Note 1: Corporate Information

HLV Ltd. (Formerly known as **'Hotel Leelaventure Limited') ("HLVL" or the "Company")** is a public limited company incorporated in India and has its registered office situated at "The Leela Mumbai", Sahar, Mumbai 400 059.

The Company is primarily engaged in the business of owning, operating & managing hotels, palaces and resorts.

The financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorised for issue on 19th June, 2021.

Note 2: Basis of Preparation, Critical Accounting Estimates and Judgements, Significant Accounting Policies and Recent Accounting Pronouncements:

(i) Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Basis of preparation

These financial statements have been prepared on a historical cost basis, except for the following:

i) Defined benefit plans – plan assets measured at fair value.

ii) Certain financial instruments which are measured at fair value at the end of each reporting period.

iii) Assets held for sale (or disposal groups) –measured at lower of carrying amount or fair value less cost to sell.

(iii) Critical accounting estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires, management to make judgements, estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements pertain to:

(a) Useful lives of property, plant and equipment and intangible assets:

The Company has estimated the useful life of each class of assets based on the nature of assets, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, etc. The Company reviews the useful life of property, plant and equipment and intangible assets as at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(b) Impairment testing:

Property, plant and equipment and intangible assets that are subject to amortisation /depreciation are tested for impairment when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which include turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, and future economic and market conditions.

(c) Income Taxes:

Deferred tax assets are recognized to the extent that it is regarded as probable that deductible temporary differences can be realized. The Company estimates deferred tax assets and liabilities based on current tax laws and rates and in certain cases, business plans, including management's expectations regarding the manner and timing of recovery of the related assets. Changes in these estimates may affect the amount of deferred tax liabilities or the valuation of deferred tax assets and thereby the tax charge in the Statement of Profit or Loss.

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the Statement of Profit or Loss.

(d) Litigation:

From time to time, the Company is subject to legal proceedings the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgement is made when evaluating, among other factors, the probability of unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances.

(e) Defined benefit plans:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each Balance Sheet date.

(iv) Significant Accounting Policies:

(a) Revenue recognition:

(i) Income from operations

Revenue from operations is accounted on accrual, is net of indirect taxes, returns and discounts. Revenue is measured at the fair value of the consideration received or receivable. Revenue comprises of sale of rooms, food and beverages and allied services relating to hotel operations and management fees for the management of the hotels. Management fees earned from hotels managed by the Company are usually under long -term contracts with the hotel owner and is recognised when earned in accordance with the terms of the contract and collectability is reasonably certain.

(ii) Interest:

Interest income is accrued on a time proportion basis using the effective interest rate method.

(b) Property, Plant and Equipment:

Property, plant and equipment are initially recorded at cost. Cost includes the acquisition cost or the cost of construction, expenses directly related to bringing the asset to the location and condition necessary for making them operational for their intended use and, in the case of qualifying assets, the attributable borrowing costs.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

On transition to Ind AS, the Company has elected to continue with the carrying value of all property, plant and equipment recognised as at 1st April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(c) Investment Property:

Investment Property are initially measured at cost, including transaction cost. Subsequent to initial recognition, Investment property are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment Property are derecognised either when they have disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the Statement of Profit and Loss in the period of derecognising.

Transfers to or from investment property is made when and only when there is a change in use.

On transition to Ind AS, the company has elected to continue with the carrying value of all its investment properties recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

(d) Intangible Assets:

Intangible assets are stated at cost less accumulated amortisation and impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably.

On transition to Ind AS, the company has elected to continue with the carrying value of all its intangible assets recognised as of April 1, 2016 measured as per previous GAAP and use that carrying value as its deemed cost as of the transition date.

(e) Capital WIP

Capital work-in-progress comprises the cost of property, plant and equipment that are not yet ready for their intended use on the reporting date and materials at site.

(f) Depreciation and Amortisation:

The Company depreciates its property, plant and equipment and investment property over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 under straight line method except as under:

(i) Based on technical evaluation, the useful life of continuous process plant other than windmill has been estimated as 15 years (on a single shift basis) and that of motor boat 6 years.

(ii) Depreciation on additions / deletions during the year are provided on pro-rata basis. Assets purchased / installed during the year costing less than ₹ 5,000 each are fully depreciated.

(iii) Building constructed on leasehold land are depreciated at the applicable rate on the assumption that the lease would be renewed in the normal course.

(iv) Computer Software and website is amortised in six years and other intangible assets are amortised in five years.

The useful lives of assets and residual values are reviewed at the Balance Sheet date and the effects of any changes in estimates are accounted for on a prospective basis.

Depreciation /amortisation is not provided on non-current assets held for sale or part of the disposal group from the date of such assets are classified as held for sale or part of disposal group.

(g) Investments in subsidiaries:

Investment in a subsidiary is a long-term investment and is carried at cost. On transition to Ind AS, previous GAAP carrying amount as on that date, i.e. April 1, 2016 is considered as cost. However the investments which are part of disposal group as defined in Ind AS 105, are measured at lower of carrying amount or fair value less cost to sell and grouped under assets held for sale

(h) Inventories:

Stock of food and beverages, stores and operating supplies are stated 'at cost or net realisable value, whichever is lower'. Cost comprise fair value of consideration paid including duties and taxes (other than those refundable), cost of conversion and other costs in bringing the inventories to their present location and condition computed under weighted average cost method. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(i) Employee benefits:

(i) Short-term benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) The Company makes annual contributions to gratuity fund which is a defined benefit plan.

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined contribution plans such as provident fund are charged to the Statement of Profit and Loss as and when incurred.

(j) Borrowing Costs:

Borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Interest cost for the borrowings is computed under effective interest method.

Foreign exchange difference relating to foreign currency borrowings regarded as an adjustment to borrowing cost to the extent not capitalised is disclosed under finance cost.

(k) Taxation:

(i) Provision for current taxation has been made in accordance with the Income Tax laws applicable to the assessment year considering the taxable income of both continued and discontinued operations.

(ii) Deferred tax is recognized on timing difference being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation, or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

(l) Impairment of assets:

The carrying amounts of assets are reviewed at each balance sheet date, to assess any indication of impairment. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized wherever the carrying amount of the assets exceed its recoverable amount. The recoverable amount is greater of the net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(m) Foreign currency transaction:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions.

The monetary assets and liabilities in foreign currency as at balance sheet date are translated at rates prevailing at the year-end and the resultant net gains or losses are recognized as income or expense in the year in which they arise.

(n) Leases :

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company's leases assets mainly comprise buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. Generally, the Company uses incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116 - Short-term leases, leases of low-value assets and single discount rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, leases of low-value assets and lease where term of the lease is already expired and not yet renewed. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments are presented as follows in the Company's statement of cash flows:

- short-term lease payments, payments for leases of low-value assets and variable lease payments that are not included in the measurement of the lease liabilities are presented within cash flows from operating activities;
- payments for the interest element of recognised lease liabilities are included in 'interest paid' within cash flows from operating activities; and
- payments for the principal element of recognised lease liabilities are presented within cash flows from financing activities.

As practical expedient of Ind AS 116 "Leases", the company has considered Covid-19-related rent concessions not to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account.

Company as a lessor

Leases for which the Company is a lessor is classified as finance or operating lease. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(o) Government Grants/Incentives:

Government grants/incentives that the Company is entitled to on fulfilment of certain conditions, but are available to the Company only on completion of some other conditions, are recognised as income at fair value on completion of such other conditions.

Grants/incentives that the Company is entitled to unconditionally on fulfilment of certain conditions, such grants/incentives are recognised at fair value as income when there is reasonable assurance that the grant/incentive will be received.

(p) Income from Joint Development Agreement (JDA):

Income from JDA is accounted under percentage of completion method (POCM) as per the Guidance Note on Accounting for Real Estate Transactions. Balance cost of land and other expense related to JDA is grouped under Assets held for sale.

(q) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

(i) Provisions are recognised when the Company has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law because the Company created valid expectations on the part of the third parties by accepting certain responsibilities. To record such an obligation it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

(ii) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(iii) Disclosure of the contingent assets are made when it is probable that there is an inflow of future economic benefits. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

(r) Exceptional items:

The company discloses certain financial information both including and excluding exceptional items. The presentation of information excluding exceptional items allows a better understanding of the underlying performance of the company and provides consistency with the company's internal management reporting. Exceptional items are identified by virtue of either their size or nature so as to facilitate comparison with prior periods and to assess underlying trends in the financial performance of the company.

(s) Statement of Cash Flows :

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

(t) Earnings per Share :

Basic earnings per share is computed, by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

(u) Financial Instruments:

(1) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

(ii) Classification:

a. Cash and Cash Equivalents

Cash comprises cash/cheques on hand and demand deposits with banks. Cash equivalents are short-term balances with an original maturity of three months or less from the date of acquisition, highly liquid investment that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

b. Debt Instruments

The Company classifies its debt instruments, as subsequently measured at amortised cost or fair value through Other Comprehensive Income or fair value through profit or loss based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

(i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included as a part of the Company's income in the Statement of Profit and Loss using the effective interest rate method.

(ii) Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets are subsequently measured at fair value through Other Comprehensive Income if these financial assets are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest. Movements in the carrying value are taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Other Comprehensive Income to the Statement of Profit and Loss. Interest income on such financial assets is included as a part of the Company's income in the Statement of Profit and loss using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on such debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship as well as interest income is recognised in the Statement of Profit and Loss.

c. Equity Instruments

The Company subsequently measures equity investment in a wholly owned subsidiary and investment in certain power generation Companies at cost. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payment is established.

De-recognition

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continued involvement in the financial asset.

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(3) Impairment of financial assets

The Company assesses, at each reporting date, whether a financial asset or a group of financial assets is impaired and allowance for losses on such assessment is made in the Statement of Profit and Loss.

(v) Recent accounting pronouncements:

- New and Amended Standards adopted by the Company:

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116

The amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

- New Standards or Other Amendments Issued but not yet Effective:

  Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

(vi) Discontinued Operations:

(i) Assets are classified as "assets included in disposal group held for sale" when the appropriate level of the Company's management is committed to a plan to sell the asset and an active plan to locate the buyer and complete the plan is initiated and the sale is highly probable and expected to complete within one year of such classification. The carrying amount of these assets will be principally recovered through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

(ii) Liabilities of disposal group are classified as "liabilities included in disposal groups(s) held for sale"

(iii) Profit and loss from discontinued operations are separately disclosed in the Statement of Profit and loss.

Note 3(a): Property, plant and equipment

₹ Lakhs

Particulars	Land - freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount							
As at 1 April 2019	1,174.70	23,695.81	3,356.50	701.26	419.31	415.37	29,762.95
Additions	-	-	503.18	5.47	440.07	57.62	1,006.34
Reclassification from Discontinued Operations	-	39.31	-	-	24.67	-	63.98
Disposals/ discards/ adjustments	-	(32.73)	(132.57)	(3.10)	(128.49)	(369.91)	(666.80)
Balance as at 31 March 2020	**1,174.70**	**23,702.39**	**3,727.11**	**703.63**	**755.56**	**103.08**	**30,166.47**
As at 1 April 2020	**1,174.70**	**23,702.39**	**3,727.11**	**703.63**	**755.56**	**103.08**	**30,166.47**
Additions	-	0.90	47.58	0.48	-	2.25	51.21
Reclassification from Discontinued Operations	-	-	-	-	-	-	-
Disposals/ discards/ adjustments	(0.82)	-	(4.93)	0.13	(132.73)	(1.71)	(140.06)
Balance as at 31 March 2021	**1,173.88**	**23,703.29**	**3,769.76**	**704.24**	**622.83**	**103.62**	**30,077.62**
Accumulated depreciation							
As at 1 April 2019	-	1,430.77	312.02	306.68	348.39	381.18	2,779.04
Depreciation for the year	-	477.58	266.67	79.79	12.93	12.88	849.85
Reclassification from Discontinued Operations	-	1.75	-	-	17.27	-	19.02
Disposals/ discards/ adjustments/Reclassification	-	(3.47)	353.34	0.27	(110.09)	(359.41)	(119.36)
Balance as at 31 March 2020	**-**	**1,906.63**	**932.03**	**386.74**	**268.50**	**34.65**	**3,528.55**
As at 1 April 2020	**-**	**1,906.63**	**932.03**	**386.74**	**268.50**	**34.65**	**3,528.55**
Depreciation for the year	-	477.07	256.50	53.63	53.66	6.37	847.23
Reclassification from Discontinued Operations	-	-	-	-	-	-	-
Disposals/ discards/ adjustments/Reclassification	-	-	(0.02)	(0.46)	(119.29)	(2.19)	(121.96)
Balance as at 31 March 2021	**-**	**2,383.70**	**1,188.51**	**439.91**	**202.87**	**38.83**	**4,253.82**
Carrying Value							
As at 31 March 2020	1,174.70	21,795.76	2,795.08	316.89	487.06	68.43	26,637.92
As at 31 March 2021	**1,173.88**	**21,319.59**	**2,581.25**	**264.33**	**419.96**	**64.79**	**25,823.80**

i) Building includes cost of 25 (previous year 25) shares of ₹ 50 each in a Co-operative housing society.

ii) Building with carrying value constructed on leasehold land where lease agreement has not been renewed is ₹ 21,316.04 lakhs (Previous year ₹ 21,792.13 lakhs).

Note 3(b): Right of use assets

₹ Lakhs

Particulars	Leasehold Building	Total
Gross carrying amount		
As at 1 April 2019	-	-
Additions	1,985.45	1,985.45
Disposals/ discards/ adjustments	-	-
Relating to discontinued operations	-	-
Balance as at 31 March 2020	**1,985.45**	**1,985.45**
As at 1 April 2020	1,985.45	1,985.45
Additions	-	-
Disposals/ discards/ adjustments	-	-
Relating to discontinued operations	-	-
Balance as at 31 March 2021	**1,985.45**	**1,985.45**
Accumulated depreciation		
As at 1 April 2019	-	-
Depreciation for the year	181.47	181.47
Disposals/ discards/ adjustments	-	-
Relating to discontinued operations	-	-
Balance as at 31 March 2020	181.47	181.47
As at 1 April 2020	181.47	181.47
Depreciation for the year	397.09	397.09
Disposals/ discards/ adjustments	-	-
Relating to discontinued operations	-	-
Balance as at 31 March 2021	**578.55**	**578.55**
Carrying Value		
As at 31 March 2020	1,803.98	1,803.98
As at 31 March 2021	**1,406.89**	**1,406.89**

i) The land lease agreement with the AAI has expired and the Company is negotiating for renewal. In the absence of a definitive agreement and uncertainty about the timing of the cash flows, this lease is not included in the calculation of Right-of-Use Assets and corresponding Lease liabilities. The rental for this land continues to be provided as lease expense on a best estimate.

Note 4: Investment Property

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Gross carrying amount		
As per last balance sheet	**4,899.38**	7,837.45
Additions	**-**	3,408.57
Disposals/adjustments	**-**	(6,346.64)
At the end of the year	**4,899.38**	4,899.38
Accumulated depreciation		
As per last balance sheet	**481.26**	488.34
Depreciation for the year	**100.01**	153.36
Disposals/adjustments/Reclassification	**-**	(160.44)
At the end of the year	**581.27**	481.26
Net carrying amount	**4,318.11**	4,418.12

Fair Value :

The Company has not obtained independent valuation of these properties, but is of the opinion that the present fair value is not lesser than carrying value disclosed in the accounts.

₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Income arising from investment properties		
Rental income derived from investment properties (excluding rental income drived from investment properties Assets held for Sale)	**517.73**	543.48
Direct operating expenses (including repairs and maintenance) generating rental income	**109.62**	137.39
Income arising from investment properties before depreciation	**408.11**	406.09
Depreciation	**100.01**	153.36
Income arising from investment properties (Net)	**308.10**	252.73

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 5: Intangible assets

₹ Lakhs

Particulars	Computer software	License / franchise fees	Website	Total
Gross carrying amount				
As at 1 April 2019	204.66	49.79	25.82	280.27
Additions	6.85	-	0.68	7.53
Disposals/ discards/ adjustments	(152.10)	-	-	(152.10)
Relating to discontinued operations	-	-	-	-
Balance as at 31 March 2020	**59.41**	**49.79**	**26.50**	**135.70**
As at 1 April 2020	**59.41**	**49.79**	**26.50**	**135.70**
Additions	2.47	-	-	2.47
Disposals/ discards/ adjustments/ Reclassification	-	-	-	-
Balance as at 31 March 2021	**61.88**	**49.79**	**26.50**	**138.17**
Accumulated depreciation				
As at 1 April 2019	142.84	49.79	25.82	218.45
Amortisation for the year	8.40	-	0.04	8.44
Disposals/ discards/ adjustments	(117.23)	-	-	(117.23)
Relating to discontinued operations	-	-	-	-
Balance as at 31 March 2020	**34.01**	**49.79**	**25.86**	**109.66**
As at 1 April 2020	**34.01**	**49.79**	**25.86**	**109.66**
Amortisation for the year	7.26	-	0.11	7.37
Disposals/ discards/ adjustments/ Reclassification	-	-	-	-
Balance as at 31 March 2021	**41.27**	**49.79**	**25.97**	**117.03**
Carrying Value				
As at 31 March 2020	**25.40**	**-**	**0.64**	**26.04**
As at 31 March 2021	**20.61**	**-**	**0.53**	**21.14**

Note 6: Investments ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Investment in equity others - Unquoted		
(i) Nil (12,000) equity shares of ₹ 10 each of Green Infra Wind Power Generation Limited	-	1.20
Total investment in equity instruments	-	1.20
Total	-	1.20
Aggregate amount of unquoted investment	-	1.20

Note 7: Other non-current financial assets ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with banks *	661.76	418.04
Margin money deposits with banks (refer note 13)	90.84	348.24
Security deposits - considered good	861.35	954.54
Total	1,613.95	1,720.82

* Deposit of ₹ 661.76 Lakhs is subject to confirmation from Banks.

Note 8: Tax assets (Net) ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Income Tax assets (net)		
Opening balance for the year	3,336.38	2,956.38
Less : Tax payable for the year	-	-
Add : Taxes deducted/collected at source	108.18	476.32
Add/(less) : Refund/adjustment for earlier years	(2,578.12)	(96.32)
Closing balance	866.44	3,336.38

Note 9: Other non-current assets ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with Government authorities	227.52	226.97
Advance for Property, Plant & Equipment	1.40	16.55
Deposit adjustable against future rent payments	1,760.79	1,853.37
Pre-paid expenses	4.94	4.81
Total	1,994.65	2,101.70

Note 10: Inventories ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Food and beverages	253.96	284.01
Stores and operating supplies	368.33	384.79
Total	622.29	668.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 11: Trade receivables (unsecured) ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Receivables from related parties - considered good	65.51	20.14
Other than from related parties :		
Trade receivables - considered good	218.21	731.00
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables - credit impaired	1,380.33	1,364.04
	1,664.05	2,115.19
Less : Allowance for trade receivables - credit impaired	(1,380.33)	(1,364.04)
Total	283.72	751.14

Note 12: Cash and cash equivalents ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	10.03	11.66
Balances with bank in current account	321.52	1,192.44
Short-term deposits with bank	-	613.70
(with original maturity less than three months)		
Total	331.55	1,817.80

Note 13: Other balances with banks ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Margin money deposits	90.84	348.24
	90.84	348.24
Less : margin money deposits classified as non-current financial assets (refer note 7)	90.84	348.24
Total	-	-

Note 14: Other current financial assets ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Interest receivable	35.57	122.02
Unbilled revenue	31.70	27.71
Receivable against assets held for sale	6,390.25	4,226.89
Security deposits	4.00	5.00
Total	6,461.52	4,381.62

Note 15: Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade advances	**218.60**	442.24
Loans and advances to employees	**8.00**	10.66
Advance rentals	**92.70**	93.02
Pre-paid expenses	**1,037.86**	171.51
Balances with Government authorities	**890.83**	236.57
Services export incentives	**407.71**	2,004.66
Other receivables - considered good	**4.69**	2.46
Total	**2,660.39**	2,961.12

Note 16: Equity share capital

₹ Lakhs

Particulars		As at 31 March 2021	As at 31 March 2020
a)	**Authorised capital**		
	100,00,00,000 (100,00,00,000) equity shares of ₹ 2 each with voting rights	**20,000.00**	20,000.00
	60,00,000 (60,00,000) Redeemable preference shares of ₹ 100 each	**6,000.00**	6,000.00
b)	**Issued share capital**		
	63,05,51,766 (63,05,51,766) equity shares of ₹ 2 each with voting rights	**12,611.04**	12,611.04
c)	**Subscribed and fully paid up**		
	63,05,51,766 (63,05,51,766) equity shares of ₹ 2 each with voting rights	**12,611.04**	12,611.04
		12,611.04	12,611.04

d) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
At the beginning of the year	**630,551,766**	**12,611.04**	630,551,766	12,611.04
Add/Less : Issued/Redeem equity shares	**-**	**-**	-	-
At the end of the year	**630,551,766**	**12,611.04**	630,551,766	12,611.04

e) Shareholders holding more than 5% shares

Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. of shares	% of holding	No. of shares	% of holding
Universal Hotels and Resorts Private Limited	**240,442,344**	**38.13**	240,442,344	38.13
JM Financial Asset Reconstruction Company Limited	**163,943,459**	**26.00**	163,943,459	26.00
Rockfort Estate Developers Private Limited	**55,607,175**	**8.82**	55,607,175	8.82
ITC Limited	**49,953,055**	**7.92**	49,953,055	7.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 17: Other equity ₹ Lakhs

Particulars		**As at 31 March 2021**	As at 31 March 2020
(a)	Capital redemption reserve		
	As at 1st April	**8,750.00**	8,750.00
	Increase/(decrease) adjustments	**-**	-
	As at Closing	**8,750.00**	8,750.00
(b)	Security premium		
	As at 1st April	**65,346.24**	65,346.24
	Increase/(decrease) adjustments	**-**	-
	As at Closing	**65,346.24**	65,346.24
(c)	Debenture redemption reserve		
	As at 1st April	**-**	6,750.00
	Increase/(decrease) adjustments	**-**	(6,750.00)
	As at Closing	**-**	-
(d)	General reserve		
	As at 1st April	**13,195.39**	6,445.39
	Increase/(decrease) adjustments	**-**	6,750.00
	As at Closing	**13,195.39**	13,195.39
(e)	Retained earnings		
	As at 1st April	**(53,970.06)**	(73,319.94)
	Add/Less: Profit/(loss) for the year	**(3,592.57)**	19,349.88
	As at Closing	**(57,562.62)**	(53,970.06)
(f)	Other comprehensive income		
	As at 1st April	**(196.12)**	(13.78)
	Add/Less: Profit/(loss) for the year	**30.27**	(182.33)
	As at Closing	**(165.85)**	(196.11)
	Total	**29,563.15**	33,125.46

(i) Capital Redemption Reserve represents reserve created for redemption of Preference shares.

(ii) Securities premium is created due to premium on issue of shares. These is utilised in accordance with the provisions of the Companies Act.

(iii) Debenture Redemption Reserve is required to create a reserve out of the profits which is available for purpose of redemption. During the year Company redeemed Debenture and accordingly, balance in debenture redemption reserve transferred to General Reserve.

Note 18: Non-current borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured		
Rupee loan from banks	**761.84**	-
Rupee term loan from others	**281.39**	359.56
Total	**1,043.23**	359.56
Current maturities of long term debt (refer note 23)		
Rupee loan from banks	**203.16**	-
Rupee loan from Others	**78.18**	71.47
Total	**281.34**	71.47
(Shown under other current financial liabilities)		

Details of borrowings

Particulars	Interest rate (%)	As at 31 March 2021	As at 31 March 2020	Details of security & Repayment Schedule
Rupee loan from banks				
Kotak Mahindra Bank Limited	16.00%	**965.00**	-	Refer Note A
		965.00	-	
Rupee loan from others				
BMW Financial Services (I) Limited	8.99% & 9.15%	**359.57**	431.03	Refer Note B
		359.57	431.03	
Total Secured Loans		**1,324.57**	431.03	

Note A : The rupee loan from Bank is secured against first and exclusive charge on current and future Current Assets (including Lease Rentals) and Fixed Assets of the Company, collateral securities of the borrowing is 2 shops and 4 offices at Leela gallaria Mumbai and 5 residential Flats at Gurgaon, personal guarantee of Mr. Dinesh Nair and corporate guarantee of Leela Fashion Private Limited.

The loan is repayable in 5 years ending on Dec-25 in 57 installment of ₹ 16.93 lakhs.

Note B : The rupee loan from others is secured against vehicles and is repayable in 60 EMI starting from April 2020.

Note 19: Other non current financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade/security deposits received	**1,005.57**	1,015.90
Lease liability	**1,112.05**	1,491.21
Total	**2,117.62**	2,507.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 20: Non current provisions ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Employee benefit obligations:		
- for compensated absences	**179.95**	318.91
- for Gratuity (net)	**695.10**	648.95
Total	**875.05**	967.86

Note 21: Current borrowings - Unsecured ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
From related party: Leela Lace Holdings Pvt Ltd at 0% interest	**2,791.01**	2,876.01
Total	**2,791.01**	2,876.01

Note 22: Trade payables ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
To micro enterprises and small enterprises - others (refer note 34.6)	**3.06**	0.20
	3.06	0.20
To other than micro enterprises and small enterprises		
- Related parties	**208.15**	2,904.30
- Others	**4,860.59**	3,225.47
Total	**5,068.74**	6,129.78

Note 23: Other current financial liabilities ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term debt (refer note 18)	**281.33**	71.47
Interest accrued on borrowings	**4.20**	-
Payable on purchase of property, plant and equipment	**23.21**	53.97
Lease liability	**379.15**	350.10
Liability for expenses	**503.51**	646.53
Other Liability	**0.39**	2,049.91
Overdrawn bank balance	**194.92**	8.59
Trade/security deposits	**88.65**	68.65
Total	**1,475.36**	3,249.21

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 24: Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory liabilities	234.50	121.26
Deposit adjustable against future rent income	-	0.19
Advance from customers	287.59	353.36
Total	522.09	474.81

Note 25: Current Provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Employee benefit obligations:		
- for bonus	59.13	132.04
- for compensated absences	278.87	297.94
Total	338.00	429.98

Note 26: Revenue from operations

₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from sale of products:		
Food & beverages	646.52	5,527.36
Revenue from sale of services:		
Room revenue	638.16	7,858.00
Income from rental & related services	564.78	546.23
Other services	42.59	635.97
	1,245.53	9,040.20
Total	1,892.05	14,567.56

Note 27: Other income

₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest Income from Deposit with Bank	41.96	79.62
Interest from Others	193.97	94.10
Amortisation of interest on security deposits	47.66	45.06
Export service incentives/subsidy	1,959.16	140.60
Net foreign exchange gain/(loss)	0.62	11.64
Profit on sale of property, plant and equipment (net)	85.75	21.83
Gain/Loss on derecognition of Financial Instrument	-	139.69
Provisions/ liabilities written back	36.21	70.41
Miscellaneous income	156.40	48.09
Total	2,521.73	651.04

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

Note 28: Food and beverages consumed ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock	284.01	386.43
Add: Purchases	180.80	1,115.03
	464.81	1,501.46
Less: Closing stock	253.96	284.01
Total	210.85	1,217.45

Note 29: Employee benefit expenses and payment to contractors ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries & wages	1,346.84	3,785.21
Contribution to provident fund and other funds	179.91	340.46
Staff welfare expenses	159.84	451.73
Labour contract	566.72	1,601.10
Total	2,253.31	6,178.50

Note 30: Finance costs ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on borrowings	63.35	-
Interest others	33.14	0.75
Interest on lease liabilities	131.44	75.91
Financial charges	1.96	14.26
Total	229.89	90.92

Note 31: Depreciation and amortisation expenses ₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	847.23	849.85
Depreciation of right of use assets	397.09	181.47
Depreciation of investment property	100.01	153.36
Amortisation of intangible assets	7.37	8.44
Total	1,351.70	1,193.12

Note 32: Other Expenses

₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and supplies including linen	**133.21**	580.02
Power and fuel	**518.90**	961.05
Rent	**1,334.06**	2,494.04
Repairs and maintenance		
- Buildings	**156.15**	178.57
- Machinery	**237.92**	343.29
- Others	**206.87**	374.38
Insurance	**77.60**	66.39
Rates and taxes	**452.19**	1,159.81
Other Operating expenses	**92.72**	211.63
Communication	**34.19**	58.52
Travelling and conveyance	**41.83**	192.26
Guest transport	**51.01**	204.60
Printing and stationary	**13.48**	59.44
Reservation fee	**56.49**	120.61
Sales & credit card commission	**63.89**	418.67
Business promotion	**387.39**	446.35
Legal and professional *	**789.45**	1,569.78
Directors' sitting fees	**13.80**	16.50
Provision/write-off of trade and other receivables	**17.49**	1,364.04
Miscellaneous expenses	**48.13**	47.55
Total	**4,726.77**	10,867.50
* includes Auditors' remuneration:		
Statutory audit	**8.00**	26.00
Tax audit	**2.00**	4.00
Other services	**2.44**	16.43
	12.44	46.43

Note 33: Exceptional items - profit/(loss)

₹ Lakhs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impairment of capital work in progress	**(13.73)**	-
Impairment of Assets held for sale	**-**	(843.95)
Income from joint development of property	**779.88**	3,153.31
Total	**766.15**	2,309.36

34. Additional information to the Financial Statements

34.1 Disputes with Airports Authority of India (AAI)

(a) The lease agreement with Airports Authority of India (AAI) relating to the Mumbai hotel for leasing of 18000 sq mtrs. of land was valid till 11th July 2012 and vide letter dated 31st March, 2011, AAI had offered to extend the lease by another 30 years, subject to revised terms, which the Company had accepted. Pending execution of the lease agreement, AAI had been provisionally extending the lease for 3 to 6 months at a time and the latest extension was till 11th January, 2016. AAI has arbitrarily increased the lease rental payable for the Mumbai hotel, effective from 1st October 2014, the increased rentals on the basis of such arbitrary increase works out to by ₹ 8000 lakhs for the period upto 31st March 2021 (upto 31st March 2020 Rs 6592 lakhs). The Company has objected to this increase and has not provided for the same. AAI has unilaterally terminated the lease and commenced eviction proceedings and the Company is legally contesting the same. Depreciation on Mumbai hotel building is provided at the applicable rate, on the assumption that the lease will be renewed.

(b) The Company had entered into a lease agreement on 7th February, 1996 with the AAI in respect of a land admeasuring 11,000 sqm intended for the construction of a 150-room Hotel at Mumbai based on terms stipulated in it of Royalty on turnover with minimum guaranteed amounts (MG) to be mutually agreed and annual ground rent between the parties. The percentage of Royalty and MG was stipulated in the Supplementary Agreement dated 7th February 1996. The MG was arrived at based on certain revenue projections. The terms and stipulations specified in the Supplemental Agreement became impossible of performance for various reasons. Further, the Company vide letter dated 6th April, 2017 requested AAI to take over immediate physical possession of the land pending restoration of FSI by the Company. No Provision has been made for the cost of FSI as it is not ascertainable. However, AAI commenced the eviction proceedings with their claim of MG and enhanced rent. As per the revised claim filed by the AAI in February 2019 before the eviction officer, the amount due to them as on 31st January 2019 is ₹80705 lakhs towards minimum guarantee and rent as against ₹ 28537 lakhs as on 31st January 2017 claimed earlier which Company is disputing. The eviction matter is pending with the eviction officer and the company is legally contesting the same. According to legal opinion received, the liability is contingent in nature and hence no provision is made in the books.

(c) The company has initiated settlement talks in respect of above disputes with the Settlement Advisory Committee duly constituted by the Board of AAI. The Company in the meetings with them, putforth their views against the demand raised by them arbitrarily and awaiting the outcome of the same.

(d) In view of the above the company has not adopted IND AS-116 on the above leased transactions.

34.2 An appeal filed by one of the minority shareholder viz. ITC Ltd. with Supreme Court of India against the order of Securities Appellate Tribunal (SAT) in the matter of transfer of Business Undertaking to Brookfield Group is pending. Further the petition filed by the said ITC Ltd. before National Company Law Tribunal ("NCLT"), Mumbai alleging oppression and mismanagement is pending for disposal. Due to Covid-19 pandemic, matters were not taken up for the hearing till date.

34.3 Discontinued operations

In compliance with Ind AS 105, operational income and expenses of the Disposal Group(s) forming part of the Brookfield Transaction are disclosed as 'profit /(loss) from discontinued operations' in the previous year.

a) Profit/(Loss) from Discontinued Operations: ₹ Lakhs

Particulars	Year ended 31 March 2020
Revenue from operations	28,055.52
Other income	909.13
Total	28,964.65
Food and beverages consumed	2,591.15
Employee benefit expenses and payment to contractors	8,057.77
Finance costs *	34,150.33
Depreciation and amortisation expenses	-
Other expenses	11,467.05
Total	56,266.30
Profit/(loss) before tax	(27,301.65)
Taxation	-
Profit/(loss) from discontinued operations	(27,301.65)

* Finance costs includes net interest cost on borrowing of ₹ 28974 Lakhs as one time settlement with lenders.

b) The Profit from sale of undertaking (including profit on sale of subsidiary) are as follows: ₹ Lakhs

Particulars	As at 31 March 2020
Sales Consideration from brookfield transaction (net of expense pertaining to disposal)	386,919.07
Working Capital adjustment payable (subject to confirmation)	(2,000.00)
Net assets transferred in brookfield transaction	(336,248.01)
Profit on sale of Brookfield Transaction	48,671.06

34.4 Going Concern Basis

The financial statements of the Company have been prepared on a 'Going concern basis' as

(a) the Company is confident of getting favourable judgment/ orders / settlement in respect of disputes with AAI and continuing the Mumbai Hotel operations. (Refer Note No. 34.1)

(b) the impact of Covid-19 may not be a major challenge in continuing the Business. (Refer Note No. 34.12).

34.5 Contingent liabilities (to the extent not provided for) ₹ Lakhs

Particulars	2020-21	2019-20
Contingent liabilities:		
(a) Disputed liability with AAI		
(i) refer note 34.1 (a)	**8,000.00**	6,591.70
(ii) refer note 34.1 (b)	**80,705.00**	80,705.00
(b) Other claims against the Company not acknowledged as debt	**1,335.14**	1,320.14
(c) Disputed Statutory Liabilities	**3,286.48**	3,176.20

34.6 The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the Company in this regard.

₹ Lakhs

Particulars	2020-21 Continued	2019-20 Continued
(i) Principal amount remaining unpaid to any supplier as at the end of the year	**3.06**	0.00
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	**0.04**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-
(iv) The amount of interest due and payable for the year	**0.04**	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	**-**	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**Nil**	Nil

₹ Lakhs

Particulars	2020-21 Discontinued	2019-20 Discontinued
(i) Principal amount remaining unpaid to any supplier as at the end of the year	**Nil**	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the year	**Nil**	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**Nil**	3.36
(iv) The amount of interest due and payable for the year	**Nil**	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the year	**Nil**	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**Nil**	Nil

Disclosures of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

34.7 Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable under these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

(i) Gratuity

The Company has a tie-up under Employees' Trust Deed Group Gratuity- cum-Life Assurance Scheme of the Life Insurance Corporation of India, and has partly funded the defined benefit plan for eligible employees. The scheme provides for lump sum payment to eligible employees on retirement, death while in employment or on termination of employment, of an amount equivalent to 15 days' salary payable for each completed year of service or part thereof in excess of six months subject to a limit of ₹ 20 lakhs. The unfunded portion as well as the amounts in excess of the limit are to be borne by the Company, as per policy. Eligibility occurs upon completion of five years of service.

The present value of the defined benefit obligation and current service cost are measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.

a) Reconciliation of Opening and Closing balances of Defined Benefit Obligation ₹ Lakhs

Particulars	2020-21	2019-20
Defined Benefit Obligation at beginning of the year	1,908.37	2,472.01
Current service cost	71.49	213.78
Past service cost	-	-
Interest cost	101.36	161.65
Actuarial (gain)/loss	(39.87)	193.46
Benefits paid	(188.69)	(141.71)
Liabilities assumed/(settled)	-	(990.82)
Defined Benefit Obligation at the end of the year	1,852.67	1,908.37

b) Reconciliation of opening and closing balances of fair value of plan assets ₹ Lakhs

Particulars	2020-21	2019-20
Fair value of plan assets at beginning of the year	1,259.42	1,635.53
Expected return of plan assets	91.45	135.57
Employer contribution	5.00	155.78
Benefits paid	(188.69)	(141.71)
Fair value of plan assets at year end	1,157.56	1,259.42
Assets acquired/ (settled)	-	(536.88)
Actual return on plan assets	(9.61)	11.13

c) Reconciliation of fair value of Assets and Obligations ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets	**1,157.56**	1,259.42
Present value of obligation	**1,852.67**	1,908.37
Amount recognised in balance sheet ((surplus)/deficit)	**695.10**	648.95

d) Expenses recognised during the year ₹ Lakhs

Particulars	2020-21	2019-20
In income statement		
Current service cost	**71.49**	213.78
Past service cost	**-**	-
Interest cost	**9.91**	26.07
Net cost	**81.40**	239.85
In other comprehensive income		
Actuarial (Gain)/Loss	**(39.87)**	193.46
Return on plan assets	**9.61**	(11.13)
Net (income)/expense for the period recognised in OCI	**(30.25)**	182.33

(ii) Compensated absence liabilities

Present value of compensated absence liabilities (unfunded) recognised in Balance Sheet as per actuarial valuation under Projected Unit Credit Method.

34.8 Segment Information

The Company has identified single reportable segment, i.e., hotel, as its business. Accordingly, disclosures relating to the segmentation under Ind AS 108, “Operating Segment” is not required.

34.9 Leases

a) The Company’s lease asset primarily consist of lease for buildings. The Company has applied the exemption not to recognize right-of-use assets and liabilities for leases with:

i) less than 12 months of lease term on the date of contract inception.

ii) either low value or cancellable at the option of lessee.

iii) lease already expired and not renewed till date.

iv) Variable lease payments (including deposit given to the lessor) that do not depend on an index or a rate.

v) Lease payment related to discontinued operations.

b) The Company incurred ₹ 169.17 lakhs for the year ended 31st March, 2021 towards expenses related to either short-term leases or low value lease or variable lease .

c) The Company incurred ₹ 1164.89 lakhs for the year ended 31st March, 2021 towards for which lease with AAI is expired and not renewed.

d) The weighted average effective interest rate applied to lease liabilities is 8%.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd.)

e) Maturity Analysis of Lease Liability

₹ In Lakhs

Particulars	2020-21	2019-20
Less than 1 year	**379.15**	350.10
Between 1 and 2 years	**855.33**	789.78
Between 2 and 5 years	**256.72**	701.43
Over 5 years	**-**	-
Total	**1,491.21**	1,841.30

f) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g) During the current year, the Company has received the Covid-19-related rent concessions for lessees amounting to ₹ 1.20 crores and on the basis of practical expedient as per Ind AS 116 “Leases”, the same is not considered to be lease modification, hence the income towards rent concession is recognised in “Other Income” in the statement of profit and loss account.

34.10 Related party transactions

(i) Details of related parties:

Associates:

Leela Lace Holdings Pvt Ltd.
Leela Fashions Pvt Ltd.
Rockfort Estate Developers Pvt Ltd.
Leela Hospitality Pvt Ltd.
Doyen Hotels Pvt. Ltd.
Elegant Eateries Pvt Ltd.
Fransisco Hospitality Pvt Ltd.
Leela Capital and Finance Ltd.
Leela Housing Pvt Ltd.
Leela IT Projects Pvt Ltd.
Leela Lace Estates Pvt Ltd.
Leela Realty Ltd.
LMV Associates Ltd.
LM Realtors Pvt Ltd.
Season Apparels Pvt. Ltd.
Universal Hotels & Resorts Pvt Ltd
Vibgyor Leasing Pvt Ltd.
Zillion Hotels & Resorts Pvt Ltd.

Key Management Personnel (KMP)

Mr. Vinay Kapadia

Mr.Vivek Nair

Mr.Dinesh Nair

₹ In Lakhs

(II) Transactions carried out with Related Parties & KMP

Particulars	Associates		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20
Sale of room, food and other services	**4.93**	13.22		
Leela Hospitality Pvt. Ltd.	**-**	4.93		
Sale of Flats (Assets held for Sale)				
Leela Lace Holdings Pvt. Ltd.	**477.13**	-		
Expenses towards goods & services				
Leela Hospitality Pvt. Ltd.	**0.73**	0.71		
Income from rental & related services				
Leela Lace Holdings Pvt. Ltd.	**-**	104.51		
Leela Fashions Pvt. Ltd	**55.77**	70.16		
Leela Hospitality Pvt. Ltd.	**-**	12.24		
Expense towards lease rent				
Leela Lace Holdings Pvt. Ltd.	**393.67**	1,059.87		
Leela Fashions Pvt. Ltd	**0.25**	0.25		

Particulars	Associates		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20
Directors' Sitting Fees				
Ms. Saija Nair			3.60	4.50
Mr. Vinay Kapadia			4.20	5.70
Mr. Vijay Sharma			4.20	5.70
Mr. Ashok Rajani			0.30	-
Mrs. Madhu Nair			1.20	0.60
Ms. Amruda Nair			0.30	-

Particulars	Associates	
	As at 31 March 2021	As at 31 March 2020
Debit balance outstanding		
Leela Hospitality Pvt. Ltd. (Refer Note 34.10 (iii))	-	0.26
Leela Fashions Pvt. Ltd (Refer Note 34.10 (iii))	65.51	19.88
Credit balance outstanding		
Leela Lace Holdings Pvt. Ltd	208.15	2,904.31
Unsecured loans outstanding		
Leela Lace Holdings Pvt. Ltd.	2,791.01	2,876.01
Deposits given		
Leela Lace Holdings Pvt. Ltd.	2,757.96	2,757.96
Rockfort Estate Developers Pvt. Ltd.	-	143.37

(iii) The Company has not given any loans to the directors or to entities in which they are interested, but there are dues towards regular transactions which are repayable in the normal course of the business.

34.11 Earnings per share

Particulars	Continued operations		Discontinued operations	
	2020-21	2019-20	2020-21	2019-20
Basic & Diluted earning per share				
Net profit/(loss) for the year (₹ Lakhs)	(3,592.59)	(2,019.53)	-	21,369.41
Weighted average number of equity shares	630,551,766	630,551,766	630,551,766	630,551,766
Par value per share (₹)	2.00	2.00	2.00	2.00
Earnings per share (₹)	(0.57)	(0.32)	-	3.39

Particulars	Continued and discontinued operations	
	2020-21	2019-20
Basic & Diluted earning per share		
Net profit/(loss) for the year (₹ Lakhs)	(3,592.59)	19,349.88
Weighted average number of equity shares	630,551,766	630,551,766
Par value per share (₹)	2.00	2.00
Earnings per share (₹)	(0.57)	3.07

34.12 The World Health Organization (WHO) declared the outbreak of COVID-19 a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 25, 2020. As per the directives issued by Central and State Government, other Regulatory Authorities for hospitality sector, the company has suspended it's operation from 25th March, 2020 to 30th September, 2020. The Company has taken several cost savings measures to optimize the use of its financial resources. The Covid-19 had significant impact on the Company's revenue and profitability throughout the year. The management has assessed the impact of existing and anticipated the effects of Covid-19 on the future cash flow projection and has prepared various alternatives to estimate the future financial requirements. In spite of these adversities, continuing Covid-19 situation, the management does not anticipate major challenge in company's ability to continue as a going concern on the assumption that situation will come to normal.

The Company on a prudent basis, assessed the possible impact of Covid-19 in the preparation of financial statement, it's assessment of liquidity, assumption of going concern, recoverable value of financial and non-financial assets, impact on revenues and cost. The Company has considered internal and external source of information and has performed sensitivity analysis on the assumptions used and based on current estimates, expect to recover the carrying amounts of these assets. The impact of Covid-19 may be different from the estimated as at the the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic conditions.

Note 35: Fair value measurement:

1 The fair value 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.

2 The following methods and assumptions were used to estimate the fair values:

a The fair value of trade receivables, trade payables and other current financial assets and liabilities are considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3.

b Company has invested in certain power generating Companies pursuant to the contract for procuring electricity supply at the hotel units. Investment in said Companies are not usually traded in the market. Considering the terms of the electricity supply contract and best information available, cost of investment is considered as fair value of these investments.

c The fair value of security deposits are calculated using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

d Considering the contracted rate of interest, the carrying amounts of all other term borrowings that are measured at fair value are reasonable approximation of fair value.

e For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

3 **Analysis of fair value measurement:**

a The Company uses the following hierarchy for determining and disclosing the fair value 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 effect on the recorded fair value are observable, either directly or indirectly.

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

b During the period under review, level 3 hierarchy is considered for determination of fair value for all the financial assets and liabilities which are measured at fair value.

c Financial Instruments by category:

₹ Lakhs

Particulars	As at 31 March 2021 Continued operations		As at 31 March 2020 Continued operations	
	FVPL	Amortised cost	FVPL	Amortised cost
Financial assets				
Non-current:				
Investments:				
Equity investment in a subsidiary	-	-	-	-
Other equity investment	-	-	1.20	-
Other non current financial assets	-	1,613.95	-	1,720.82
Current:				
Trade receivables	-	283.72	-	751.14
Cash & cash equivalents	-	331.55	-	1,817.80
Other balances with banks	-	-	-	-
Other financial assets	-	6,461.52	-	4,381.62
Total	-	8,690.73	1.20	8,671.37
Financial liabilities				
Non current:				
Borrowings	-	1,043.23	-	359.56
Other liabilities	-	2,117.62	-	2,507.11
Current:				
Borrowings	-	2,791.01	-	2,876.01
Trade payables	-	5,071.80	-	6,129.97
Other financial liabilities	-	1,475.36	-	3,249.22
Total	-	12,499.03	-	15,121.87

Note 36: Financial Risk Management

Risk Management framework

The activities of the Company expose it to market risk, credit risk and liquidity risk.

The Company's principal financial liabilities comprise, long term security deposits received, trade and other payables. The group has trade and other receivables and cash and short term deposits that arrive directly from its operations. The Company has also paid long term lease deposits.

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the companys activities. The company's Audit Committee overseas how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The analytical data furnished herein under for the financial year ended 31st March 2021 and 31st March 2020 does not include assets / liabilities / obligations of disposal group.

A Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency, payables and loans and borrowings.

The Company manages market risks through finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies which are approved by the finance committee and Audit Committee. The activities of the department includes management of cash resources, borrowing strategies and ensuring compliance with market risk limits and policies.

- **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk changes in the market interest rates relates primarily to the Company's debt obligations which is fully repaid during the year as a part of settlement with lenders.

The borrowings in terms of fixed rate and floating rate are as follows:

₹ In Lakhs

Particulars	31 March, 2021	31 March, 2020
Fixed rate of borrowings	359.57	431.02
Variable rate of borrowings	965.00	-
0% interest rate borrowings (refer note 21)	2,791.01	2,876.01
Total borrowings	4,115.58	3,307.03

As at the reporting period, the Company had the following variable average interest rate borrowing outstanding:

Particulars	2020-21	2019-20
Weighted average interest rate	16.0%	10.1%
Balance ₹ lakhs	965.00	-

- **Interest Sensitivity**

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on that portion of loans. With all other variables held constant, the Company's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Impact on profit/(loss) ₹ In Lakhs

Particulars	31 March 2021	31 March 2020
Interest rates - increase by 100 basis points	(4.83)	-
Interest rates - decrease by 100 basis points	4.83	-

- **Foreign currency risk**

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates. However, as on the date of balance sheet, the Company has no foreign currency denominated assets and liabilities.

B Credit Risk:

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. Customer credit risk is managed by each business unit subject to Company's established policy, procedure and control relating to customer risk management. Further, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables and advances based on historical trend, industry practices and the business environment in which the entity operates. Based on the historical data the provision for loss on receivables is made .

Ageing of Account receivables:

₹ In Lakhs

Particulars	31 March, 2021 continued operations	31 March, 2020 continued operations
0-3 months	**181.30**	545.72
3-6 months	**2.34**	173.86
beyond 6 months	**100.07**	31.55

Movement in provisions for doubtful receivables

₹ In Lakhs

Particulars	31 March, 2021	31 March, 2020
Opening provision	**1,364.04**	851.24
Add: Additional provision made	**17.49**	1,364.04
Less: Provision write off	**-**	851.24
Less: Provision reversed	**-**	-
Closing provisions	**1,380.33**	1,364.04

C Liquidity risk :

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Competitive intensity has adversely impacted revenue and consequent cash accruals during the year. The Company closely monitors its liquidity position to ensure that the operations of the Company are not affected adversely due to liquidity and is attempting to enhance its sources of funding by increasing cash flow generated from its operations and realisations from other proposed measures.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual obligations.

₹ In Lakhs

As at 31 March 2021	Total	Less than 6 months	6 to12 months	1 to 3 years	beyond 3 years
Trade payables*	**5,071.80**	**5,071.80**	**-**	**-**	**-**
Borrowings	**4,115.58**	**2,930.80**	**141.54**	**704.52**	**338.71**
Lease Liability	**1,491.21**	**185.80**	**193.36**	**1,112.05**	
Other current financial liabilities	**810.68**	**810.68**	**-**	**-**	**-**
Total		**8,999.08**	**334.90**	**1,816.57**	**338.71**
* Trade payables are normally payable within 60 days. However, due to COVID-19 breakdown they are paid in 180 days.					

₹ In Lakhs

As at 31 March 2020	Total	Less than 6 months	6 to12 months	1 to 3 years	beyond 3 years
Trade payables*	6,129.98	6,129.98	-	-	-
Borrowings	3,307.03	2,910.93	36.53	257.24	102.33
Lease Liability	1,841.30	171.56	178.54	1,234.49	256.72
Other current financial liabilities	2,827.65	2,827.65	-	-	-
Total		12,040.12	215.07	1,491.72	359.05
* Trade payables are payable within 60 days					

D Capital Risk Management:

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders and to service debt obligations, whilst maintaining maximum operational flexibility. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by Equity. Net debt is calculated as total borrowings less cash and cash equivalents and current investments.

₹ In Lakhs

Particulars	**31 March, 2021**	31 March, 2020
Borrowings	**4,115.58**	3,307.04
Less: Cash and Cash Equivalents	**331.55**	1,817.80
Less: Current Investments	**-**	-
Total Borrowings	**3,784.03**	1,489.24
Equity	**42,174.19**	45,736.50
Gearing Ratio	**0.09**	0.03

In terms of our report attached

For N S Shetty & Co
Chartered Accountants
Registration No : 110101W

N S Shetty
Partner
Membership No. 035083
Mumbai, 19th June 2021

Savitri Yadav
Company Secretary

For and on behalf of the Board of Directors

Vinay Kapadia Chairman

Umesh Dombe Chief Financial Officer