

LEADING HOTELS LIMITED
BALANCE SHEET AS AT 31st MARCH 2021
CIN: U55101DL2005PLC143141

(Amount in Rs)			
Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,227,593,864	1,290,121,668
Capital work-in-progress	3	2,959,741,724	2,773,742,719
Financial assets			
Other financial assets	4	88,806	89,359
Other non-current assets	5	1,969,847	1,954,847
Total Non-current assets		4,189,394,241	4,065,908,593
Current assets			
Financial assets			
Cash and cash equivalents	6	1,389,430	428,970
Other financial assets	7	2,837,949	2,712,954
Current tax assets	8	5,080,935	5,064,563
Other current assets	9	25,801,425	23,785,622
Total Current assets		35,109,739	31,992,109
TOTAL ASSETS		4,224,503,980	4,097,900,702
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	208,769,290	208,769,290
Other equity	11	731,455,118	766,471,881
Total Equity		940,224,408	975,241,171
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12	1,526,155,163	1,428,835,088
Provisions	13	92,820	42,563
Other non-current liabilities	14	201,559,325	212,655,816
Total Non-current liabilities		1,727,807,309	1,641,533,467
Current liabilities			
Financial liabilities			
Borrowings	15	1,424,115,957	1,369,832,140
Trade payables	16	10,265,354	10,795,066
Other financial liabilities	17	121,769,114	99,650,632
Other current liabilities	18	321,839	848,226
Total Current liabilities		1,556,472,264	1,481,126,064
TOTAL EQUITY AND LIABILITIES		4,224,503,980	4,097,900,702

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 V. V. KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

VIJAY V. KALE
Partner
Membership No. 030821

Place: New Delhi
Date:

LEADING HOTELS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021
CIN: U55101DL2005PLC143141

		(Amount in Rs)	
Particulars	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue			
Other Income	19	275,664	1,270,259
Total income		<u>275,664</u>	<u>1,270,259</u>
Expenses			
Employee benefits expense	20	686,611	583,122
Finance costs	21	19,720	599,705
Administrative & other expenses	22	34,586,097	1,681,280
Total Expenses		<u>35,292,428</u>	<u>2,864,108</u>
Profit/(Loss) before tax		(35,016,764)	(1,593,849)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		<u>(35,016,764)</u>	<u>(1,593,849)</u>
Other comprehensive Income			
Re-measurement gains/ (losses) on post employment benefit plans		-	-
Other comprehensive Income		<u>-</u>	<u>-</u>
Total comprehensive Income for the year		<u>(35,016,764)</u>	<u>(1,593,849)</u>
Significant accounting policies	1		
Expenditure during construction year (net)	3		
Earnings Per Equity Share (face value of Rs. 10 per share)			
Basic		(1.68)	(0.08)
Diluted		(1.68)	(0.08)

Corporate information and significant accounting policies

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"As per our report attached"

For V. V. KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

VIJAY V. KALE
Partner
Membership No. 080821

Place: New Delhi
Date:

LEADING HOTELS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021
CIN: U55101DL2005PLC143141

(Amount in Rs)

	Note	For the year Ended 31 March 2021	For the year Ended 31 March 2020
A Cash flow from operating activities :			
Net Loss as per Statement of Profit & Loss		(38,016,764)	(1,593,849)
Adjustments for :			
Depreciation / Amortization		-	-
Interest expense		5,870	444,546
Interest Income		(275,664)	(340,188)
Loss / (Gain) on disposal of property, plant and equipment		33,241,216	-
Other Adjustments		50,257	(90,523)
Provision for gratuity		-	(916,400)
Sundry balance written back		-	-
Operating profit before working capital changes		<u>(1,995,084)</u>	<u>(2,496,414)</u>
Other financial assets and other assets		(2,171,781)	(10,267)
Other financial liabilities, other liabilities and provisions		(43,928,917)	11,242,517
Cash generated/(used) from operations		<u>(48,095,783)</u>	<u>8,735,836</u>
Income Taxes paid / (Refund)		15,165	20,143
Net Cash flow from Operating Activities		<u><u>(48,080,618)</u></u>	<u><u>8,755,979</u></u>
B Cash flow from Investing activities			
Loans and advances (given) (net)		(15,000)	(52,500)
Purchase of property, plant and equipment		(58,520)	(42,490)
Sale proceeds of property, plant and equipment		28,066,949	78,033
Capital work-in-progress		(184,720,847)	(221,082,188)
Interest received		275,664	340,188
Net Cash from Investing Activities		<u><u>(156,451,754)</u></u>	<u><u>(220,758,957)</u></u>
C Cash flow from Financing Activities			
Proceeds from borrowings		205,498,702	211,741,320
Interest paid		(5,870)	(444,546)
Net Cash from Financing Activities		<u><u>205,492,832</u></u>	<u><u>211,296,774</u></u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)		960,460	(706,204)
Cash and cash equivalents at the beginning of the year		<u>428,970</u>	<u>1,135,173</u>
Cash and cash equivalents at the end of the year		<u><u>1,389,430</u></u>	<u><u>428,970</u></u>

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 V. V. KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

VIJAY V. KALE

Partner
Membership No. 080821

Place: New Delhi
Date:

LEADING HOTELS LIMITED
CIN: U55101DL2005PLC143141

STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31st March, 2021

(Amount in Rs)

Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
208,769,290	-	208,769,290

(B) Other equity

For the year ended 31st March, 2021

(Amount in Rs)

Particulars	Reserves & Surplus			Total
	Securities Premium Reserve	Retained Earnings	Fair Value through other Comprehensive Income [FVTOCI] Reserve	
Balance as at 1 April 2020	833,077,160	(66,833,044)	227,765	766,471,881
Profit for the year	-	(35,016,764)		(35,016,764)
Transfer from/to Other Comprehensive income/(loss) for the Year:				
Remeasurements gain/(loss) on defined benefit plan	-	-	-	-
Balance as at 31 March 2021	833,077,160	(101,849,807)	227,765	731,455,118

"As per our report attached"

For **V. V. KALE & CO.**
Chartered Accountants
Firm Registration No. 000897N

LEADING HOTELS LIMITED
CIN No.: U55101DL2005PLC143141

VIJAY V. KALE
Partner
Membership No. 080821

Place: New Delhi
Date:

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31st March 2021

Note: 1 Corporate Information and Significant accounting policies

1.1 Corporate Information

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

Significant Accounting Policies

1.2 Basis of Preparation of Financial Statements

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

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

1.3 Use of estimates

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

1.4 Revenue recognition

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

The expenses are recognized as and when they accrue.

1.5 Property, Plant & Equipment

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

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

1.6 Depreciation and amortization

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

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

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

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31st March 2021

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

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

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

Other long-term benefits

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

1.10 Foreign exchange transactions

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

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

1.11 Income Taxes

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

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

LEADING HOTELS LIMITED
CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31st March 2021

1.12 Financial instruments

I Non-derivative financial instruments

Financial assets & liabilities

a) Initial recognition

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

b) Subsequent measurement

Financial assets carried at amortized cost

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

c) Financial liabilities

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

1.13 Impairment

a) Financial assets

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

b) Non-financial assets

Intangible assets and property, plant and equipment

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

1.14 Earnings per share

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

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

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31st March 2021

1.15 Borrowing Cost

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

1.16 Cash and cash equivalents

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

1.17 Leases

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

1.18 Segment Reporting

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

1.19 Provisions and contingent liabilities

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

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2021

Property, Plant and Equipment

2 Changes in the carrying value of property, plant and equipment for the year ended March 31, 2021:

(Amount in Rs)

Asset description	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 01 April 2020	Additions during the year	Deletions/ adjustments during the year	As at 31 March 2021	Upto 31 March 2020	For the year	On deletions/ adjustments	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Land	1,282,995,745	58,520	56,549,492	1,226,504,773	-	-	-	-	1,226,504,773	1,282,995,745
Leasehold improvements	3,744,225	-	-	3,744,225	3,744,225	-	-	3,744,225	0	-
Furniture and fixtures	721,249	-	-	721,249	466,580	68,519	-	535,099	186,150	254,669
Vehicles	26,452,886	-	22,159,791	4,293,095	19,999,798	1,019,050	17,401,118	3,617,729	675,365	6,453,088
Office equipments	1,662,569	-	-	1,662,569	1,368,711	126,642	-	1,495,353	167,216	293,858
Computers	1,177,351	-	-	1,177,351	1,053,043	63,948	-	1,116,991	60,360	124,308
Total	1,316,754,025	58,520	78,709,283	1,238,103,262	26,632,357	1,278,159	17,401,118	10,509,397	1,227,593,864	1,290,121,668
Previous Year	1,317,378,443	42,490	666,908	1,316,754,025	23,697,948	3,523,284	588,875	26,632,357	1,290,121,668	1,293,680,495

LEADING HOTELS LIMITED

CIN: U55101DL2003PLC143141

Notes to the financial statements for the year ended 31 March 2021

3 Capital work in progress

(Amount in Rs)		
Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	2,773,742,719	2,549,137,247
Add : during the year		
Travelling	33,376	133,603
Interest on loan	179,567,265	211,957,060
Loan processing and syndication expenses	46,824	1,787,711
Project development (excluding sample villa expenditure)	1,367,576	1,558,897
Communication	38,863	95,498
Entertainment	-	8,615
Printing and stationary	5,876	39,645
Security	660,238	1,288,560
Staff welfare	12,298	314,447
Repair and maintenance		
- Office equipments	3,600	10,800
- Others	19,870	69,963
Rent	598,073	862,449
Salary and wages	884,885	24,756
Gratuity	-	-
Sitting Fee	-	370,000
Site office running expenses	1,489,365	2,580,339
Depreciation	1,278,159	3,523,284
Sample Villa development expenditure		-
	<u>2,959,748,986</u>	<u>2,773,762,874</u>
Less : during the year		
Less: Interest on security deposits (Ind As) A/c	7,262	20,155
	<u>2,959,741,724</u>	<u>2,773,742,719</u>

4 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Rental deposits*	88,806	89,359
	<u>88,806</u>	<u>89,359</u>

* Rental deposits carried at amortised cost

5 Other non current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Capital advances		
Unsecured, considered good		
Securities deposits	1,969,847	1,954,847
	<u>1,969,847</u>	<u>1,954,847</u>

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2021

6 Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Balance with banks		
- On current account	368,137	426,222
Cheques, drafts on hand	1,020,001	-
Cash on hand	1,292	2,748
	<u>1,389,430</u>	<u>428,970</u>

7 Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued on		
-Term deposits	327,688	140,657
-Deposits with MSEDCL	72,261	134,297
Other bank balances		
- Bank deposits with original maturity of more than 12 months*	2,438,000	2,438,000
	<u>2,837,949</u>	<u>2,712,954</u>

* against bank guarantee given to MSEDCL for electricity supply

8 Current tax assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advance tax & tax deducted at source	15,165	20,143
Income Tax Paid for AY 2016-17 (in Appeal)	5,065,770	5,044,420
	<u>5,080,935</u>	<u>5,064,563</u>

9 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Advances other than capital advances		
Advance to vendors	1,180,474	181,256
Prepaid expenses	24,142	480,982
Advance Recoverable in Cash & kind	-	-
Balances with GST Dept.(input credit)	24,596,809	23,123,384
	<u>25,801,425</u>	<u>23,785,622</u>

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2021

10 Equity Share capital

(Amount in Rs)

Particulars	As at	As at
	31 March 2021	31 March 2020
Authorised		
2,50,00,000 (previous year 2,50,00,000) equity shares of Rs.10 each*	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued, subscribed and fully paid up		
2,08,76,929 (previous year 2,08,76,929) equity shares of Rs. 10 each fully paid up*	208,769,290	208,769,290
	<u>208,769,290</u>	<u>208,769,290</u>

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

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

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
Equity shares of Rs.10 each, fully paid up				
Lexon Hotel Ventures Ltd.	20,826,929	99.76%	20,826,929	99.76%

LEADING HOTELS LIMITED

CIN: U55101DL2005PLC143141

Notes to the financial statements for the year ended 31 March 2021

11 Other equity

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
Reserve & surplus		
Securities premium reserve	833,077,160	833,077,160
Retained earnings	(101,849,807)	(66,833,044)
Fair Value through Other Comprehensive Income [FVTOCI] Reserve	227,765	227,765
	<u>731,455,118</u>	<u>766,471,881</u>
Reconciliation :		
Retained earnings		
Opening balance	(66,833,044)	(65,239,195)
Add: Profit/ (Loss) for the year	(35,016,764)	(1,593,849)
Gain/ (Loss) arising on changes in fair value	-	-
Closing balance	<u>(101,849,807)</u>	<u>(66,833,044)</u>
Fair Value through Other Comprehensive Income [FVTOCI] Reserve		
Opening balance	227,765	227,765
Add: Adjusted from surplus in statement of Profit & Loss		
- Re- measurement gains/(losses) on employee benefit	-	-
Closing balance	<u>227,765</u>	<u>227,765</u>

12 Borrowings

Particulars	Non-Current Portion		Current Maturities #	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Term loan				
Secured				
From Bank *	1,499,082,106	1,428,835,088	73,696,629	35,393,258
Other loans				
Secured				
From body corporates	27,073,057	-		388,882
	<u>1,526,155,163</u>	<u>1,428,835,088</u>	<u>73,696,629</u>	<u>35,782,140</u>

Notes :

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

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

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Notes to the financial statements for the year ended 31 March 2021

13 Provisions

(Amount in Rs)		
Particulars	As at 31 March 2021	As at 31 March 2020
Lease equalization reserve	92,820	42,563
	<u>92,820</u>	<u>42,563</u>

14 Other non-current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Advances / securities deposits for platinum golf membership (PGM) in goa project *	201,559,325	212,655,816
	<u>201,559,325</u>	<u>212,655,816</u>

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

15 Borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
Inter Corporate Deposit repayable on demand		
From other parties*		
-body corporates	1,350,419,328	1,334,050,000
Current maturities of long-term debts (refer to note 12)		
Secured		
Term loan		
From Bank **	73,696,629	35,393,258
Secured		
Vehicle loans		
From Bank	-	-
From others	-	-
Secured		
Other loans		
From body corporates	-	388,882
	<u>1,424,115,957</u>	<u>1,369,832,140</u>

Notes :

* Inter Corporate Deposits (both secured and unsecured) carry interest rate from 9 % to 18% p.a.

** The Company has made default in servicing the interest obligation on term loan amounting to Rs. 8,47,82,509/- and principal repayment amounting to Rs. 2,80,00,000/-pertaining to Yes Bank.

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Notes to the financial statements for the year ended 31 March 2021

16 Trade Payables

(Amount in Rs)

Particulars	As at 31 March 2021	As at 31 March 2020
For goods and services	9,306,182	10,741,066
Dues to micro and small enterprises*	959,172	54,000
	<u>10,265,354</u>	<u>10,795,066</u>

The disclosure pursuant to the said Act is as under:

DISCLOSURE UNDER MSMED ACT, 2006	2020-21 (Rs.)	2019-20 (Rs.)
(a) Principal amount due to suppliers under MSMED Act, 2006	959,172	54,000
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under	-	-
The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company		

17 Other financial liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Interest accrued and due but not paid	98,407,503	45,525,009
Interest accrued but not paid	14,648,070	13,635,755
Other payables		
Payable to employees	6,213,541	6,389,868
Others	2,500,000	34,100,000
	<u>121,769,114</u>	<u>99,650,632</u>

18 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at source and other statutory dues	173,839	668,226
Payable for Expenses	148,000	180,000
	<u>321,839</u>	<u>848,226</u>

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Notes to the financial statements for the year ended 31 March 2021

		(Amount in Rs)
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
19 Other Income		
Interest from		
Income Tax refunds	1,207	2,439
Others	72,261	136,312
Indian banks	202,196	201,437
Foreign exchange Profit (net)	-	-
Excess provision written back	-	930,071
	<u>275,664</u>	<u>1,270,259</u>
20 Employee benefit expenses		
Salaries and wages	685,061	573,600
Staff welfare expenses	1,550	9,522
	<u>686,611</u>	<u>583,122</u>
21 Finance cost		
Interest	5,870	444,546
Bank charges	13,850	155,159
	<u>19,720</u>	<u>599,705</u>
22 Administrative & other expenses		
Advertisement	638	545
Books and periodicals	5,164	5,760
Rent	300,000	50,000
Communication	6,260	84,579
Printing and stationery	8,941	37,704
Conveyance	470	598,493
Electricity	23,520	-
Business promotion	3,824	15,520
Legal and professional	303,470	349,051
Loss on sale of fixed assets	33,241,216	50,033
Repair and maintenance		
- Office Equipments	572	1,380
- Others	52,782	36,290
- Computers	26,012	31,212
Rates and taxes	82,408	204,212
Audit fees	120,000	200,000
Travelling expenses	18,069	13,198
Miscellaneous expenses	3,450	3,303
Subscription & Membership	389,301	-
Security charges	-	-
	<u>34,586,097</u>	<u>1,681,280</u>

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Notes to the financial statements for the year ended 31 March 2021

23.1 Contingent Liabilities

I. In respect of petitions filed before the NGT

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

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

II. In respect of Income Tax Matters

The income tax assessment of the Company for AY 2016-17 was completed u/s 143(3) of the Income Tax Act 1961 in earlier year, wherein additions of Rs.30.56 Crore was made u/s 68 of the said Act in respect of Inter corporate deposits received by the Company, consequently a demand of Rs. 14.03 Crores, comprising of tax and interest, was raised. The Company has filed appeal before the CIT(A) against the said assessment order and has deposited Rs. 50,65,770 towards the disputed tax demand, which is pending.

23.2 Details in respect of payment to auditors:

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
As auditor		
Statutory audit fee*	120,000	200,000
In other capacity		
Other services*	60,000	-
Total	180,000	200,000

* Exclusive of taxes.

23.3 Earnings per share:

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
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)	(35,016,764)	(1,593,849)
Basic earnings per share of face value of Re. 10 Each	(1.68)	(0.08)
Diluted earnings per share of face value of Re. 10 Each	(1.68)	(0.08)

23.4 Deferred Tax

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

23.5 Operating Segments

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

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

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

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

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Notes to the financial statements for the year ended 31 March, 2021

23.8 Related Party Disclosure

(A) Name of Related Parties and description thereof :

1. Holding Company	Lexon Hotel Ventures Ltd – Mauritius
	Fineline Hospitality & Consultancy Pte Ltd – Mauritius
	Asian Hotels (North) Ltd
2. Subsidiaries	Nil
3. Fellow Subsidiaries	Nil
4. Associates	Nil
5. Key Management Personnel	Mr. Shiv Kumar Jatia (Executive)
	Mr. Amritesh Jatia (Non-executive)
	Mr. Lalit Bhasin (Independent Non-executive)
	Mr. Sanjay Banthiya (Independent Non-executive)
	Ms. Tanya Agarwal (Company Secretary) (Appointed w.e.f. 18/07/2020 and resigned w.e.f. 14/06/2021)
	Ms. Priya Sethi (Chief Financial Officer) (Resigned w.e.f. 29/06/2021)

(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 31.03.2020 (net of TDS)	Service received during the year	Payment made during the year	TDS deducted during the year	Balance as on 31.03.21 (net of TDS)	Nature of Transactions
Asian Hotels (North) Ltd.	688935	-	-	-	688,935	Hotel Accommodation Services

Transaction with Key Management Personnel during the year :-

Particulars	31.03.2021	31.03.2020
Director Sitting fee :-		
Ms. Anita Thapar	-	50,000
Mr. Sanjay Banthiya	-	160,000
Mr. Lalit Bhasin	-	160,000
Company Secretary		
Tanya Agarwal	266,225	-
Salary Ms. Nitika Garg till dt 02.06.2020	64,352	24,677
Salary Ms. Rabab Zaidi till dt. 01.10.2019	-	295,505
Chief Financial Officer		
Salary Ms. Priya Sethi	341,544	128,472

23.9 Other Information

(a)Expenditure in foreign currency

Particulars	For the Year Ended 31.03.21	For the Year Ended 31.03.20
(i) Fee for Technical and Consultancy	-	-
(ii) Travelling Expenses	-	-

LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2021**24.1 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 2021	31 March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	1,389,430	428,970
Other financial assets	2,837,949	2,712,954
Total	4,227,379	3,141,924

(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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Notes to the financial statements for the year ended 31 March 2021

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

(i) Financing arrangements

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

Particulars	31 March 2021	31 March 2020
Fixed-rate borrowings		
Term loans	2,427,221,265	2,535,771,654

(ii) Maturities of financial liabilities

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

31 March 2021

(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	73,696,629	84,000,000	361,089,888	1,053,992,218	1,572,778,735
Other secured loan	-	-	-	-	-
Unsecured loan	1,350,419,328	-	-	-	1,350,419,328
Trade Payables	10,265,354	-	-	-	10,265,354
Payable to employees	6,213,541	-	-	-	6,213,541
Payable for expenses	148,000	-	-	-	148,000
Others	2,500,000	-	-	-	2,500,000
Total	1,443,242,852	84,000,000	361,089,888	1,053,992,218	2,942,324,959

31 March 2020

(Amount in Rs)

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

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Notes to the financial statements for the year ended 31 March 2021

24.3 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.

24.4 Interest rate risk

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

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

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

25. Financial Instruments - Accounting Classifications and fair value measurements

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

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

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

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

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

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

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

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

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

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Notes to the financial statements for the year ended 31 March 2021

I. Figures as at March 31, 2020

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

II. Figures as at March 31, 2021

	Carrying amount	Fair value		
	As at 31-03-2021	Level 1	Level 2	Level 3
Financial assets at amortised cost:				
Bank Deposits (Non-Current)	2,438,000			
Other Non-Current Financial Assets	399,949			
Trade Receivables	-			
Cash and Cash Equivalents	1,292			
Bank Balances Other than Cash and Cash Equivalents	368,137			
Other Current Financial Assets	1,020,001			
TOTAL	4,227,379	-	-	-
Financial assets at fair value through profit or loss:				
Security Deposits (Non-Current)	1,969,847			1,969,847
TOTAL	1,969,847	-	-	1,969,847
Financial liabilities at amortised cost:				
Borrowings (Non-Current)	1,526,155,163			
* Level 3 Includes deferment of loan charges on pro-rata basis during the tenure of loan				
Borrowings (Current)	1,424,115,957			
Trade Payables	10,265,354			
Security Deposits (Current)	-			
Other financial liabilities (Current)	121,769,114			
TOTAL	3,082,305,588	-	-	-
Financial liabilities at fair value through profit or loss:				
Security Deposits (Non-Current)	-			-
TOTAL	-	-	-	-

LEADING HOTELS LIMITED

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Notes to the financial statements for the year ended 31 March 2021

26. 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 2021	As at 31 March 2020
Total liabilities	3,284,279,573	3,122,659,531
Less : Cash and cash equivalent	1,389,430	428,970
Net debt	3,282,890,142	3,122,230,561
Total equity	940,234,408	975,241,171
Net debt to equity ratio	349.16%	320.15%

27. 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.

28.1 Status of Business operations

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

28.2 Material uncertainty regarding Going Concern

The Company has defaulted in making principal & interest payments to its bankers. Interest amounting to Rs. 8,47,82,509/- relating from September 2020 to March 2021 and principal repayment amounting to Rs. 2,89,00,000/- and has not made provision for interest payable on ICD lenders aggregating to Rs. 32,84,59,763/- (which includes interest payable for earlier year Rs.17,67,04,283/-). Further, the net current liabilities as on March 31,2021 stands at Rs. 192,13,62,524/-. The borrowings repayable after 12 months from the balance sheet date have continued to be classified as "non-current" based on the confirmations/repayment schedule received from the bankers.

Further on June 25, 2021 an Order under section 7 of Insolvency & Bankruptcy Code 2016, read with rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 has been passed for initiating Corporate Insolvency Resolution Process (CIRP). These factors cast a doubt of the ability of the subsidiary to continue as a Going Concern. Since the outcome of the recently commenced insolvency process cannot be estimated as of now, the financial statements are drawn on a reasonable basis which maintains the status-quo of the operations as it is.

"As per our report attached"

For V. V. KALE & CO.
Chartered Accountants
Firm Registration No. 000897N

LEADING HOTELS LIMITED
CIN No.: U59101DL2005PLC143141

VIJAY V. KALE
Partner
Membership No. 080821

Place: New Delhi
Date: