify				
	Total (2)				
	Total (B) = (1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act]				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross salary	-----N.A.-----			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify				
5	Others, please specify				
	Total				

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			-----N.A.-----		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			-----N.A.-----		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			-----N.A.-----		
Punishment					
Compounding					

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEELA PALACES AND RESORTS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Hotel Leela Palaces & Resorts Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, and the Cash Flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 thereunder.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks

of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 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, and the Cash Flow Statement 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 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 March 31st, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) 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 of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting Standards, for material foreseeable losses, if any, on long-term contracts. We have been informed that Company did not have any pending derivative contracts.
 - iii. As per the information and explanation given to us, the Company is not required to transfer any funds to the Investor Education and Protection Fund during the year under review.

For **Picardo & Co.**
Chartered Accountants
Registration No. 107917W

K V Gopalakrishnayya
Partner
Membership No.: 21748

Mumbai, 27th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date]

Clauses (ii), (iii), (iv), (vi), (ix), (x) & (xi) of the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, are not applicable to the Company for the year under review. In respect of other clauses, we report as under:

Clause (i):

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.
- b. As explained to us, all the fixed assets were physically verified by the Management during the year under review, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

Clause (v):

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in terms of the provisions of Sections 73 and 74 of the Act and the rules framed thereunder to the extent notified.

Clause (vii):

- a. Based on the information and explanation furnished to us, the provisions of the Employees' Provident Fund Act, Employees' State Insurance Contribution Act, Sales-Tax, Service Tax, Excise Duty and Cess are not applicable to the Company for the year under review. The Company is regular in depositing the Income-tax liabilities and other applicable statutory dues with the

appropriate authorities during the year under review. There are no undisputed amounts payable in respect of the aforesaid dues which were outstanding as on 31st March 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no disputed Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited with appropriate authorities as on 31st March, 2015 on account of any dispute.

Clause (viii):

The accumulated losses of the Company do not exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

Cause (xii):

To the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have been informed of any such case by the Management.

For **Picardo & Co.**
Chartered Accountants
Registration No. 107917W

K V Gopalakrishnayya
Partner
Membership No.: 21748

Mumbai, 27th May, 2015

BALANCE SHEET as at 31st March, 2015

Particulars	Note No.	Amounts in ₹	
		As at 31st March, 2015	As at 31st March, 2014
1. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	27,281,300	10,000,000
Reserves and Surplus	2.2	545,533,057	(6,617,544)
		572,814,357	3,382,456
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	-	556,056,019
CURRENT LIABILITIES			
Other current Liabilities	2.4	16,854	36,854
TOTAL		572,831,211	559,475,329
2. ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
(i) Tangible assets	2.5	564,951,658	554,951,658
(ii) Capital work-in-progress		4,164,940	4,164,940
		569,116,598	559,116,598
CURRENT ASSETS			
Cash and cash equivalents	2.6	3,714,613	358,731
TOTAL		572,831,211	559,475,329
Significant accounting policies and Notes to Accounts	1 to 3		

As per our report of even date

For and on behalf of the Board of Directors

For PICARDO & CO.
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair
Director

K V Gopalakrishnayya
Partner
Membership Number 21748
Mumbai, 27th May, 2015

Dinesh Nair
Director

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2015

Particulars	Note No.	Amounts in ₹	
		Year ended 31 March, 2015	Year ended 31 March, 2014
1. Revenue			
(a) Revenue from operations		-	-
(b) Other income		-	-
TOTAL REVENUE		-	-
2. EXPENSES			
(a) Finance costs	2.7	4,361	562
(b) Other expenses	2.8	846,638	305,372
TOTAL EXPENSES		850,999	305,934
PROFIT/(LOSS) BEFORE TAX		(850,999)	(305,934)
TAX EXPENSES		-	-
PROFIT/(LOSS) FOR THE PERIOD		(850,999)	(305,934)
Earnings per equity share:			
(Basic & Diluted)		(0.31)	(0.31)
Significant accounting policies and Notes to Accounts	1 to 3		

As per our report of even date

For and on behalf of the Board of Directors

For PICARDO & CO.
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair
Director

K V Gopalakrishnayya
Partner
Membership Number 21748
Mumbai, 27th May, 2015

Dinesh Nair
Director

CASH FLOW STATEMENT for the year ended 31st March, 2015

Amounts in ₹

Particulars	Year ended 31 March, 2015		Year ended 31 March, 2014	
A. CASH FROM OPERATING ACTIVITIES				
Net Profit before Tax and Extraordinary items	(850,999)		(305,934)	
Operating Profit/(Loss) before Working Capital Changes	(850,999)		(305,934)	
Changes in:				
Trade and other payables	(20,000)		20,000	
Other receivable	-		-	
Cash generated from operation	(870,999)		(285,934)	
Income Tax paid (Net)	-		-	
Net Cash flow From Operating activities	(870,999)		(285,934)	
B. CASH FROM INVESTING ACTIVITIES				
Investments in fixed Assets/ in new projects	-		-	
Net Cash flow From investing activities	-		-	
C. CASH FROM FINANCIALS ACTIVITIES				
Unsecured loan received/(paid)	4,226,881		51,909	
Net Cash flow From Financial activities	4,226,881		51,909	
Net Changes in Cash & Cash equivalents	3,355,882		(234,025)	
Cash & cash equivalents in the beginning of the Year	358,731		592,756	
Cash & cash equivalents in the end of the Year	<u>3,714,613</u>		<u>358,731</u>	

As per our report of even date

For and on behalf of the Board of Directors

For **PICARDO & CO.**
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair
Director

K V Gopalakrishnayya
Partner
Membership Number 21748
Mumbai, 27th May, 2015

Dinesh Nair
Director

Notes forming part of the Financial Statements

Note 1 Significant Accounting Policies

a. Convention

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards and provisions of the Companies Act, 2013.

b. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affects the reported balances of assets and liabilities and discloser of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c. Fixed Assets

Fixed assets are stated at cost less depreciation. Cost includes expenses incidental to installation of the assets and attributable borrowing costs.

d. During the year under review the carrying amount of assets are reviewed and entries are passed for impairment of the same.

e. The Company is accounting for the liabilities for income tax in accordance with the Accounting Standard on Accounting for taxes in income (AS-22). In the opinion of the management, the available evidences do not provide virtual certainty regarding absorption /set-off on unabsorbed losses against the Companies future taxable income. Hence the deferred tax assets relatable to the unabsorbed losses have not been recognized in the accounts as measure of prudence, as per the requirement of the said standard.

2. NOTES TO ACCOUNTS

2.1 Share Capital

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Authorised				
Equity shares of ₹ 10 each	2,750,000	27,500,000	1,000,000	10,000,000
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each	2,728,130	27,281,300	1,000,000	10,000,000
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	2,728,130	27,281,300	1,000,000	10,000,000
TOTAL	2,728,130	27,281,300	1,000,000	10,000,000
Reconciliation of the number of shares outstanding:				
Number of equity shares of par value ₹ 10 each at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Add: Equity shares of par value ₹ 10 each issued during the year	1,728,130	17,281,300	-	-
Number of equity shares of par value ₹ 10 each at the end of the year	2,728,130	27,281,300	1,000,000	10,000,000
Details of Share in the Company held by each Shareholder holding more than 5 percent shares:				
Name of the shareholder	No of Share Held	% of Share Held	No of Share Held	% of Share Held
Hotel Leelaventure limited	2,728,124	99.999%	999,994	99.999%

2.2 Reserves and Surplus

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Surplus / (Deficit) in Statement of Profit & Loss Account				
Balance as per last financial statement	(6,617,544)		(6,311,610)	
Add: Net Profit/(loss) after tax transferred from statement of profit and loss	(850,999)	(7,468,543)	(305,934)	(6,617,544)
Amount available for appropriation	-	-	-	-
Appropriations:				
Balance in Statement of Profit and Loss		(7,468,543)		(6,617,544)
Share Premium Account (17,28,130 Equity shares of ₹ 10 each at a premium of ₹ 320 issued P.Y. Nil)		553,001,600		-
TOTAL		<u>545,533,057</u>		<u>(6,617,544)</u>

2.5 Tangible Assets

Amounts in ₹

Assets	Gross Block At Cost Or Valuation					Depreciation			Net Block	
	1st April 2014	Addition during the year	Borrowing Cost during the year	Deduction during the year	As at 31st March 2015	1st April 2014	For the year	Deduction during the year	As at 31st March 2015	As at 31st March 2014
Land	554,951,658	10,000,000	-	-	564,951,658				564,951,658	554,951,658
Total	554,951,658	10,000,000	-	-	564,951,658	-	-	-	564,951,658	554,951,658

2.6 Cash and Bank Balances

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Cash & Cash Equivalents:				
(a) Balance with Banks in current account		3,624,613		268,731
(b) Cash on hand		90,000		90,000
Total		<u>3,714,613</u>		<u>358,731</u>

2.7 Finance Cost

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Bank charges		4,361		562
Total		<u>4,361</u>		<u>562</u>

2.3 Long-term Borrowings

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Loans and Advances from Holding Company - Unsecured		-		556,056,019
Total		<u>-</u>		<u>556,056,019</u>

2.4 Other Current Liabilities

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
Other Payables				
Statutory remittance - TDS payable		-		20,000
Other liabilities		16,854		16,854
Total		<u>16,854</u>		<u>36,854</u>

2.8 Other Expenses

Amounts in ₹

Particulars	As at March 31, 2015		As at March 31, 2014	
(a) conveyance & travelling expenses		9,457		-
(b) Rates & Taxes		740,625		2,900
(c) Payments to Auditors		16,854		16,854
(d) Professional charges		79,702		285,618
Total		<u>846,638</u>		<u>305,372</u>

Note 3 Additional Information to the Financial Statements

3.1 Computation of Earnings Per Share (EPS) - Face value of ₹ 10 each

Amounts in ₹

Particulars	2014-15		2013-14	
Profit/(Loss) Before Taxation		(850,999)		(305,934)
Weighted Average no. of Equity Shares		474,034		1,000,000
EPS (Basic and Diluted)		<u>(1.80)</u>		<u>(0.31)</u>

3.2 Related party transactions

a) Details of related parties

Description of relationship	Names of Related Parties
Ultimate Holding Company	Hotel Leelaventure Limited
Holding Company	Hotel Leelaventure Limited
Key Management Personnel (KMP)	1) Mr. Vivek Nair 2) Mr. Dinesh Nair
Relatives of KMP	-
Company in which KMP / Relatives of KMP can exercise significant influence	1) Leela Lace Software Solutions Pvt. Ltd 2) Leela Lace Holdings Pvt Ltd 3) Leela Fashions Pvt. Ltd. 4) Rockfort Estate Developers Pvt. Ltd. 5) Season Apparels Pvt. Ltd. 6) Leela Innovation Centre Pvt. Ltd. 7) Elegant Eateries Pvt. Ltd. 8) Leela Housing Pvt Ltd 9) Aushim Soft Pvt. Ltd. 10) Leela Soft Pvt. Ltd. 11) Armcess Engineering Pvt. Ltd. 12) Zantho Pharmaceuticals Pvt. Ltd. 13) Leela Lace Estate Pvt. Ltd. 14) Emmel Realtors and Developers Pvt. Ltd. 15) Leela Villas Pvt. Ltd. 16) Leela Lace Info Park Pvt. Ltd. 17) Leela Constates Pvt. Ltd. 18) Leela Capital and Finance Limited. 19) Leela Realcon Pvt. Ltd. 20) Leela IT Projects Pvt. Ltd. 21) Palakkad Infrastructure Pvt. Ltd. 22) Leela Lace Builders Pvt. Ltd.

Description of relationship	Names of Related Parties
	23) Vibgyor Leasing Pvt. Ltd. 24) Zillion Hotels & Resorts Pvt. Ltd. 25) Mumbai International Convention and Exhibition Centre Ltd 26) Leela Techno Parks Pvt. Ltd 27) Fransisco Hospitality Pvt. Ltd. 28) Leela Realty Ltd (Associate from 1st January 2015) 29) L.M Realtors Pvt. Ltd. 30) LMV Associates Limited 31) Leela Hospitality Pvt. Ltd.

b) Transactions carried out with related parties

Particulars	
Advance received from Holding Company	₹ Nil (Previous year ₹ 556,056,019)

3.3 Previous year's figures have been regrouped wherever necessary.

As per our report of even date For and on behalf of the Board of Directors

For **Picardo & Company**
Chartered Accountants
Firm Registration No: 107917W

K. V. Gopalakrishnayya
Partner
Membership No. 21748

Vivek Nair
Director

Dinesh Nair
Director

Place : Mumbai
Date : 27th May, 2015