

HOTEL LEELAVENTURE LIMITED

ANNUAL REPORT

2015-16

The Leela Palaces, Hotels
And Resorts, Ranked World's
5th Best Hotel Brand.*

*Voted by the readers of Travel + Leisure, USA, in 2016 World's Best Awards



THE LEELA
PALACES HOTELS RESORTS



The Leela Ambience Convention Hotel Delhi

The Leela celebrates India and its myriad glories, unravels its mysteries and embraces its essence in a rare unmistakable way. It is our belief that while we embody the spectacular richness of Indian luxury, we are as much about that ephemeral richness of soul which finds expression in the warmth of the hospitality extended to each revered guest. We have continued to inculcate India's inherent grace as passionately as we have upheld an uncompromising pursuit of perfection. The hallmark of The Leela – India, Nature, Grace and Luxury, have been manifested in our initiatives, and earned us coveted accolades yet again. **The Leela Palace New Delhi has ranked^{3rd} amongst Asia's top 10 city hotels and also features in the world's top 100 hotels*.**

While at The Leela we constantly reinvent our own benchmarks, the attempt is also to expand our esteemed circle of patrons. Towards this end, we have recently presented - The Leela Ambience Convention Hotel Delhi. Unmistakably the capital's largest convention hotel, this destination has begun to unravel its unique brand of rare hospitality and world class services for guests in adjacent Noida and Ghaziabad. We proudly look back at the year gone by and realise we have moved one step further in our journey, to surpassing customer expectations and delivering delight.

*Voted by the readers of Travel + Leisure, USA, in 2016 World's Best Awards

MISSION STATEMENT

To not just satisfy our guests but delight them.

To show the warmth and grace unique to Indian hospitality.

To set a new global standard of service in which wishes are not simply granted, but anticipated.

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CHAIRMAN'S STATEMENT



Dear Shareholder,

We have a long-standing reputation for pursuing excellence which has been a tremendous strength for our Company. We put our guests first and maintain high standards in every aspect of our business - from ethics and transparency, to environmental and social sustainability, to diversity and inclusion. We believe that each interaction with our brand is designed to uniquely delight guests, create indelible memories, and build an enduring loyalty. Hence, we are proud to be voted the fifth top brand in a worldwide 2016 survey by the renowned Travel+Leisure USA and ranked above some of the most acclaimed luxury hospitality chains around the globe. It is indeed one of the most prestigious honours in the travel and hospitality industry.

With six consecutive years of downslide, the hospitality industry is finally showing some signs of recovery. In 2015, we saw a small addition to hotel inventory in prime markets where a demand-supply mismatch still exists, an upturn in average room rates, and a marginal increase of 3.3 per cent in occupancy rates. It is encouraging that domestic tourists continue to account for significant spending. Also, India witnessed a modest 4.5 per cent growth in Foreign Tourist Arrivals (FTAs), which is of course significantly lower than other countries in the region such as, Thailand at 30 million, Malaysia at 25.7 million, and Dubai at 15 million.

India's share of the total world tourist arrival is only 0.6 percent, a fraction of its true potential. It is, therefore, the goal of the Ministry of Tourism, Government of India, to increase this percentage from 0.6 per cent to

1 per cent by 2020 which is indeed a very daunting task keeping in mind that another 1,80,000 guestrooms would need to be added to the present inventory of 1,20,000 guestrooms. At an average of ₹1 crore per guestroom, this tantamounts to capital expenditures of ₹180,000 crores. This is why the Ministry of Finance, Government of India, has accorded hotels over project cost of ₹200 crores, the same benefits of infrastructure sectors such as airports, ports, etc. enabling them to raise loans for a tenure of 15 years and for projects of over ₹500 crores under the 5x25 Schemes.

The Government's decision to open up tourism by introducing e-Tourist Visa to 150 countries as against the coverage of the earlier TVoA scheme for 12 countries, and allowing multiple entries, has been a very welcome move in the right direction.

It is hoped that rationalization of taxes in the proposed Goods and Services Tax (GST) bill will further enable hotels to attract business from around the globe. Internationally the Indirect Tax levies are less than 10 per cent overall while the applicable cumulative taxes now for hotels in India amounts to 25-30 per cent. Due to these excessive taxes, Indian hotels cannot compete with international destinations. We hope that the proposal will keep the tax rate for tourism and hospitality business in the lowest GST slab of six to eight per cent, in order to enable us to compete with other destinations such as Thailand, Malaysia, Indonesia, Sri Lanka and China, whose incidence of GST averages between six and eight per cent.

The Ministry of Tourism, Government of India also launched the 'Swadesh Darshan' Scheme to develop 13 theme-based and sustainable tourist circuits to generate tourist arrivals and enhance employment opportunities. The Buddhist Circuit, expected to be in great demand among international tourists, will span all Buddhist sites around the country. The hospitality sector can be a key partner in this development story since there is a critical need for hotels in these sites from Lumbini (the birth place of Lord Buddha in Nepal). Bodhgaya, Kapilvastu, Sarnath and Varanasi. Development of this well-structured proposal will help showcase India to tourists from around the world, especially China, Sri Lanka, Thailand, Malaysia, South Korea and Japan.

In addition to the Government implementing the aforesaid measures and executing the various policy initiatives, granting of "Infrastructure Status" is important for hotels that have already availed of about

₹20,000 crores loans in the last five years to put up recently-opened projects, which have become Non-Performing Assets (NPA) or Banks have sold their liabilities to Asset Restructuring Companies. The main reason for this has been the very short tenure of term loans given to hotels of 10 years. The repayment of such loans being invariably before the Hotel is able to stabilize itself, leads it to become an NPA.

Progress on our Asset-light Strategy

The Leela Palace New Delhi continues to be the market leader in the Capital city in terms of RevPAR, ranked number three in 'Top City Hotels in Asia' and is voted among 'The World's Top 100 Hotels' in USA's Travel+Leisure 2016 World's Best Awards. The Leela Goa has been ranked among 'The World's Top 100 Hotels' in UK's Conde' Nast Traveller Readers Travel Awards 2015; and The Leela Palace Udaipur has been voted India's 'Favourite Leisure Hotel' in Conde' Nast Traveller India Readers Travel Awards 2015. These Awards are a testament to our commitment to providing the finest hospitality experience in India and overseas.

In India, we announced a new addition to the Group's luxury portfolio with the reflagging of Ambience Group's 5-star Deluxe Hotel in East Delhi. Renamed 'The Leela Ambience Convention Hotel Delhi' the 480-room property offers one of the largest MICE spaces in the country with 70,000 square feet of multi-purpose meeting and banqueting space capable of holding a reception of more than 6000 guests. With the newest addition, The Leela Group now operates three unique properties in the Delhi-NCR totaling over 1150 rooms which makes it the Brand with one of the highest number of guestrooms in the NCR Region.

Other projects are moving forward as scheduled including The Leela and The Leela Residences on a 125 acres township – Bhartiya City – near the Bangalore International Airport. The development has a Leela Hotel with 256-rooms, a Convention Centre, and 150 Leela Residences. These Leela Residences will provide all the luxury services that The Leela is acclaimed for, within the privacy of their residences. Other projects in Agra, Jaipur and Chandigarh are in different stages of planning and implementation and we expect to launch the Jaipur hotel in 2017.

We are also pursuing other international opportunities in Maldives, Abu Dhabi, Seychelles, Dubai and Fujairah Beach. To sum up, we expect a better performance this year, especially in hotels located in the business destinations. We are focused on restructuring our debt

and driving growth while maintaining our operational excellence. Whilst doing so we are aware of the pain caused by the disinvestment of stellar properties such as The Leela Goa but it is important to make the Company lean and with the least amount of debt. Thus, the emphasis is on securing new management contracts without any investment from your Company, of course in the process retaining many of the current hotels, which are the best performing in all the various markets they operate in.

For the outstanding comments received of guest experiences, I thank our extraordinary associates who make the mission of The Leela, their own. I would like to thank you, all our Shareholders, Board Members, Lenders, the Ministry of Tourism, Government of India and the Tourism Departments of the various State Governments, for their whole hearted support.



Vivek Nair
Chairman and Managing Director
Hotel Leelaventure Limited

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vivek Nair	Chairman & Managing Director
Mr. Dinesh Nair	Co-Chairman & Managing Director
Mrs. Madhu Nair	Director
Mr. V. P. Shetty	Director-Nominee of JM Financial Asset Reconstruction Company Private Limited
Mr. Anil R. Bhatia	Director-Nominee of JM Financial Asset Reconstruction Company Private Limited
Ms. K. Hemalatha	Director - Nominee of AAI (w.e.f. 12th August, 2015)
Mr. Vijay Amritraj	Director
Mrs. Anna Malhotra	Director
Mr. Anil Harish	Director
Dr. K. U. Mada	Director
Mr. M. Madhavan Nambiar	Director
Mr. Ashok G. Rajani	Director (w.e.f. 10th February, 2016)

CHIEF FINANCIAL OFFICER

Mr. Krishna Deshika

PRESIDENT

Mr. Rajiv Kaul

COMPANY SECRETARY

Mr. Anandghan Bohra

STATUTORY AUDITORS

Picardo & Co.
Chartered Accountants

SOLICITORS & ADVOCATES

Cyril Amarchand Mangaldas

Registered & Corporate Office

The Leela Mumbai
Sahar
Mumbai 400 059
Website: www.theleela.com
E-mail: investor.service@theleela.com

Registrar & Transfer Agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot No. 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad - 500 032
Tel : + 91 40 6716 2222
Fax : + 91 40 2342 0814
Toll Free No. 1800-3454-001
E-mail: einward.ris@karvy.com
Website: www.karvy.com

Corporate Identity Number (CIN) L55101MH1981PLCo24097

35th Annual General Meeting

Date | Tuesday, 20th September, 2016

Time | 10.30 A.M.

Venue | Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Vile Parle Development Scheme, Vile Parle West, Mumbai- 400 056

Bankers / Financial Institutions

Bank of Baroda
Housing Development Finance Corporation Limited
State Bank of India

DIRECTORS' REPORT

Dear Members,

Your Directors present the 35th Annual Report on business and operations of your Company, together with the audited accounts for the year ended March 31, 2016.

1. Financial Performance

The financial performance of the Company during the year under review is summarised below:

₹ Lakhs

	Financial Year 2015-16	Financial Year 2014-15
Revenue from operations and other income	67,033.59	64,306.68
Operating and other expenses	50,777.57	54,475.66
Earnings before interest, depreciation, taxes and amortisation (EBIDTA)	16,256.02	9,831.02
Exceptional items	21,338.94	18,327.76
Interest	8,790.03	19,751.41
Depreciation	23,987.70	22,675.25
Profit from discontinuing operations & gain on disposal of assets attributable to discontinuing operations	19,156.17	3,906.30
Profit/(Loss) before tax	(18,704.48)	(47,017.10)
Provision for taxes / deferred tax	(688.46)	(5,429.36)
Profit/(Loss) after tax for the year	(18,016.02)	(41,587.74)
Balance brought forward	(99,313.65)	(54,841.65)
Adjustment relating to fixed assets	-	(2,884.26)
Transferred from revaluation reserve	26,990.40	-
Transferred from debenture redemption reserve	450.00	-
Amount available for appropriation	(89,889.27)	(99,313.65)
Appropriations	-	-
Balance carried to Balance Sheet	(89,889.27)	(99,313.65)
EPS - basic and diluted (in ₹)	(3.86)	(9.06)

2. Dividend

In view of losses, the directors do not recommend any dividend for the financial year ended 31st March, 2016.

3. Subsidiary Company, its performance and financial position

Your Company has one Subsidiary, viz. Leela Palaces and Resorts Limited (a wholly owned subsidiary or WOS). The WOS incurred a loss of ₹ 0.22 lakhs during the financial year 2015-16.

The WOS did not carry out any operations during the financial year 2015-16. The WOS is being proposed to be transferred by way of transfer of shares, for which the approval of the Company's shareholders has already been obtained. The WOS has also initiated the process of renewal of relevant regulatory approvals for construction.

The Company has not attached the Balance Sheet, Profit and Loss Account

and other documents of the above subsidiary company with the Annual Report of the Company in terms of general exemption circular notified by the Ministry of Corporate Affairs, Government of India.

However, the Company will make available these documents upon request by any member of the Company interested in obtaining the same. Further, these documents will also be available at the Registered Office of the Company for inspection by any member of the Company.

A Statement containing the salient features of the financial statement of the subsidiary in Form AOC-I (pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) is attached to this report as Annexure-I. The audited financial statements and related information of the subsidiary are also available on Company's website at www.theleela.com.

The Audited Consolidated Financial Statements, prepared in accordance with Accounting Standard 21 and Clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 form part of this Annual Report.

4. Directors' Responsibility Statement

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the directors, based on the information and representations received from the operating management, hereby confirm that:

- in the preparation of the annual accounts for the financial year ending 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. Directors

Your Company has Twelve (12) directors consisting of Six (6) Independent Directors, Four (4) Non-executive directors and Two (2) Whole-time Directors as on March 31, 2016.

In terms of the definition of 'Independence' of directors as prescribed under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 and based on the confirmation / disclosures received from the Directors, the following Non-Executive Directors are Independent Directors :-

- Mrs. Anna Malhotra
- Dr. K. U. Mada
- Mr. Vijay Amritraj
- Mr. Anil Harish
- Mr. M. Madhavan Nambiar
- Mr. Ashok Rajani

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a company shall have at least one Woman Director on the Board of the company. Your Company is in compliance of the same.

Whole-time Directors

Mr. Vivek Nair, Chairman & Managing Director and Mr. Dinesh Nair, Co-Chairman & Managing Director are the Whole-time Directors of the company.

Mr. Krishna Deshika, who was Director – Finance & CFO, resigned from the Board of Directors with effect from 25th February, 2016. However, he continues to be the Chief Financial Officer of the Company.

Appointments / Resignations from the Board of Directors

Mr. Vikram Singh Mehta and Mr. R. Venkatachalam, Independent Directors, resigned with effect from 22nd September, 2015 and 6th November, 2015 respectively. The Board places on record their appreciation of the contributions made by them.

Mr. Ashok Girdharidas Rajani joined the Board with effect from 10th February, 2016 as an Additional Director and the Members approved his appointment through postal ballot held on 27th April, 2016.

In accordance with Section 152 of the Companies Act, 2013, two thirds of the Board, excluding independent directors, should be directors retiring by rotation. The Company has four non-executive directors, who are liable to retire by rotation and two executive directors who are not liable to retire by rotation in terms of their appointment.

Mrs. Madhu Nair, being longest in office, retires by rotation at the forthcoming Annual General Meeting and has offered herself for re-appointment. The Board recommends her re-appointment.

6. Number of Meetings of the Board

Regular meetings of the Board are held to discuss and decide on various business policies, strategies and other businesses. The schedule of the Board / Committee meetings to be held in the forthcoming financial year is being circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings.

The Board met six (6) times during the FY 2015-16 viz. on 27th May, 2015, 12th August, 2015, 19th September, 2015, 22nd September, 2015, 6th November, 2015 and 10th February, 2016. Detailed information on the meetings of the Board is included in the report on Corporate Governance, which forms part of this Annual Report.

Additionally, several committee meetings were held, including Audit Committee meeting, which met five (5) times during the financial year.

7. Committees of the Board

The Company has the following Committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Stakeholders' Relationship Committee
- (iv) Finance Committee
- (v) Assets Sale and Financial Restructuring Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of statutory committees are given in detail in the 'Report on Corporate Governance' of the Company which forms part of this Annual Report.

8. Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has carried out an evaluation of its own performance and the directors individually.

9. Key Managerial Personnel

Mr. Vivek Nair, Chairman & Managing Director, Mr. Dinesh Nair, Co-Chairman & Managing Director, Mr. Krishna Deshika, Chief Financial Officer and Mr. Anandghan Bohra, Company Secretary are the Key Managerial Personnel in terms of the provisions of the Companies Act, 2013.

10. Management's Discussion and Analysis

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis, which forms part of this Report.

11. Corporate Governance

Your Company is committed to achieve the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set by the Regulators / applicable laws. Accordingly, your Board functions as trustees of the shareholders, seeks to ensure that the long term economic value for its shareholders is achieved and also tries to strike balance of interest of all the stakeholders.

A separate section on Corporate Governance standards followed by your Company, as stipulated under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is enclosed as an Annexure to this report. The report on Corporate Governance also contains certain disclosures as required under the Companies Act, 2013.

A Certificate from M/s. V. Sundaram & Co., Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Report on Corporate Governance.

12. Vigil Mechanism

The Company has implemented a Whistle Blower Policy pursuant to which whistle blowers can raise concerns relating to Reportable Matters (as defined in the policy) such as fraud, bribery, corruption, illegality, health and safety, environmental issues and wastage/ misappropriation of Company funds/ assets, etc. Further, the mechanism adopted by the Company encourages the whistle blower to report genuine concerns or grievances and provides for adequate safeguards against victimization of the whistle blower who avail of such mechanism. The vigil mechanism also provides direct access to the Members of the Audit Committee, including the Chairman of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

None of the whistle blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy is available on the website of the Company <https://theleela.com/img/brand/investor-relations/corporate-governance-policies/whistle-blower-policy.pdf>.

13. Risk Management Policy

The Board has approved a Risk Management Policy, wherein all material risks faced by the Company are identified and assessed. For each of the risks identified in the policy, corresponding controls are assessed and policies and procedure are put in place for monitoring, mitigating and reporting risk on a periodic basis.

14. Contracts or Arrangements with Related Parties

Your Company undertakes various transactions with related parties in the ordinary course of business. All Related Party Transactions entered during

the year were in the ordinary course of business and on arm's length basis. No material related party transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as stated in the last audited financial statements, were entered into during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2, is not applicable.

There were no materially significant related party transactions with the promoters, directors and Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

The Policy on materiality of related party transactions and also in dealing with related party transactions as approved by the Audit Committee and the Board is available on the website of the Company at www.theleela.com/investor-relations.

Your Directors draw attention of the members to Note No. 32.8 to the standalone financial statements, which set out the related party disclosures.

15. Internal Financial Control Systems and their adequacy

The Company had laid down standards, processes and structures which enable implementation of internal financial control across the organisation and ensure that the same are adequate and operating effectively.

The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business operations of the Company.

16. Auditors

(a) Statutory Auditors and Auditors' Report

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

During the period under review, even though there is no audit qualification, there is an audit observation on the financial statements. The explanation for the same has been provided in Note No. 32.1 of the standalone Financial Statements. The said notes are self-explanatory and do not call for any further comments.

(b) Secretarial Auditors and Secretarial Audit Report

Pursuant to Section 204 of the Companies Act 2013, the Company had appointed M/s. V. Sundaram & Co., Practicing Company Secretaries, as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2015-16. The report of Secretarial Auditor for the FY 2015-16 is annexed to this report as Annexure - II. There is no Audit Qualification in the Secretarial Audit Report.

17. Material Changes and Commitments affecting Financial Position of the Company

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. 31st March, 2016 and the date of the Directors' report i.e. 26th May, 2016.

18. Employee Remuneration

(A) The ratio of the remuneration of each director to the median employee's

remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are furnished in Annexure forming part of this report as Annexure III.

(B) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the Members by writing to the Company Secretary.

19. Corporate Social Responsibility (CSR)

In terms of Section 135 of Companies Act, 2013, certain companies have to carry out CSR activities as prescribed. Since the Company does not fall within the criteria of turnover and/or profit, due to continuous losses over the last four financial years, the Company has not formed a CSR Committee.

However, the Company continues to undertake CSR activities in a consistent manner for the benefit of the local communities nearby its hotel properties the details of which are disclosed separately in this Annual Report.

20. Fixed Deposits

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

21. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo and Other Disclosures

(i) The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 by your Company are furnished below:

(a) Conservation of Energy

Energy Conservation, sustainability and efforts to make the properties more "Green" have been the main drive throughout the year. Major efforts/steps taken towards this are:

- Energy efficient lighting and high efficiency HVAC systems used / retrofitted extensively in all hotels, have reduced electric consumption.
- Computerized power monitoring is implemented in all properties on gradual basis to monitor and control power consumption.
- Main chiller plants and steam boilers have been tuned for best efficiency to conserve energy.
- Hotels are equipped with solar geysers for generating hot water and the rooms are equipped with energy saving devices during non-occupancy.
- STP treated water and rain water harvesting has been implemented at four hotels.
- The Company has 23 windmills with a capacity of 13.5 MW power, in the state of Maharashtra (4.5 MW), Karnataka (5 MW) and Tamil Nadu (4 MW). Windmills continue to produce renewable energy for use in own hotels.
- The Leela Palace Bangalore won National Energy Conservation award and Certificate of Appreciation from Ministry of power.
- Boilers are being operated through bio diesel which is produced through used kitchen oil.
- The Leela Palace Chennai and The Leela Palace Delhi are LEED platinum rated buildings awarded by IGBC.

- Power is purchased at subsidized rate through open access in two hotels.

(b) Technology Absorption:

In the opinion of the Board, the required particulars pertaining to technology absorption under Section 134 of the Companies Act, 2013 read with Rule 8(B) of the Companies (Accounts) Rules, 2014, are not applicable, as hotel is service industry and the Company does not have any significant manufacturing operations.

(c) Foreign Exchange Earnings and Outgo:

The foreign exchange earnings of the Company during the year stood at ` 36,521.95 lakhs (previous year ` 33,937.37 lakhs) and foreign exchange outgo during the year stood at ` 3,621.34 lakhs (previous year ` 3,386.60 lakhs).

- (ii) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

(iii) Number of cases filed, if any, and their disposal under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women employee in the Company. The Company's Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, no such cases were reported.

22. Extract of Annual Return

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at March 31, 2016 forms part of this report and the same is attached to this report as Annexure-IV.

23. Unclaimed / unexchanged Equity Shares in the Company

In compliance with the erstwhile clause 5A of the Listing Agreement, the Company has transferred 25,98,970 unclaimed equity shares belonging to 4,330 shareholders, lying with the Company to, "Unclaimed Share Suspense Account" in May, 2015. The Company has released 34,020 shares pertaining to 31 shareholders from the suspense account during the year. As on 31st March, 2016, there are 25,64,950 shares pertaining to 4,299 shareholders in the suspense account.

The voting rights on the shares in the suspense accounts shall remain frozen till the rightful owners of such shares claim the shares.

24. Acknowledgements

The Board wishes to place on record its appreciation for the assistance and support received from the lenders, government and regulatory authorities, customers, business associates and vendors.

Your directors take this opportunity to express their sincere thanks to all the shareholders and stakeholders for the faith and confidence reposed in the Company and the management.

Your directors attach immense importance to the contribution of the employees and sincerely thank "The Leela" team for sharing the Company's vision and philosophy and for the dedication and commitment in ensuring that the Company remains in the forefront as one of the finest hotel groups in India.

For and on behalf of the Board of Directors

Vivek Nair
Chairman & Managing Director

Mumbai, 26th May, 2016