Dhirubhai Shah & Co
CHARTERED ACCOUNTANTS
4th Floor, Aditya Building,
Near Sardar Patel Seva Samaj,
Mithakhali Six Roads, Ellisbridge,
Ahmedabad 380006.

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, 2018,** 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.

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AHMEDABAD
CHARTERED ACCOUNTANTS

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, 2018, 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 24.2 to the Financial Statement regarding the petitions filed before the National Green Tribunal against grant of Costal Regulation Zone and Private Forest by the competent authorities to the Company's project at Goa, which are being contested by the Company.

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The aforesaid matter indicates the existence of legal disputes, the financial implication of which cannot be ascertained.

Our opinion is not modified in respect of the above mentioned matter.

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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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:

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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, 2018 on its financial position, in its standalone Ind AS financial statements. - Refer Note 24.2 to the standalone Ind AS financial statements;

ii. the Company does not have any long-term contracts including derivatives contracts as at March 31, 2018 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, 2018.

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No.: 102511W

Harish B. Patel

HARISH B. PATEL
(Partner)
Membership No. 014427
May 22, 2018
New Delhi

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FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

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, 2018, 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.

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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, GST, 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, GST, value added tax, cess and other material statutory dues were in arrears as on 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no material dues of sales tax, service tax, duty of customs, duty of excise, value added tax, GST and cess which have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2018.

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 DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No.: 102511W

Harish B. Patel

HARISH B. PATEL
(Partner)
Membership No. 014427
May22, 2018
New Delhi

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

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 2018 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.

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

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.

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

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 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No.: 102511W

Harish B. Patel

HARISH B. PATEL
(Partner)
Membership No. 014427
May 22, 2018
New Delhi

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

LEADING HOTELS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2018

(Amount in Rs)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	2	**1,297,710,821**	1,302,137,237
Capital work-in-progress	3	**2,256,928,265**	1,864,618,062
Financial assets			
Other financial assets	4	**178,906**	509,012
Other non-current assets	5	**17,896,139**	68,960,089
Total Non-current assets		**3,572,714,131**	3,236,224,400
Current assets			
Financial assets			
Cash and cash equivalents	6	**21,378,829**	1,979,830
Other financial assets	7	**2,752,996**	2,574,751
Current tax assets	8	**445,675**	425,870
Other current assets	9	**23,504,459**	35,813,611
Total Current assets		**48,081,959**	40,794,062
TOTAL ASSETS		**3,620,796,090**	3,277,018,462
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	**208,769,290**	208,769,290
Other equity	11	**775,623,048**	783,880,127
Total Equity		**984,392,338**	992,649,417
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	**1,493,124,479**	1,407,806,868
Provisions	13	**825,564**	1,500,042
Other non-current liabilities	14	**212,655,816**	212,655,816
Total Non-current liabilities		**1,706,605,859**	1,621,962,726
Current liabilities			
Financial liabilities			
Borrowings	15	**854,288,519**	551,591,730
Trade payables	16	**11,214,290**	14,672,574
Other financial liabilities	17	**58,717,614**	91,016,331
Other current liabilities	18	**5,567,509**	5,096,310
Provisions	19	**9,961**	29,374
Total Current liabilities		**929,797,893**	662,406,319
TOTAL EQUITY AND LIABILITIES		**3,620,796,090**	3,277,018,462
Corporate information and significant accounting policies	**1**		

The accompanying notes 1 to 28 are an integral part of the Financial Statements

"As per our report attached"

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No. 102511W

HARISH B. PATEL
Partner

Membership No. 014427

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 22nd May, 2018

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

LEADING HOTELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in Rs)

Particulars	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Other Income	20	**218,965**	2,769,124
Total income		**218,965**	2,769,124
Expenses			
Employee benefits expense	21	**2,663,749**	6,966,315
Finance costs	22	**1,170,905**	2,481,037
Administrative & other expenses	23	**4,826,998**	7,934,693
Total Expenses		**8,661,652**	17,382,045
Profit before tax		**(8,442,687)**	(14,612,921)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit for the year		**(8,442,687)**	(14,612,921)
Other comprehensive Income			
Re-measurement gains/ (losses) on post employment benefit plans		**185,608**	-
Other comprehensive Income		**185,608**	-
Total comprehensive Income for the year		**(8,257,079)**	(14,612,921)
Significant accounting policies	1		
Expenditure during construction period (net)	3		
Earnings Per Equity Share (face value of Rs. 10 per share)			
Basic		**(0.40)**	(0.70)
Diluted		**(0.40)**	(0.70)

Corporate information and significant accounting policies

The accompanying notes 1 to 28 are an integral part of the Financial Statements

"As per our report attached"

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No. 102511W

Harish B. Patel

HARISH B. PATEL
Partner

Membership No. 014427

DHIRUBHAI SHAH & CO * FRN 102511W AHMEDABAD * CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 22nd May, 2018

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

SHIV KUMAR JATIA
(Managing Director)

DIN: 00006187

Lalit Bhasin

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

AJAY KUMAR
(Chief Financial Officer)

Rabab Zaidi

RABAB ZAIDI
(Company Secretary)
Membership No. ACS 44111

LEADING HOTELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2018

(Amount in Rs)

		Note	For the year Ended 31 March 2018	For the year Ended 31 March 2017
A	**Cash flow from operating activities :**			
	Net Loss as per Statement of Profit & Loss		**(8,442,687)**	(14,612,921)
	Adjustments for :			
	Depreciation / Amortization		-	-
	Interest expense		**1,146,986**	2,378,203
	Interest Income		**(198,050)**	(245,372)
	Gain on disposal of property, plant and equipment		-	(2,523,752)
	Other Adjustments		**(616,436)**	(369,731)
	Provision for gratuity		**127,566**	231,748
	Sundry balance written back		-	-
	Operating profit before working capital changes		**(7,982,621)**	(15,141,825)
	Other financial assets and other assets		**12,441,208**	(4,727,778)
	Other financial liabilities, other liabilities and provisions		**(1,875,051)**	14,504,385
	Cash generated/(used) from operations		**2,583,536**	(5,365,218)
	Income Taxes paid / (Refund)		-	-
	Net Cash flow from Operating Activities		**2,583,536**	(5,365,218)
B	**Cash flow from Investing activities**			
	Loans and advances (given) (net)		**51,063,950**	6,713,747
	Purchase of property, plant and equipment		**(495,743)**	(4,748,037)
	Sale proceeds of property, plant and equipment		**527,235**	3,780,000
	Capital work-in-progress		**(387,915,279)**	(321,442,684)
	Interest received		**198,050**	245,372
	Net Cash from Investing Activities		**(336,621,787)**	(315,451,602)
C	**Cash flow from Financing Activities**			
	Proceeds from borrowings		**354,584,236**	319,516,448
	Interest paid		**(1,146,986)**	(2,378,203)
	Net Cash from Financing Activities		**353,437,250**	317,138,245
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		**19,398,999**	(3,678,575)
	Cash and cash equivalents at the beginning of the period		**1,979,830**	5,658,405
	Cash and cash equivalents at the end of the period		**21,378,829**	1,979,830
	Corporate information and significant accounting policies	1		

The accompanying notes 1 to 28 are an integral part of the Financial Statements

"As per our report attached"

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No. 102511W

HARISH B. PATEL
Partner

Membership No. 014427

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 22nd May, 2018

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

SHIV KUMAR JATIA
(Managing Director)

DIN: 00006187

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

AJAY KUMAR
(Chief Financial Officer)

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 2018

(Amount in Rs)

Balance as at 1 April 2017	Changes in equity share capital during the year	Balance as at 31 March 2018
208,769,290	-	208,769,290

(B) Other equity

For the year ended 31 March, 2018

(Amount in Rs)

	Reserves & Surplus			Total
	Securities Premium Reserve	Retained Earnings	Fair Value through other Comprehensive Income [FVTOCI] Reserve	
Balance as at 1 April 2017	**833,077,160**	**(49,197,033)**	**-**	**783,880,127**
Profit for the year	-	(8,442,687)		(8,442,687)
Transfer from/to Other Comprehensive income/(loss) for the year :				
Remeasurements gain/(loss) on defined benefit plan	-	-	185,608	185,608
Balance as at 31 March 2018	**833,077,160**	**(57,639,720)**	**185,608**	**775,623,048**

"As per our report attached"

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No. 102511W

HARISH B. PATEL
Partner
Membership No. 014427

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
CHARTERED ACCOUNTANTS

Place: New Delhi
Date: 22nd May, 2018

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

LEADING HOTELS LIMITED

Notes to the financial statements for the year ended 31 March 2018

Note: 1 Corporate Information and Significant accounting policies

1.1 Corporate Information

Leading Hotels Limited (the "Company") is a Company domiciled in India and limited by shares (CIN No. U55101DL2005PLC143141). The registered office of the company is situated at No.5 E-Block, Local shopping centre, Masjid Moth, Greater Kailash-II, New Delhi-110048. The company was incorporated on December 01, 2005 and is engaged in the business of hospitality services. The Company is presently developing an all villa hotel complex and an 18 hole, 72 par championship golf course.

Significant accounting policies

1.2 Basis of Preparation of Financial Statements

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

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

1.3 Use of estimates

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

1.4 Revenue recognition

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

The expenses are recognized as and when they accrue.

1.5 Property, Plant & Equipment

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

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

1.6 Depreciation and amortization

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

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

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

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1.7 Intangible assets

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

1.8 Capital work-in-progress

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

1.9 Employee's benefits

Short term employee benefits

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

Post employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

Other long-term benefits

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

1.10 Foreign exchange transactions

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

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

1.11 Income Taxes

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

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

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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.

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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, 2018:**

(Amount in Rs)

Asset description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01 April 2017	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2018	Upto 31 March 2017	For the year	On deletions/ adjustments	Upto 31 March 2018	As at 31 March 2018	As at 31 March 2017
Land	1,282,868,275	42,490		**1,282,910,765**	-	-		**-**	**1,282,910,765**	1,282,868,275
Leasehold improvements	3,744,225	-		**3,744,225**	2,317,855	534,890		**2,852,745**	**891,480**	1,426,370
Furniture and fixtures	929,339	26,500	146,402	**809,437**	302,542	92,219	38,926	**355,835**	**453,602**	626,797
Vehicles	27,082,507	50,000	679,621	**26,452,886**	11,121,605	3,275,149	395,847	**14,000,907**	**12,451,979**	15,960,902
Office equipments	2,675,697	150,382	698,952	**2,127,127**	1,751,997	297,649	605,121	**1,444,525**	**682,602**	923,700
Computers	1,659,844	226,371	761,564	**1,124,651**	1,328,652	195,017	719,410	**804,259**	**320,392**	331,192
Total	**1,318,959,887**	**495,743**	**2,286,539**	**1,317,169,091**	**16,822,650**	**4,394,924**	**1,759,304**	**19,458,270**	**1,297,710,821**	**1,302,137,237**
Previous Year	1,315,468,098	4,748,037	1,256,248	1,318,959,887	12,481,262	4,341,388	-	16,822,650	1,302,137,237	1,302,986,836

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3 Capital work in progress

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Opening Balance	**1,864,618,062**	1,538,833,990
Add : during the period		
Travelling	**5,177,217**	10,717,509
Interest on loan	**269,503,532**	227,899,715
Loan processing fees	**1,622,212**	6,000
Project development	**36,522,630**	41,096,860
Communication	**319,739**	409,448
Entertainment	**21,724**	69,936
Printing and stationary	**322,420**	675,024
Security	**2,586,615**	5,787,294
Staff welfare	**502,246**	1,080,867
Repair and maintenance		
- Office equipments	**39,357**	71,686
- Others	**48,514**	133,312
Rent	**1,480,908**	2,287,598
Salary and wages	**18,256,911**	12,138,551
Gratuity	**229,307**	257,076
Site office running expenses	**7,856,903**	10,330,646
Depreciation	**4,394,924**	4,341,388
Site infrastructure expenses	**26,252,805**	7,428,624
	2,239,756,026	1,863,565,524
Less : during the year		
Add: Transfer from service tax cenvat (reversal)	**17,274,994**	1,052,538
Less: Interest on security deposits (Ind As) A/c	**102,755**	
	2,256,928,265	1,864,618,062

4 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017
Rental deposits*	**178,906**	509,012
	178,906	509,012

* Rental deposits carried at amortised cost

5 Other non current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Capital advances		
Unsecured, considered good		
Capital advances	**16,102,400**	67,007,900
	16,102,400	67,007,900
Securities deposits(unsecured)	**1,793,739**	1,952,189
	17,896,139	68,960,089

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6 Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017
Balance with banks		
- On current account	**21,330,620**	1,939,676
Cash on hand	**48,209**	40,154
	21,378,829	1,979,830

7 Other financial assets

Particulars	As at 31 March 2018	As at 31 March 2017
Interest accrued on		
-Term deposits	**314,996**	136,751
Other bank balances		
- Bank deposits with original maturity of more than 12 months	**2,438,000**	2,438,000
	2,752,996	2,574,751

8 Current tax assets

Particulars	As at 31 March 2018	As at 31 March 2017
Advance tax & tax deducted at source	**445,675**	425,870
	445,675	425,870

9 Other current assets

Particulars	As at 31 March 2018	As at 31 March 2017
Security deposits		
Unsecured, considered good	**35,397**	35,397
	35,397	35,397
Advances other than capital advances		
Advance to vendors	**2,027,827**	2,431,391
Prepaid expenses	**585,598**	595,376
Balances with customs excise and other authorities	**20,855,636**	32,751,447
	23,469,061	35,778,214
	23,504,459	35,813,611

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10 Equity Share capital

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Authorised		
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	250,000,000
Issued, subscribed and fully paid up		
2,08,76,929 (previous year 2,08,76,929) equity shares of Rs. 10 each fully paid up*	**208,769,290**	208,769,290
	208,769,290	208,769,290

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

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

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	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%

11 Other equity

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Reserve & surplus		
Securities premium reserve	**833,077,160**	833,077,160
Retained earnings	**(57,639,720)**	(49,197,033)
Fair Value through Other Comprehensive Income [FVTOCI] Reserve	**185,608**	-
	775,623,048	783,880,127
Reconciliation :		
Retained earnings		
Opening balance	**(49,197,033)**	(34,584,112)
Add: Profit/ (Loss) for the year	**(8,442,687)**	(14,612,921)
Gain/ (Loss) arising on changes in fair value	-	-
Closing balance	**(57,639,720)**	(49,197,033)
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	-	-
Add: Adjusted from surplus in statement of Profit & Loss		
- Re- measurement gains/(losses) on employee benefit	185,608	-
Closing balance	**185,608**	-

12 Borrowings

Particulars	Non-Current Portion			Current Maturities #	
	As at 31 March 2018	As at 31 March 2017		As at 31 March 2018	As at 31 March 2017
Term loan					
Secured					
From Bank *	**1,464,228,346**	1,386,228,346		-	-
Vehicle loans					
Secured					
From Bank **	**1,311,766**	2,138,863		**827,097**	752,346
From others **	**4,717,512**	3,598,889		**6,881,177**	7,445,681
Other loans					
Secured					
From body corporates ***	**22,866,856**	15,840,771		**10,307,339**	32,469,033
	1,493,124,479	1,407,806,868		**18,015,613**	40,667,060

Notes :

* Term loan from bank (Yes bank) is secured, at the interest rate of base rate 10.25% plus 0.62% and TL-II & III base rate 10.25% plus 2.40% ,by Mortgage of land and building of Goa Project on land admeasuring 160 acres and by Charges over moveable Fixed Assets (excluding vehicle) and current assets of Goa project.

** 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.

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13 Provisions

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Gratuity	**651,790**	709,832
Lease equalization reserve	**173,774**	790,210
Current tax	-	-
	825,564	1,500,042

14 Other non-current liabilities

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Advances / securities deposits for platinum golf membership (PGM) in goa project *	**212,655,816**	212,655,816
	212,655,816	212,655,816

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

15 Borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Loans repayable on demand		
From other parties*		
-body corporates	**854,288,519**	551,591,730
	854,288,519	551,591,730

Notes :

* Inter Corporate Deposit carries interest rate from 9% to 18% p.a.

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

16 Trade Payables

Particulars	As at 31 March 2018	As at 31 March 2017
For goods and services	**11,214,290**	14,672,574
Dues to micro and small enterprises*		
	11,214,290	14,672,574

The disclosure pursuant to the said Act is as under:

DISCLOSURE UNDER MSMED ACT, 2006	**2017-18 (Rs.)**	**2016-17 (Rs.)**
(a) Principal amount due to suppliers under MSMED Act, 2006	-	-
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-

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

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17 Other financial liabilities

(Amount in Rs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debts (refer to note 12)	**18,015,613**	40,667,060
Interest accrued	**13,686,224**	24,464,941
Other payables		
Payable to employees	**3,922,879**	1,909,697
Others	**23,092,898**	23,974,633
	58,717,614	91,016,331

18 Other current liabilities

Particulars	As at 31 March 2018	As at 31 March 2017
Tax deducted at source and other statutory dues	**5,362,009**	4,679,210
Payable for Expenses	**205,500**	417,100
	5,567,509	5,096,310

19 Provisions

Particulars	As at 31 March 2018	As at 31 March 2017
Gratuity	**9,961**	29,374
	9,961	29,374

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(Amount in Rs)

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
20	**Other Income**		
	Interest from		
	Income Tax refunds	-	93,426
	Indian banks	**198,050**	151,946
	Other non-operating Income		
	Compensation received for acquisition of land	-	2,523,752
	Sundry Balances written back	**20,915**	-
		218,965	2,769,124
21	**Employee benefit expenses**		
	Salaries and wages	**2,497,220**	6,799,320
	Staff welfare expenses	**166,529**	166,995
		2,663,749	6,966,315
22	**Finance cost**		
	Interest	**1,146,986**	2,378,203
	Bank charges	**23,919**	102,834
		1,170,905	2,481,037
23	**Administrative & other expenses**		
	Advertisement	**331,656**	1,324,750
	Books and periodicals	**633**	28,959
	Donation	**1,000**	670,000
	Communication	**130,145**	92,211
	Printing and stationery	**177,559**	191,122
	Conveyance	**611,032**	520,524
	Foreign exchange loss (net)	**19,626**	10,642
	Business promotion	**397,884**	1,032,408
	Legal and professional	**534,738**	1,495,133
	Loss on sale of fixed assets	**40,109**	-
	Repair and maintenance		
	- Office Equipments	**19,056**	15,305
	- Others	**38,426**	36,472
	- Computers	**30,391**	37,807
	Rates and taxes	**161,817**	325,877
	Audit fees	**200,000**	200,000
	Travelling expenses	**569,272**	832,976
	Miscellaneous expenses	**14,900**	42,099
	Sundry balances written off	**238,135**	23,583
	Security charges	**1,310,619**	1,054,825
		4,826,998	7,934,693

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24.1 Capital Commitments

(Amount in Rs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Commitments :-		
Estimated amount of contracts remaining to be executed and not provided for in the financial statements aggregate	558,912,673	482,698,630

24.2 Contingent Liabilities

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

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

24.3 Details in respect of payment to auditors:

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
As auditor		
Statutory audit fee*	200,000	200,000
In other capacity		
Other services*	-	150,000
Total	**200,000**	**350,000**

* Exclusive of taxes.

24.4 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 31.03.2018	For the year ended 31.03.2017
Number of shares outstanding at the beginning of the year of face value of Rs. 10 each	20,876,929	20,876,929
Number of shares outstanding at the end of the year of face value of Rs. 10 each	20,876,929	20,876,929
Weighted average number of equity shares outstanding during the year (A)	20,876,929	20,876,929
Profit (Loss) after tax for the year (B)	(8,442,687)	(14,612,921)
Basic earnings per share of face value of Re. 10 Each	(0.40)	(0.70)
Diluted earnings per share of face value of Re. 10 Each	(0.40)	(0.70)

24.5 Deferred Tax

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

24.6 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.

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

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

This section describe briefly how the accounting results are determined in this report.

Calculation Methods

The method and basis to be used for the calculations is prescribed by Ind AS 19. Actuarial valuation has been carried out as per the Projected Unit Credit Method (PUCM) as being defined by para 57 (a) to determine liabilities and service cost as at 31/03/2018.

The attached disclosures do not take into account the cost of running any defined contributions plans or defined contributions sections of the plan, if any. The total cost to the Company of running these (i.e. the cash-contribution paid by the Company to these plans over the financial year) will need to be added to the expenses shown.

Assumptions

Ind As 19 sets out the following general requirements for the purpose of setting the assumptions:

> Actuarial assumptions shall be unbiased, and mutually compatible; and

> Financial assumptions shall be based on market expectations, at the balance sheet date, for the period over which the obligations are to be settled

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The Principal actuarial assumptions considered in the valuation were:

Economic Assumptions

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate

Ind As 19 requires that the assumed discount rate is determined by reference to market yields at the balance sheet date Government bonds. The term of the risk free investments has to be consistent with the estimated term benefit obligations.

The estimated term of the benefits obligations works out to 13.58 years. For the current valuation a discount rate of 7.86% p.a. Compound has been used.

Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary escalation rates has to be taken rather than guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

Attrition Rate / Withdrawal Rate

Past experience indicate the current level of attrition. The assumption may incorporate the Company's policy towards retention of employees, historical data & industry outlook.

Mortality Rate

We have used Indian Assured Lives Mortality Table (IALM) 2006-08 as issued by Institute of Actuaries of India, for the valuation. The assumptions used are summarized in the following table.

Given below is a summary of the membership information as at 31/03/17 to 31/03/18:

Date of valuation	**31/03/2018**	**31/03/2017**
Number of employees	8	8
Total monthly salary eligible for gratuity	5,59,000	5,08,000
Average past service (Years)	3.22	3.29
Average age (Years)	41.43	44.74
Average remaining working life (Years)	16.57	13.26
Average remaining working life considering decrements (Years)	13.58	13.25
Total Accrued benefit amount	7,21,029	7,67,576

Outline of Benefits

Eligibility	All permanent employees of the company
Salary for gratuity	Last drawn basic salary
Plan service	Completed year of service, service of six month and above rounded off as one year
Contribution	Employee - Nil, Company-Full costs
Vesting period	5 years of service
Benefit payable on retirement	15/26 x salary x number of completed years of service
Benefit payable on withdrawal / resignation	15/26 x salary x number of completed years of service
Benefit payable on death / disability	same as normal retirement benefit except that no vesting conditions apply
Maximum ceiling	Rs. 20,00,000

Actuarial valuation Assumptions used for valuation

Financial assumptions used to determine the profit & loss charge	**31/03/2018**	**31/03/2017**
Discounting rate	7.86 P.A.	7.47 P.A.
Salary growth rate	7.00 P.A.	7.00 P.A.
Expected rate of return on plan assets	0.00 P.A	0.00 P.A

Demographic Assumptions

Retirement age	58 Years	58 Years
Mortality table	IALM (2006-08)	
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%

Summary of Financial results

Executive Summary

Amount recognized in statement of financial position at period - end	**31/03/2018**	**31/03/2017**
Present value of defined benefit obligation	661,751	739,206
Fair value of plan assets	-	-
	661,751	739,206
Unrecognized assets due to the assets ceiling	-	-
Net defined benefit (Assets) / Liability recognized in statement of financial position	**661,751**	**739,206**

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Total defined benefit cost / (income) included in profit & loss and other comprehensive income during the period	31/03/2018	31/03/2017
Total charge / (credit) recognised in profit and loss	229,307	257,076
Total amount recognised in other comprehensive income (OCI) (Gain) / Losses	(185,608)	-

Disclosure Statement

Change in defined benefit obligation	31/03/2018	31/03/2017
Present value of obligation as at the beginning of the period (01/04/2017)	739,206	482,130
Acquisition adjustment	---	---
Interest cost	58,102	36,015
Current service cost	171,205	284,432
Past service cost	---	---
Benefits paid	(121,154)	---
Actuarial (gain)/loss on obligation	(185,608)	(63,371)
Present value of obligation as at the end of period	**661,751**	**739,206**

Change in fair value of plan assets	31/03/2018	31/03/2017
Fair Value of plan assets at the beginning of the year	**NA**	NA
Interest Income	**NA**	NA
Contributions by the employer	**NA**	NA
Benefits paid	**NA**	NA
Return on plan assets	**NA**	NA
Fair Value of plan assets at the end of the year	**NA**	NA

Net defined benefit cost / (income) included in statement of profit & loss at period end#	31/03/2018	31/03/2017
Service cost	171,205	284,432
Net interest cost	58,102	36,015
Past service cost	-	-
Remeasurements*	-	(63,371)
Administration expenses	-	---
(Gain) / Loss due to settlements / curtailments / terminations / divestitures	-	---
Total defined benefit cost / (income) included in profit & loss	**229,307**	**257,076**

*OCI methodology is being adopted for first time for March 2018 valuation.

Analysis of amount recognized in order comprehensive (income) / loss at period end#	31/03/2018	31/03/2017
Amount recognized in OCL, (Gain) / Loss beginning of period	-	-
Remeasurements due to:		
1. Effect of change in financial assumptions	(28,302)	-
2. Effect of change in demographic assumptions	-	-
3. Effect of experience adjustments	(157,306)	-
4. (Gain) / loss on curtailments / settlements	-	-
5. Return on plan assets (excluding interest)	-	-
6. Change in assets ceiling	-	-
Total remeasurements recognized in OCI (gain) / loss	**(185,608)**	-
Total remeasurements recognized in OCI (gain) / loss, end of period	**(185,608)**	**-**

Total defined benefit cost / (income) included in profit & loss and other comprehensive income#	31/03/2018	31/03/2017
Amount recognized in P&L, end of period	229,307	257,076
Amount recognized in OCI, end of period	(185,608)	-
Total net defined benefit cost / (income) recognized at period end	**43,699**	**257,076**

#This has been considered as a part of Capital Work in Progress under Note-13

Reconciliation of balance sheet amount	31/03/2018	31/03/2017
Balance sheet (assets) / liability, beginning of period	739,206	482,130
True-up	-	-
Total charge / (credit) recognised in profit and loss	229,307	257,076
Total remeasurements recognised in OC (income) / loss	(185,608)	-
Acquisition / business combination / divestiture /	-	-
Employer contribution	-	-
Benefit paid	**(121,154)**	-
Other events		
Balance sheet (assets) / liability, end of period	**661,751**	**739,206**

Current non current bifurcation	31/03/2018	31/03/2017
Current liability	9,961	29,374
Non-Current liability	651,790	709,832
Net liability	**661,751**	**739,206**

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24.9 Related Party Disclosure

(A) Name of Related Parties and description thereof :

1. Holding Company	Lexon Hotel Ventures Ltd – Mauritius
	Fineline Hospitality & Consultancy Pte Ltd – Mauritius
	Asian Hotels (North) Ltd
2. Subsidiaries	Nil
3. Fellow Subsidiaries	Nil
4. Associates	Nil
5. Key Management Personnel	Mr. Shiv Kumar Jatia (Executive)
	Mr. Tapesh Bharat Kumar Goenka (Executive)
	Ms. Anita Thapar (Non-executive)
	Mr. Amritesh Jatia (Non-executive)
	Mr. Lalit Bhasin (Independent Non-executive)
	Mr. Sanjay Banthiya (Independent Non-executive)
	Ms. Anshika Jain (Company secretary) (Till 05th April, 2017)
	Ms. Rabab Zaidi (Company secretary)
	Mr. Ajay Kumar (Chief Financial Officer)

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

a). Lexon Hotel Ventures Ltd.

b). Asian Hotels (North) Ltd.

(Amount in Rs)

Related party Name	Balance as on 31.03.2017 (net of TDS)	Service received during the period	Payment made during the period	TDS deducted during the period	Balance as on 31.03.2018 (net of TDS)	Nature of Transactions
Asian Hotels (North) Ltd.	Nil	702,067	Nil	13,132	688,935	Hotel Accommodation Services

Transaction with Key Management Personnel during the year :-

Particulars	31.03.2018	31.03.2017
Director Sitting fee :-		
Mr. Amritesh Jatia	-	20,000
Ms. Anita Thapar	50,000	40,000
Mr. Sudhir Ramkrishna Vyas	-	40,000
Mr. Sanjay Banthiya	80,000	-
Mr. Lalit Bhasin	90,000	80,000
Company Secretary		
Salary Ms. Anshika Jain	20,132	396,928
Salary Ms. Rabab Zaidi	328,261	-
Chief Financial Officer		
Salary Mr. Ajay Kumar	902,350	-
		-

24.10 Other Information

(a)Expenditure in foreign currency

Particulars	For the Year Ended 31.03.18	For the Year Ended 31.03.17
(i) Fee for Technical and Consultancy	Rs. 27,77,399/-	Rs. 50,57,776/-
(ii)Travelling Expenses	Rs. 3,10,331/-	Rs. 7,19,196/-

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25.1 Financial Risk Management

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

The Company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

Credit risk

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

(i) Exposure to credit risk

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

Particulars	**31 March 2018**	31 March 2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	**21,378,829**	1,979,830
Other financial assets	**2,752,996**	2,574,751
Total	**24,131,825**	4,554,581

(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.

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25.2 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 2018	31 March 2017
Fixed-rate borrowings		
Term loans	2,535,771,654	2,613,771,654

(ii) Maturities of financial liabilities

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

31 March 2018 (Amount in Rs)

Contractual maturities of financial liabilities	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
Non-derivative financial liabilities					
Rupee Term Loan	-	37,333,333	261,333,334	1,165,561,679	1,464,228,346
Other secured loan	18,015,613	17,556,985	11,339,149		46,911,747
Unsecured loan	854,288,519				854,288,519
Trade Payables	11,214,290	-			11,214,290
Payable to employees	3,922,879	-	-	-	3,922,879
Payable for expenses	205,500	-	-	-	205,500
Others	23,091,898	-	1,000	-	23,092,898
Total	**910,738,699**	**54,890,318**	**272,673,483**	**1,165,561,679**	**2,403,864,179**

31 March 2017 (Amount in Rs)

Contractual maturities of financial liabilities	Up to 1 Year	1 to 2 Years	2 to 5 Years	More than 5 years	Total
Non-derivative financial liabilities					
Rupee Term Loan	-		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
Unsecured loan	551,591,730				551,591,730
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	23,973,633	-	1,000	-	23,974,633
Total	**633,231,794**	**20,150,177**	**204,429,346**	**1,183,228,346**	**2,041,039,663**

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25.3 Financial Risk Management

Market risk

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

Currency risk

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

25.4 Interest rate risk

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

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

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

26. Financial Instruments - Accounting Classifications and fair value measurements

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

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

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables

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

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

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

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

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

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

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I. Figures as at March 31, 2017

	Carrying amount	Fair value		
	As at 31-03-2017	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank Deposits (Non-Current)	2,438,000			
Other Non-Current Financial Assets	136,751			
Trade Receivables	-			
Cash and Cash Equivalents	40,154			
Bank Balances Other than Cash and Cash Equivalents	1,939,676			
Other Current Financial Assets	-			
TOTAL	**4,554,581**	-	-	-
Financial assets at fair value through profit or loss:				
Security Deposits (Non-Current)	1,952,189			1,952,189
Security Deposits (Current)	35,397			35,397
TOTAL	**1,987,586**	-	-	**1,987,586**
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	1,407,806,868			
* Level 3 Includes deferment of loan charges on pro-rata basis during the tenure of loan				
Borrowings (Current)	551,591,730			
Trade Payables	14,672,574			
Security Deposits (Current)	-			
Other financial liabilities (Current)	91,016,331			
TOTAL	**2,065,087,503**	-	-	-
Financial liabilities at fair value through profit or loss:				
Security Deposits (Non-Current)				
TOTAL	-	-	-	-

II. Figures as at March 31, 2018

	Carrying amount	Fair value		
	As at 31-03-2018	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank Deposits (Non-Current)	2,438,000			
Other Non-Current Financial Assets	314,996			
Trade Receivables	-			
Cash and Cash Equivalents	48,209			
Bank Balances Other than Cash and Cash Equivalents	21,330,620			
Other Current Financial Assets	-			
TOTAL	**24,131,825**	-	-	-
Financial assets at fair value through profit or loss:				
Security Deposits (Non-Current)	1,793,739			1,793,739
Security Deposits (Current)	35,397			35,397
TOTAL	**1,829,136**	-	-	**1,829,136**
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	1,493,124,479			
* Level 3 Includes deferment of loan charges on pro-rata basis during the tenure of loan				
Borrowings (Current)	854,288,519			
Trade Payables	11,214,290			
Security Deposits (Current)	-			
Other financial liabilities (Current)	58,717,614			
TOTAL	**2,417,344,902**	-	-	-
Financial liabilities at fair value through profit or loss:				
Security Deposits (Non-Current)	-	-	-	-
TOTAL	-	-	-	-

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27. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

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

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

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

(Amount in Rs)

	As at 31 March 2018	As at 31 March 2017
Total liabilities	2,636,403,752	2,284,369,045
Less : Cash and cash equivalent	21,378,829	1,979,830
Net debt	**2,615,024,924**	**2,282,389,215**
Total equity	**984,392,338**	992,649,417
Net debt to equity ratio	**265.65%**	229.93%

28. Sensitivity of estimates on provisions

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

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration No. 102511W

HARISH B. PATEL
Partner
Membership No. 014427

DHIRUBHAI SHAH & CO
FRN 102511W
AHMEDABAD
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Place: New Delhi
Date: 22nd May, 2018

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