REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

1. Your Board of Directors ('the Board') hereby submits its Report for the financial year ended 31st March, 2015.

2. PERFORMANCE OF THE COMPANY

During the year, your Company recorded Total Revenue of ₹ 1740.18 lakhs (previous year ₹ 1284.83 lakhs), representing an increase of 35% over the previous year mainly due to higher usage of the Golf Course, coupled with higher license fees of ₹ 176 lakhs. The Company recorded a Net Profit of ₹ 107.47 lakhs during the financial year ended 31st March, 2015 as compared to a Net Loss of ₹ 275.53 lakhs in the previous year.

The Company continues to own and operate the 'Classic Golf and Country Club', a Jack Nicklaus Signature Golf Course. During the year, 15 weekend tournaments took place as against 11 in the previous year and 13 weekday tournaments took place as against 17 in the previous year. Your Company's Golf course was the venue for professional tournaments such as Indian Golf Union, Professional Golf Tour of India and Women's Golf Association of India. It was also a venue for high profile tournaments sponsored by Business Today, BBC, Vodafone, Audi, Turkish Airlines, FICCI, KPMG, Gibson etc., which were also covered extensively by the electronic media.

During the year the Company outsourced the pro shop and practice / training range to third party operators.

The Company's destination luxury resort hotel 'ITC Grand Bharat - A Luxury Collection Retreat' was opened on 14th November, 2014. The Hotel is licensed to and operated by ITC Limited, the Holding Company. This marks the completion of a key segment of the master plan for the overall development of the Resort.

During the year, the Company raised further capital by issuing 28,00,000 Equity shares of ₹ 10/- each for cash at par, aggregating ₹ 28 crores to ITC Limited, the Holding Company. After the above issue, the total paid up share capital of the Company stands at ₹ 307 crores (₹ 120 crores Equity share capital and ₹ 187 crores redeemable non-convertible Preference share capital). The proceeds were utilised towards the construction of the destination Resort, Club complex and upgrading Golf Course Operations.

The Company had received an assessment order and notice of demand for the financial year 2008-09 and 2009-10 from the Entertainment Tax Department of the State of Haryana, aggregating ₹ 1.54 crores seeking to levy entertainment tax on the game of golf. The Company has filed a Special Leave Petition (SLP) before the Supreme Court against the aforesaid demand and deposited ₹ 77 lakhs with the Entertainment Tax Department as per the direction of the Honourable Supreme Court of India. The matter is pending.

3. DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) Changes in Directors and Key Managerial Personnel during the year

During the year under review, Mr Chandrasekhar Subrahmoneyan (DIN 00024780) Managing Director, resigned effective 28th January, 2015 coinciding with his superannuation from ITC Limited. Your Directors would like to place on record their appreciation of the services rendered by him during his tenure.

During the year under review, your approval was taken at the Extraordinary General Meeting held on 16th March 2015 for the appointment of Ms. Ratna Chadha (DIN: 01027402) and Mr. Hari Mohan Jha (DIN: 07112845) as Independent Directors of the Company under Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), for a period of three years with effect from 16th March 2015.

Your approval was also taken for the appointment of Mr A. Anand Rao as a Director liable to retire by rotation and also as the Managing Director of the Company with effect from 12th March, 2015 to 27th January, 2018.

Further, the Board appointed Mr. V. Chandar as the Chief Financial Officer of the Company with effect from 8th December, 2014.

(b) Retirement by rotation

In accordance with the provisions of Section 152(6) of the Act and Article 143 and 144 of the Articles of Association of the Company, Mr. Rajiv Tandon (DIN: 00042227) will retire by rotation at the ensuing Annual General Meeting ('AGM') of the Company and, being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

(c) Declaration of Independence by the Independent Directors

The Independent Directors of your Company have confirmed that they meet with the criteria of Independence as prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(d) Attributes, qualifications and appointment of Directors

The Nomination and Remuneration Committee has adopted the attributes and qualifications as provided in Section 149(6) of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, in respect of Independent Directors. The Committee has also adopted the same attributes and qualifications, to the extent applicable, in respect of Non-Independent Directors.

All the Non-Executive Directors of the Company, other than Independent Directors, are executives of ITC Limited, the Holding Company, who fulfil the fit and proper criteria for appointment as Directors. Further, all Directors of the Company, other than Independent Directors, are liable to retire by rotation. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

(e) Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, approved the Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, a copy of which is enclosed as **Annexure 1** to this Report.

(f) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees, as required in terms of Section 134(3)(p) of the Act. The performance evaluation of the Board and individual Directors was based on criteria approved by the Nomination and Remuneration Committee. The Directors expressed their satisfaction with the overall evaluation process.

4. NUMBER OF BOARD MEETINGS

During the year ended 31st March, 2015, fourteen meetings of the Board were held.

5. BOARD COMMITTEES

Presently, the Company has two Board Committees with the following members:

Audit Committee	Nomination and Remuneration Committee
Mr. Rajiv Tandon (Chairman)	Mr. B Hariharan (Chairman)
Mr. Hari Mohan Jha	Mr. Hari Mohan Jha
Ms. Ratna Chadha	Ms. Ratna Chadha
	Mr. Nakul Anand

6. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Act, your Directors confirm having: -

i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;

ii) selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period;

iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

iv) prepared the Annual Accounts on a going concern basis; and

v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company does not have any subsidiary, associate or joint venture.

8. HUMAN RESOURCE

Your Company continues to attract and retain talent of the highest quality. Your Directors place on record their sincere appreciation of the efforts made and the support rendered by 137 employees of the Company. The Company provides a gender friendly workplace and no case of sexual harassment was reported during the year.

None of the employees of your Company is covered under the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

9. RISK MANAGEMENT

The Board has approved the Risk Management Policy of the Company. The Company's risk management framework is designed to bring robustness to the risk management processes within the Company and to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

The responsibility for management of risks vests with the Managers responsible for the day-to-day conduct of the affairs of the Company. Risk focused audits are carried out periodically by the Internal Auditors, which lead to identification of areas where risk management processes need to be strengthened. Annual update is provided to the Board on the effectiveness of the Company's risk management systems and policies.

10. INTERNAL FINANCIAL CONTROLS & INTERNAL AUDIT

There are adequate internal financial controls in your Company with respect to the financial statements, commensurate with the size and scale of the operations of the Company. The efficacy and adequacy of such internal financial controls have been evaluated by the management during the year. Internal audit of the Company has been carried out during the year. The Audit Committee reviews the internal audit findings, provides guidance on internal controls and ensures that the internal audit recommendations are implemented.

11. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2015, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

12. RELATED PARTY TRANSACTIONS

During the year ended 31st March, 2015, the Company has not entered into any contract or arrangement with related parties which is not on arm's length basis. The details in Form AOC-2 of material transactions entered into by the Company with its related party are provided in **Annexure 2** to this Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 are provided under **Annexure 3** to this Report.

15. AUDITORS

The Company's Auditors, Messrs. Deloitte Haskins & Sells (DHS), Chartered Accountants, were appointed at the Twenty-Second AGM to hold such office till the conclusion of the Twenty-Seventh AGM. Your Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of DHS from the conclusion of the ensuing AGM till the conclusion of the Twenty-Fourth AGM. The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of DHS for the financial year 2015-16. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

CONSERVATION OF ENERGY:

Steps taken on conservation of energy and impact thereof: Efforts to conserve electricity by operating only necessary lights, fittings and fixtures and judicious use of diesel generating sets by saving 4904 ltrs. of diesel during the financial year 2014-15.

Steps taken by the company for utilizing alternate sources of energy: NIL

Capital investment on energy conservation equipment: NIL.

TECHNOLOGY ABSORPTION:

I) Efforts, in brief, made towards technology absorption and benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc : Nil

II) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:

A) Details of technology imported - NIL

B) Year of import - NIL

C) Whether the technology been fully absorbed - NIL

D) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore - NIL

III) Expenditure incurred on research and development - NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company had foreign exchange earnings of ₹ 57.86 lakhs (previous year ₹ 65.63 lakhs) and foreign exchange outflow of ₹ 18.34 lakhs (previous year ₹ 61.74 lakhs) during the year

17. SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year 2014-15 by M/s PB & Associates, Company Secretaries in terms of Sec. 204 of the Companies Act, 2013 in MR- 3 is provided under **Annexure 4** to this Report.

On behalf of the Board

B. Hariharan — **Director**

Dated : 18th April, 2015 — **A. Anand Rao** — **Managing Director**

Annexure 1 to the Report of Directors

Remuneration Policy

The Company's Remuneration Strategy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's goals.

POLICY

It is the Company's Policy:

1. To ensure that its Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is market-led and takes into account the competitive context of the Company's business.
3. To leverage Remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design Remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

Remuneration of Key Managerial Personnel (KMP)

1. Remuneration of KMP is determined and recommended by the Nomination and Remuneration Committee and approved by the Board. Remuneration of the Managing Director / Wholetime Director / Manager is also subject to the approval of the shareholders.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market.
3. Apart from fixed elements of remuneration and benefits, the KMP are also eligible for Variable Pay / Performance Bonus which is linked to their individual performance and the overall performance of the Company.

Remuneration of Independent Directors

Independent Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board, within the limits prescribed under the Companies Act, 2013 and the Rules thereunder. The expenses of the Independent Directors for attending meetings of the Board and Board Committees are also borne by the Company, in terms of the Articles of Association of the Company.

Remuneration of employees other than KMP

1. Remuneration of employees other than KMP is approved by the Board.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.
3. Variable Pay cognises for the performance rating of the individual employee and the overall performance of the Company.

Annexure 2 to the Report of Directors

FORM AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship ITC Limited, the Holding Company				
Nature of contracts / arrangements / transactions	**Duration of the contracts / arrangements / transactions**	**Salient terms of the contracts or arrangements or transactions including the value, if any**	**Date(s) of approval by the Board, if any**	**Amount paid as advances, if any**
License fees received	99 years with effect from 14th November, 2014.	Licence to operate Hotel 'ITC Grand Bharat' and certain additional land and building. Value - ₹ 1,96,78,392/-	—	—

On behalf of the Board

A. Anand Rao **Managing Director**

B. Hariharan **Director**

Dated : 18th April, 2015

Annexure 3 to the Report of Directors

FORM MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	:	U74899HR1992PLC052412
ii) Registration Date	:	24th January, 1992
iii) Name of the Company	:	Landbase India Ltd
iv) Category / Sub-Category of the Company	:	Unlisted Public Company limited by shares
v) Address of the Registered office and contact details	:	ITC Green Centre, Plot No.10, Institutional Area, Sector-32, Gurgaon Haryana - 122001 Phone No.09971674503 e-mail ID : Lbase.cgr@itchotels.in
vi) Whether listed company (Yes / No)	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Sports & recreational sports facility operation services - Golf	99965200	87%
2.	Hotels - Licence fee	99531291	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held in the Company	Applicable Section
1.	ITC Limited Virginia House 37 J. L. Nehru Road Kolkata - 700 071	L16005WB1910PLC001985	Holding company	100%	2(46)

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

(i) *Category-wise Shareholding:*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/HUF	—	—	—	—	—	—	—	—	N.A.
b) Central Govt.	—	—	—	—	—	—	—	—	N.A.
c) State Govt.(s)	—	—	—	—	—	—	—	—	N.A.
d) Bodies Corp.		9,20,00,000	9,20,00,000	100.00	—	12,00,00,000	12,00,00,000	100.00	N.A
e) Banks / FI	—	—	—	—	—	—	—	—	N.A.
f) Any Other	—	—	—	—	—	—	—	—	N.A.
Sub-total (A)(1)	—	9,20,00,000	9,20,00,000	100.00	—	12,00,00,000	12,00,00,000	100.00	**Nil**
(2) **Foreign**									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	N.A.
b) Other - Individuals	—	—	—	—	—	—	—	—	N.A.
c) Bodies Corp.	—	—	—	—	—	—	—	—	N.A.
d) Banks / FI	—	—	—	—	—	—	—	—	N.A.
e) Any Other	—	—	—	—	—	—	—	—	N.A.
Sub-total (A)(2)	—	—	—	—	—	—	—	—	N.A.
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	—	**9,20,00,000**	**9,20,00,000**	**100.00**	**—**	**12,00,00,000**	**12,00,00,000**	**100.00**	**Nil**
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	—	—	—	—	—	—	—	—	N.A.
b) Banks / FI	—	—	—	—	—	—	—	—	N.A.
c) Central Govt.	—	—	—	—	—	—	—	—	N.A.
d) State Govt.(s)	—	—	—	—	—	—	—	—	N.A.
e) Venture Capital Funds	—	—	—	—	—	—	—	—	N.A.
f) Insurance Companies	—	—	—	—	—	—	—	—	N.A.
g) FIIs	—	—	—	—	—	—	—	—	N.A.
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	N.A.
i) Others (specify)	—	—	—	—	—	—	—	—	N.A.
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	**N.A.**
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	N.A.
ii) Overseas	—	—	—	—	—	—	—	—	N.A.
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	N.A.
c) Others (specify)	—	—	—	—	—	—	—	—	N.A.
Sub-total (B)(2)	—	—	—	—	—	—	—	—	N.A.
Total Public Shareholding (B)=(B)(1)+ (B)(2)	—	—	—	—	—	—	—	—	N.A.
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	**0**	**9,20,00,000**	**9,20,00,000**	**100.00**	**—**	**12,00,00,000**	**12,00,00,000**	**100.00**	**Nil**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	ITC Limited	9,20,00,000	100.00	Nil	12,00,00,000	100.00	Nil	Nil

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year	9,20,00,000	100.00	9,20,00,000	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	4th September, 2014 - Allotment	2,00,00,000		11,20,00,000	
	2nd February, 2015 - Allotment	80,00,000		12,00,00,000	
	At the end of the year	12,00,00,000	100.00	12,00,00,000	100.00

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

Sl. No.	For each of the Top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**NIL**				
	At the beginning of the year Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Nakul Anand (Chairman)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—
2.	**A. Anand Rao (Managing Director)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—
3.	**Rajiv Tandon (Director)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	—	—	—
	At the end of the year	—	N.A.	—	—
4.	**B. Hariharan (Director)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—
5.	**Ratna Chadha (Director)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—

(v) Shareholding of Directors and Key Managerial Personnel *(Contd.)*:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
6.	**Hari Mohan Jha (Director)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—
7.	**V.Chandar (Chief Financial Officer)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—
8.	**Sonali Grover (Company secretary)**				
	At the beginning of the year	—	N.A.	—	—
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	—	N.A.	—	—
	At the end of the year	—	N.A.	—	—

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Refer Note below	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	—	—	—	—
Change in Indebtedness during the financial year ● Addition ● Reduction	—	2,00,00,000	1,00,00,000	3,00,00,000
Net Change	—	2,00,00,000	1,00,00,000	3,00,00,000
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	—	2,00,00,000	1,00,00,000	3,00,00,000
Total (i+ii+iii)	—	2,00,00,000	1,00,00,000	3,00,00,000

Note: Lien on Company's Fixed Deposit kept by the Banker for giving Letter of Credit for importing goods.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	A. Anand Rao (Managing Director) (refer note)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	—
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission - as % of profit - others, specify	—
5.	Others, please specify	—
Total (A)		—
Ceiling as per the Act		**(5% of the net profits of the Company)**

Note: ITC Limited (ITC), the Holding Company, has deputed the services of Mr. A. Anand Rao, who has been appointed as the Managing Director of Landbase India Limited with effect from 12th March, 2015. Mr. Rao's remuneration till 31st March, 2015 has been borne by ITC.

B. Remuneration to other Directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Ratna Chadha	Hari Mohan Jha	
1.	**Independent Directors**			
	• Fee for attending Board and Board Committee meetings	10,000	10,000	20,000
	• Commission	—	—	—
	• Others, please specify	—	—	—
	Total (1)	**10,000**	**10,000**	**20,000**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Nakul Anand	Rajiv Tandon	B Hariharan	
2.	**Other Non-Executive Directors**				
	• Fee for attending Board and Board Committee meetings	—	—	—	—
	• Commission	—	—	—	—
	• Others, please specify	—	—	—	—
	Total (2)	—	—	—	—
Total (B) = (1) + (2)					**20,000**
Total Managerial Remuneration					**N.A. ***
Overall ceiling as per the Act					

** The Company has a Managing Director the remuneration details of whom are given under VI(A) above and the Independent Directors of the Company are not entitled to any remuneration other than sitting fees for attending meetings of the Board and Board Committees.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Sonali Grover* Company Secretary	V. Chandar* Chief Financial Officer
1.	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3,24,000	11,91,304
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission - as % of profit - others, specify	—	—
5.	Others, please specify	—	—
	Total	3,24,000	**11,91,304**

* Mr. V.Chandar has been appointed as the Chief Financial Officer of the Company with effect from 8th December, 2014.
* Ms. Sonali Grover has been appointed as the Company Secretary of the Company with effect from 1st July, 2014.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

On behalf of the Board

B. Hariharan — Director
A. Anand Rao — Managing Director

Dated : 18th April, 2015

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2014-2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,
Landbase India Limited
ITC Green Centre, 10 Institutional Area, Sector 32,
Gurgaon, Haryana - 122001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Landbase India Limited, a Company incorporated under the provisions of the Companies Act, 1956 and having its registered office at ITC Green Centre, 10 Institutional Area, Sector 32, Gurgaon Haryana 122001 (hereinafter referred to as the **'Company'**) for the period commencing from 1st April 2014 till 31st March 2015 (hereinafter referred to as the **'Audit Period'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinions thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015,according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

Further as informed to us and as certified by the management of the Company there are no other laws which are specifically applicable to the Company based on their sector/ industry.

Further the Secretarial Standards issued by The Institute of Company Secretaries of India, since not notified hence not applicable to the Company during the audit period.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period following major events took place in the Company:

(a) The Company has changed its Statutory Auditors from M/s Price Waterhouse, Chartered Accountants to M/s Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company in the Annual General Meeting held on 23rd June, 2014;

(b) The Company has made Right Issue of 2,00,00,000 Equity Shares of ₹ 10/- each in the Board Meeting held on 4th September, 2014 to its holding company - ITC Limited;

(c) The Company has made Alteration in the Memorandum of Association and the Articles of Association through Increase in Authorised Share Capital of the Company in the Extra Ordinary General Meeting held on 6th December 2014 from ₹ 3,05,00,00,000 to ₹ 3,07,00,00,000 by creation of further 20,00,000 (Twenty Lacs) equity shares of ₹ 10/- each;

(d) The Company has made Right Issue of 80,00,000 Equity Shares of ₹ 10/- each in the Board Meeting held on 2nd February 2015 to its holding Company- ITC Limited.

(e) Mr. Chandrasekhar Subrahmoneyan resigned as Managing Director of the Company with effect from 28th January, 2015 and Mr. Aragula Anand Rao was appointed as the Managing Director of the Company with effect from 12th March, 2015;

(f) The Company has made Alteration of Article No. 96 of Articles of Association of the Company with respect to the sitting fees payable to the Directors in the Extra Ordinary General Meeting held on 16th March, 2015.

For **P B & Associates**
Company Secretaries

Pooja Bhatia
FCS: 7673 CP:6485
Place : New Delhi
Dated: 18th April 2015

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

Annexure: A

The Members,
Landbase India Limited
ITC Green Centre, 10 Institutional Area, Sector 32,
Gurgaon, Haryana - 122001

Our report of the even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **P B & Associates**
Company Secretaries

Pooja Bhatia
FCS: 7673 CP:6485
Place : New Delhi
Dated: 18th April 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDBASE INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **LANDBASE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (g) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/ W-100018)

Jaideep Bhargava
Partner
(Membership No. 90295)

GURGAON, April 18 , 2015

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Legal and Regulatory Requirements' section of our report of even date)

Having regard to the nature of the Company's business/activities/result during the year, clauses (vi) and (ix) of the Order are not applicable.

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, the discrepancies noticed on physical verification of fixed assets as compared to book records were not material and have been properly dealt with in the books of account.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) (a) According to the information and explanations given to us in respect of statutory dues:

The Company has generally been regular in depositing undisputed dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(b) There are no disputed dues in respect of sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess as at 31st March 2015 which have not been deposited on account of dispute. Details of dues of Income tax which have not been deposited as on March 31, 2015 on account of dispute are given below:

Nature of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income tax	11,59,41,813	A.Y.2001-02	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	32,98,817	A.Y.2003-04	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax	26,62,65,172	A.Y.2005-06	Income Tax Appellate Tribunal
Income tax Act 1961	Income tax	3,700	A.Y.2012-13	Commissioner Income tax (Appeals)

(c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

(vii) The Accumulated losses of the Company does not exceed fifty percent of its net worth as at March 31, 2015. The Company has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.

(viii) The Company has not given any guarantee for loans taken by others from banks and financial institutions.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were obtained.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.: 117366W/ W-100018)

Jaideep Bhargava
Partner
(Membership No. 90295)

GURGAON, April 18, 2015

Balance Sheet as at 31st March, 2015

	Note No.	As at 31st March, 2015 (₹)	(₹)	As at 31st March, 2014 (₹)	(₹)
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	3,070,000,000		2,790,000,000	
Reserves and surplus	2	(990,286,772)	2,079,713,228	(901,568,782)	1,888,431,218
Non-current liabilities					
Long-term borrowings	3	20,000,000		—	
Other Long term liabilities	4	332,388,779		322,677,919	
Long-term provisions	5	3,335,739	355,724,518	2,375,783	325,053,702
Current liabilities					
Trade payables	6	11,014,443		9,237,293	
Other current liabilities	7	123,307,758		90,582,979	
Short-term provisions	8	1,308,725	135,630,926	1,101,919	100,922,191
TOTAL			2,571,068,672		2,314,407,111
ASSETS					
Non-current assets					
Fixed assets	9				
Tangible assets		2,393,062,410		923,453,779	
Intangible assets		265,676		734,211	
Capital work-in-progress - Tangible assets		23,457,142		1,146,669,373	
		2,416,785,228		2,070,857,363	
Non-current investments	10	150		150	
Long-term loans and advances	11	40,566,048		48,516,509	
Other non-current assets	12	3,203,305	2,460,554,731	2,588,320	2,121,962,342
Current assets					
Inventories	13	5,384,067		9,168,403	
Trade receivables	14	5,298,030		2,864,561	
Cash and bank balances	15	95,116,055		171,958,580	
Short-term loans and advances	16	3,275,160		6,842,323	
Other current assets	17	1,440,629	110,513,941	1,610,902	192,444,769
TOTAL			2,571,068,672		2,314,407,111

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place: Gurgaon
Date: April 18, 2015

On behalf of the Board

B. Hariharan	Director
A. Anand Rao	Managing Director
V. Chandar	Chief Financial Officer
Sonali Grover	Company Secretary

Statement of Profit and Loss for the year ended on 31st March, 2015

	Note No.	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Gross Income			
Revenue from sale of products and services	18	160,511,583	117,157,615
Other operating revenue	19	1,818,104	1,883,786
Revenue from operations		162,329,687	119,041,401
Other income	20	11,689,014	9,441,154
Total Revenue		174,018,701	128,482,555
Expenses			
Cost of materials consumed	21(A)	8,096,599	6,484,703
Purchases of Stock-in-Trade	21(B)	2,773,815	1,524,139
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	21(C)	2,023,257	954,605
Employee benefits expense	22	42,290,094	36,414,064
Finance costs	23	794,521	—
Depreciation and amortisation expense	24	27,595,658	33,307,939
Other expenses	25	79,697,868	77,350,359
Total Expenses		163,271,812	156,035,809
Profit/(Loss) before tax		10,746,889	(27,553,254)
Tax expense:			
Current tax		—	—
Deferred tax		—	—
Profit/(Loss) for the year		10,746,889	(27,553,254)
Earnings per share (Face value of ₹ 10/- each)			
Basic and Diluted	30	0.10	(0.43)

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place: Gurgaon
Date: April 18 , 2015

On behalf of the Board

B. Hariharan	Director
A. Anand Rao	Managing Director
V. Chandar	Chief Financial Officer
Sonali Grover	Company Secretary

Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015 (₹)	(₹)	For the year ended 31st March, 2014 (₹)	(₹)
A. Cash Flow from Operating Activities :				
Profit/(Loss) before tax		**10,746,889**		(27,553,254)
Adjustments for:-				
Depreciation and amortisation expense	**27,595,658**		33,307,939	
(Profit) / loss on sale / write off of assets	**6,897,239**		1,052,419	
Finance costs	**794,521**		—	
Interest Income	**(11,689,014)**		(9,441,154)	
Liabilities / provisions no longer required written back	**(634,944)**	**22,963,460**	(533,249)	24,385,955
Operating Profit/(Loss) Before Working Capital Changes		**33,710,349**		**(3,167,299)**
Changes in working capital:				
Adjustments for increase / (decrease) in operating liabilities:				
Trade payable	**2,412,094**		2,770,978	
Long term provisions	**959,956**		350,126	
Short term provisions	**206,806**		(17,343)	
Other current liabilities	**(2,288,514)**		(2,689,829)	
Other Long-term liabilities	**9,710,860**		1,670,651	
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	**(2,433,469)**		2,346,951	
Inventories	**3,784,336**		1,568,829	
Long-term loans and advance	**(7,817,434)**		(19,919,593)	
Short-term loans and advances	**3,567,163**		2,829,392	
Other current assets	**46,105**	**8,147,903**	(423,394)	(11,513,232)
Cash Generated/(Used) from Operations		**41,858,252**		**(14,680,531)**
Tax Paid		**(3,290,068)**		(4,033,787)
Net Cash Generated/(Used) from Operating Activities (A)		**38,568,184**		**(18,714,318)**
B Cash Flow from Investing Activities				
Capital expenditure on fixed assets, including capital advances and capital work in progress	**(425,814,385)**		(354,356,755)	
Interest received	**11,198,197**		10,420,044	
Net Generated/(Used) Investing Activities (B)		**(414,616,188)**		(343,936,711)
C Cash Flow from Financing Activities				
Proceeds from long term borrowings	**20,000,000**		—	
Proceeds from Issue of Share Capital	**280,000,000**		500,000,000	
Finance costs	**(794,521)**		—	
Net Cash Generated/(Used) Financing Activities (C)		**299,205,479**		500,000,000
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(76,842,525)**		**137,348,971**
Cash and Cash Equivalents at the Beginning of the year		**171,958,580**		34,609,609
Cash and Cash Equivalents at the End of the year		**95,116,055**		**171,958,580**
Notes to Cash Flow Statement				
1 **Cash and Cash Equivalents at year end comprise:**				
Cash on hand		**201,722**		69,830
Balance with Scheduled Banks				
Current accounts		**79,708,411**		159,013,512
Deposit accounts		**15,205,922**		12,875,238
Cash and Cash Equivalents		**95,116,055**		**171,958,580**
Total Cash and bank balances (Note 15)		**95,116,055**		**171,958,580**

2 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

3 Figures in brackets indicate cash outgo.

The accompanying notes 1 to 40 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place: Gurgaon
Date: April 18, 2015

On behalf of the Board

B. Hariharan Director
A. Anand Rao Managing Director
V. Chandar Chief Financial Officer
Sonali Grover Company Secretary

Notes forming part of the financial statements

	As at 31st March, 2015 Number of Shares	As at 31st March, 2015 (₹)	As at 31st March, 2014 Number of Shares	As at 31st March, 2014 (₹)
NOTE 1				
Share Capital				
Authorised				
Equity shares of ₹ 10/- each	120,000,000	1,200,000,000	118,000,000	1,180,000,000
Redeemable, Non-convertible Preference Shares of ₹ 100/- each	18,700,000	1,870,000,000	18,700,000	1,870,000,000
Issued and Subscribed and fully paid up				
Equity shares of ₹ 10/- each	120,000,000	1,200,000,000	92,000,000	920,000,000
Redeemable, Non-convertible Preference Shares of ₹ 100/- each	18,700,000	1,870,000,000	18,700,000	1,870,000,000
TOTAL	138,700,000	3,070,000,000	110,700,000	2,790,000,000

	As at 31st March, 2015 Number of Shares	As at 31st March, 2015 (₹)	As at 31st March, 2014 Number of Shares	As at 31st March, 2014 (₹)
(a) Reconciliation of number of shares				
Equity Shares:				
As at beginning of the year	92,000,000	920,000,000	50,000,000	500,000,000
Add: issue of Shares	28,000,000	280,000,000	42,000,000	420,000,000
As at end of the year	120,000,000	1,200,000,000	92,000,000	920,000,000
	Number of Shares	**(₹)**	Number of Shares	(₹)
Preference Shares:				
As at beginning of the year	18,700,000	1,870,000,000	17,900,000	1,790,000,000
Add: issue of Shares	—	—	800,000	80,000,000
As at end of the year	18,700,000	1,870,000,000	18,700,000	1,870,000,000

(b) The Company has two clauses of shares, namely equity shares having of par value of ₹ 10 per share and redeemable, non-convertible preference shares having a par of value of ₹ 100 per share.

(c) Rights, preferences and restrictions attached to shares

Equity shares : This class of shares having a par value of ₹ 10 per share, rank pari passu in all respects including voting rights and entitlement to dividends.

Preference shares : This class of Preference shares having a par value of ₹ 100 per share, are not entitled to any dividend. They are redeemable on or after 5 years from the date of allotment and carry a call / put option exercisable any time after 3 years after giving 3 month's notice to either party. The voting rights of the person holding the said shares shall be in accordance with the provisions of the Section 47 of the Companies Act, 2013. The nature, terms and conditions of all classes of preference shares issued at different point of time are same. The said shares shall, in the case of winding up be entitled to rank, as regards repayment of capital, in priority to the equity shares.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company	As at 31st March, 2015 Number of Shares	As at 31st March, 2015 %	As at 31st March, 2014 Number of Shares	As at 31st March, 2014 %
Equity Shares				
ITC Limited, the Holding Company jointly with its nominees	120,000,000	100	92,000,000	100
Preference shares				
ITC Limited, the Holding Company	18,700,000	100	18,700,000	100

	As at 31st March, 2015 Number of Shares	As at 31st March, 2015 (₹)	As at 31st March, 2014 Number of Shares	As at 31st March, 2014 (₹)
(e) Shares held by holding company and subsidiary of holding company				
Equity Shares				
ITC Limited, the Holding Company	119,999,994	1,199,999,940	91,999,994	919,999,940
ITC Limited, the Holding Company jointly with its nominees	6	60	6	60
Preference Shares				
ITC Limited, the Holding Company	18,700,000	1,870,000,000	18,700,000	1,870,000,000
NOTE 2				
Reserves and Surplus				
General Reserve				
At the beginning of the year		61,162,181		61,162,181
Surplus/(Deficit) in the Statement of Profit and Loss				
At the beginning of the year	(962,730,963)		(935,177,709)	
Less: Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (refer note 38)	(99,464,879)			
Add: Profit/(Loss) for the current year	10,746,889	(1,051,448,953)	(27,553,254)	(962,730,963)
TOTAL		(990,286,772)		(901,568,782)

Notes forming part of the financial statements

	As at 31st March, 2015 (₹)	(₹)	As at 31st March, 2014 (₹)	(₹)
NOTE 3				
Long-term borrowings				
Unsecured				
Term loan from a related party*		**20,000,000**		—
TOTAL		**20,000,000**		—

* Loan repayable after 3 years from the date of disbursement and carrying rate of interest of 10% p.a. payable on quarterly basis.

NOTE 4				
Other Long term liabilities				
Income received in advance		**16,816,084**		17,148,327
Membership deposits (refer note 28)	**311,891,364**		309,106,652	
Less: Subscription fees receivable	**(2,948,573)**	**308,942,791**	(5,104,948)	304,001,704
Others*		**6,629,904**		1,527,888
* (Includes ₹ 6,504,904 (Previous year: ₹ 1,527,888) payable towards retention money under capital contract)				
TOTAL		**332,388,779**		**322,677,919**
NOTE 5				
Long-term provisions				
Provision for employee benefits: (refer note 26)				
Provision for gratuity		**1,952,913**		1,377,112
Provision for compensated absences		**1,382,826**		998,671
TOTAL		**3,335,739**		**2,375,783**
NOTE 6				
Trade payables				
Trade payables (refer note 29)		**11,014,443**		9,237,293
TOTAL		**11,014,443**		**9,237,293**
NOTE 7				
Other current liabilities				
Income received in advance		**16,108,204**		15,617,531
Advances received from customers		**384,236**		543,357
Statutory liabilities		**5,667,436**		4,983,745
Payables on purchase of fixed assests		**74,254,879**		39,241,586
Employee benefits payable		**1,187,426**		759,271
Sundry deposits		**918,166**		2,170,677
Other payables		**24,787,411**		27,266,812
TOTAL		**123,307,758**		**90,582,979**
NOTE 8				
Short-term provisions				
Provision for employee benefits: (refer note 26)				
Provision for gratuity		**596,543**		488,170
Provision for compensated absences		**712,182**		613,749
TOTAL		**1,308,725**		**1,101,919**

Note 9 Fixed Assets

(Amount in ₹)

Particulars	Gross Block								Depreciation and Amortisation									Net Book Value		
	As at 31st March, 2013	Additions	Withdrawals and adjustments	As at 31st March, 2014	Additions	Intra group Transfer (out)	Withdrawals and adjustments	As at 31st March, 2015	Upto 31st March, 2013	For the year	On Withdrawals and adjustments	Upto 31st March, 2014	Intra group Transfer (Out)	Transitional Impact*	For the year	On Withdrawals and adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Tangible assets:																				
Land (Freehold)	590,310,474	5,307,928	—	595,618,402	3,962,550	—	—	**599,580,952**	—	—	—	—	—		—	—	—	**599,580,952**	595,618,402	590,310,474
Building	232,924,664	359,705	—	233,284,369	1,522,487,417	—	6,393,133	**1,749,378,653**	60,850,319	3,721,810	—	64,572,129	—	33,172,081	12,330,447	1,654,921	**108,419,736**	**1,640,958,917**	168,712,240	172,074,345
Plant & Machinery	253,496,431	6,757,359	1,769,259	258,484,531	43,886,020	—	6,090,433	**296,280,118**	153,842,990	12,441,148	729,743	165,554,395	—	31,689,261	6,729,756	4,054,470	**199,918,942**	**96,361,176**	92,930,136	99,653,441
Golf Course	225,778,037	—	—	225,778,037	—	—	—	**225,778,037**	165,694,212	10,724,458	—	176,418,670	—	33,187,564	3,433,620	—	**213,039,854**	**12,738,183**	49,359,367	60,083,825
Office & Other Equipment	1,848,945	101,845	59,038	1,891,752	—	—	56,741	**1,835,011**	713,518	146,374	59,036	800,856	—	475,761	363,289	52,901	**1,587,005**	**248,006**	1,090,896	1,135,427
Furniture & Fixtures	7,535,644	649,034	72,497	8,112,181	28,180,124	—	2,306,390	**33,985,915**	4,385,680	895,860	72,495	5,209,045	—	21,501	1,243,695	1,410,334	**5,063,907**	**28,922,008**	2,903,136	3,149,964
Computers	6,613,098	1,874,300	1,440,465	7,046,933	—	—	1,404,249	**5,642,684**	4,722,496	875,870	1,427,566	4,170,800	—	352,797	1,013,637	1,227,400	**4,309,834**	**1,332,850**	2,876,133	1,890,602
Vehicles	8,936,011	52,500	—	8,988,511	109,382	—	1,604,447	**7,493,446**	3,684,093	848,950	—	4,533,043	—	565,912	724,711	1,522,364	**4,301,302**	**3,192,144**	4,455,468	5,251,918
Golf Carts	18,426,344	—	—	18,426,344	5,735,849	—	—	**24,162,193**	9,420,480	3,497,863	—	12,918,343	—	2	1,515,674	—	**14,434,019**	**9,728,174**	5,508,001	9,005,864
Tent	2,739,620	—	—	2,739,620	—	—	—	**2,739,620**	2,739,620	—	—	2,739,620	—	—	—	—	**2,739,620**	—	—	—
Total (A)	1,348,609,268	15,102,671	3,341,259	1,360,370,680	1,604,361,342	—	17,855,393	**2,946,876,629**	406,053,408	33,152,333	2,288,840	436,916,901	—	99,464,879	27,354,829	9,922,390	**553,814,219**	**2,393,062,410**	923,453,779	942,555,860
Capital work in progress (B)	794,334,898	352,334,475	—	1,146,669,373	466,866,096		1,590,078,327	**23,457,142**	—	—	—	—		—	—	—	—	**23,457,142**	1,146,669,373	794,334,898
Total (C) = (A)+ (B)	2,142,944,166	367,437,146	3,341,259	2,507,040,053	2,071,227,438	—	1,607,933,720	**2,970,333,771**	406,053,408	33,152,333	2,288,840	436,916,901	—	99,464,879	27,354,829	9,922,390	**553,814,219**	**2,416,519,552**	2,070,123,152	1,736,890,758

* refer note 38

Particulars	Gross Block								Depreciation and Amortisation									Net Book Value		
	As at 31st March, 2013	Additions	Withdrawals and adjustments	As at 31st March, 2014	Additions	Intra group Transfer (out)	Withdrawals and adjustments	As at 31st March, 2015	Upto 31st March, 2013	For the year	On Withdrawals and adjustments	Upto 31st March, 2014	Intra group Transfer (Out)	Transitional Impact	For the year	On Withdrawals and adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Intangible assets:																				
Software	743,956	303,232	—	1,047,188	—	—	457,496	**589,692**	157,371	155,606	—	312,977	—	—	240,829	229,790	**324,016**	**265,676**	734,211	—
Total (D)	743,956	303,232	—	1,047,188	—	—	457,496	**589,692**	157,371	155,606	—	312,977	—	—	240,829	229,790	**324,016**	**265,676**	734,211	—
Grand Total (C) + (D)	2,143,688,122	367,740,378	3,341,259	2,508,087,241	2,071,227,438	—	1,608,391,216	**2,970,923,463**	406,210,779	33,307,939	2,288,840	437,229,878	—	99,464,879	27,595,658	10,152,180	**554,138,235**	**2,416,785,228**	2,070,857,363	1,736,890,758

Notes forming part of the financial statements

	As at 31st March, 2015 (₹)	(₹)	As at 31st March, 2014 (₹)	(₹)
NOTE 10				
Non current investment (at cost unless stated otherwise)				
Prime Golf Ranking Private Limited (Unquoted)				
150 (Previous year: 150) Equity Share of ₹ 1/- each fully paid	**150**	**150**	150	150
TOTAL		**150**		**150**
NOTE 11				
Long-term loans and advances				
Unsecured, considered good				
Capital advances		**200,000**		19,257,963
Security deposits		**1,097,837**		1,047,837
Other Loans and Advances				
Advance tax				
[net of provision of ₹ 1,669,500 (previous year ₹ 1,659,500)]	**10,740,122**		7,450,054	
Prepaid expenses	**68,089**		655	
Entertainment Tax paid under protest considered good	**27,700,000**		20,000,000	
Others	**760,000**	**39,268,211**	760,000	28,210,709
Unsecured, considered doubtful				
Entertainment Tax paid under protest	**649,767**		649,767	
Less: Provision for doubtful loans and advances	**(649,767)**	—	(649,767)	—
TOTAL		**40,566,048**		**48,516,509**
NOTE 12				
Other non-current assets				
Interest accrued on deposits		**3,203,305**		2,588,320
TOTAL		**3,203,305**		**2,588,320**
NOTE 13				
Inventories				
(At lower of cost and net realisable value)				
Raw materials		—		473,709
Stock-in-trade proshop (traded goods)		—		2,023,257
Stock of parking slot/servant quarters		**1,319,908**		1,319,908
Stores and Spares		**5,433,713**		6,721,083
Less: Provision for slow moving inventory of parking slot/servant quarters	**(1,319,908)**		(1,319,908)	
Less: Provision for slow moving stores and spares	**(49,646)**	**(1,369,554)**	(49,646)	(1,369,554)
TOTAL		**5,384,067**		**9,168,403**
NOTE 14				
Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured considered good	**10,549**		—	
Doubtful	**502,688**		502,688	
Less: Provision for Doubtful Debts	**(502,688)**	**10,549**	(502,688)	—
Others				
Unsecured, considered good	**5,287,481**	**5,287,481**	2,864,561	2,864,561
TOTAL		**5,298,030**		**2,864,561**
NOTE 15				
Cash and bank balances				
Cash and cash equivalents*				
Balances with Banks				
Current accounts	**79,708,411**		159,013,512	
Deposit accounts	**10,171,986**		4,500,000	
Cash on hand	**201,722**	**90,082,119**	69,830	163,583,342
Other bank balances				
In deposit accounts**		**5,033,936**		8,375,238
TOTAL		**95,116,055**		**171,958,580**

* Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

**Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 5,033,936 (Previous year: ₹ 5,033,936)

NOTE 16		
Short-term loans and advances		
Unsecured, considered good		
Sundry deposits	**92,000**	220,000
Other loans and advances		
With Statutory authorities	**263,962**	2,299,474
Prepaid expenses	**384,365**	1,524,327
Advance to employees	—	3,000
Advance to vendors	**2,534,833**	2,795,522
TOTAL	**3,275,160**	**6,842,323**

Notes forming part of the financial statements

	As at 31st March, 2015		As at 31st March, 2014	
	(₹)	(₹)	(₹)	(₹)
NOTE 17				
Other current assets				
SFIS credit entitlement	1,425,510		1,471,615	
Interest accrued on deposits	15,119	1,440,629	139,287	1,610,902
TOTAL		1,440,629		1,610,902

	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	(₹)	(₹)	(₹)	(₹)
NOTE 18				
Revenue from sale of products and services				
Sale of products				
Proshop items	3,152,236	3,152,236	3,350,547	3,350,547
Sale of services				
Membership income	56,509,462		47,854,322	
Green fees	38,742,798		31,647,993	
Food and Beverage sale	14,614,869		11,914,652	
Caddiee fees	11,761,674		9,494,706	
Cart rental	11,940,366		8,480,499	
Health club and other facilities	3,632,066		3,266,545	
Tented accommodation income	67,951		843,351	
Sponsorship income	2,481,462	139,750,648	305,000	113,807,068
License Fees		17,608,699		—
TOTAL (A)		160,511,583		117,157,615
NOTE 19				
Other operating revenue				
Liability written back	634,944		533,249	
SFIS income	230,624		533,201	
Insurance claim received	32,590		62,700	
Others	919,946	1,818,104	754,636	1,883,786
TOTAL (B)		1,818,104		1,883,786
Revenue from operations (A+B)		162,329,687		119,041,401
NOTE 20				
Other income				
Interest income				
On deposits	8,388,323		6,928,782	
Income tax refund	—		43,121	
Others - from members	3,300,691	11,689,014	2,469,251	9,441,154
TOTAL		11,689,014		9,441,154
NOTE 21				
(A) Cost of materials consumed				
Opening stock	473,709		624,173	
Purchases	7,622,890		6,334,239	
Less:Closing stock	—	8,096,599	(473,709)	6,484,703
(B) Purchases of Stock-in-Trade Proshop		2,773,815		1,524,139
(C) Changes in inventories of finished goods, work-in-progress, Stock-in-Trade				
Stock-in-Trade				
Opening stock	2,023,257		2,977,862	
Less: Closing stock	—	2,023,257	(2,023,257)	954,605
TOTAL (A+B+C)		12,893,671		8,963,447
NOTE 22				
Employee benefits expense				
Salaries and wages		30,827,319		26,324,777
Contribution to Provident and other funds		2,297,969		2,041,526
Staff welfare expenses		2,646,129		2,487,543
Reimbursement of manager's salary on deputation		6,518,677		5,560,218
TOTAL		42,290,094		36,414,064
NOTE 23				
Finance Costs				
Interest expense on borrowings		794,521		—
TOTAL		794,521		—
NOTE 24				
Depreciation and amortisation expense				
Depreciation on tangible assets		27,354,829		33,152,333
Amortisation on intangible assets		240,829		155,606
TOTAL		27,595,658		33,307,939

Notes forming part of the financial statements

	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
NOTE 25		
Other Expenses		
Power and fuel	**15,273,417**	17,021,015
Consumption of stores and spare parts	**5,856,771**	8,116,090
Rent	**183,410**	160,600
Contracted services	**18,191,861**	17,690,007
Rates and taxes	**2,370,022**	5,712,998
Insurance	**2,369,556**	1,999,842
Repairs		
- Buildings	**2,853,508**	1,115,841
- Machinery	**1,762,069**	1,532,956
- Others	**3,569,104**	4,031,656
Maintenance and upkeep	**4,860,222**	3,334,620
Advertising / Sales promotion	**1,035,075**	978,289
Travelling and conveyance	**3,043,520**	2,788,975
Vehicle maintenance	**182,774**	218,920
Hire charges	**1,375,864**	1,197,887
Legal expenses	**1,780,580**	2,149,196
Consultancy / Professional fees	**2,724,304**	2,811,879
Bank and credit card charges	**633,479**	660,175
Payment to auditors*	**1,009,359**	954,178
Printing and stationery	**1,402,168**	934,388
Postage, telephone etc	**929,432**	988,091
Bad debts written off	**142,106**	520,042
Advances written off	—	236,528
Loss on assets sold and written offs (net)	**6,897,239**	1,052,419
Miscellaneous expenses	**1,252,028**	1,143,767
TOTAL	**79,697,868**	**77,350,359**
* Payment to auditors (excluding service tax) :		
To Statutory Auditors		
- For Audit	**750,000**	750,000
- For Tax Audit	**50,000**	50,000
- Reimbursement of expenses	**209,359**	154,178
TOTAL	**1,009,359**	**954,178**

26. Disclosure required under Accounting Standard (AS) - 15 (Revised)

The details of liabilities recognized by the Company in respect of long term defined benefits and contribution schemes in accordance with Accounting Standard 15 (Revised 2005) for its employees are given below.

The Company has classified the various benefits provided to the employees as under:

I. Defined contribution plan

Employer's Contribution	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Provident fund	**1,793,865**	1,540,593
Employee's State Insurance Corporation	**504,104**	500,933
Total	**2,297,969**	**2,041,526**

II. Defined benefit plans

II.a Gratuity for employees

Gratuity Plan of the Company is unfunded, this liability is determined by Actuarial Valuation based on Projected Unit Credit Method.

During the current year the Company has recognised the following amounts in the Statement of Profit and Loss:-

(A) Present value of defined benefit obligation

	Employee's Gratuity Fund	
	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
Balance at the beginning of the year	**1,865,282**	1,669,111
Interest cost	**130,580**	139,480
Current service cost	625,817	454,506
Benefits paid	**(360,763)**	(238,674)
Actuarial (gain)/ loss recognised.	**288,540**	(159,141)
Balance at the end of the year	**2,549,456**	**1,865,282**
Disclosure of defined benefit into:		
Long-term provision	**1,952,913**	1,377,112
Short-term provision	**596,543**	488,170

Notes forming part of the financial statements

(B) Reconciliation of present value of defined obligation and fair value of plan assets:

	Employee's Gratuity Fund	
	As at 31st March 2015	As at 31st March 2014
	(₹)	(₹)
Present value of the obligation at the end of the year	**2,549,456**	1,865,282
Fair value of plan assets	—	—
Net liability recognised in balance sheet	**2,549,456**	**1,865,282**

(C) Expense recognised in Statement of Profit and Loss

	Employee's Grautity Fund	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	(₹)	(₹)
Current service cost	**625,817**	454,506
Interest cost	**130,580**	139,480
Net actuarial (gain)/loss to be recognised	**288,540**	(159,141)
Expense recognised in Statement of Profit and Loss Account	**1,044,937**	**434,845**

(D) Assets and Liabilities recognised in the Balance Sheet

	Employee's Gratuity Fund				
	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)
Present value of the obligation at the end of the year	**(2,549,456)**	(1,865,282)	(1,669,111)	(1,266,788)	(900,003)
Fair value of plan assets	—	—	—	—	—
Asset/(liability) recognised in the Balance Sheet	**(2,549,456)**	**(1,865,282)**	**(1,669,111)**	**(1,266,788)**	**(900,003)**

Acturial Assumptions

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid plans based on the following assumptions –

II.b Compensated absences

(A) Present Value of long term benefits obligation

	Compensated Absences	
	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
	(₹)	(₹)
Balance at the beginning of the year	**1,551,274**	1,411,487
Interest cost	**111,571**	121,173
Current service cost	**369,471**	223,477
Benefits paid	**(223,307)**	(130,242)
Actuarial (gain)/ loss due to change in assumption/ interest guarantee	**234,787**	(74,621)
Balance at the end of the year	**2,043,796**	**1,551,274**
Disclosure of defined benefit into:		
Long-term provision	**1,382,826**	998,671
Short-term provision*	**660,970**	552,603

* Provision for compensated absences as disclosed under Note 8 includes ₹ 51,212 (Previous Year ₹ 61,146) provided for short term leave of the employees.

(B) Reconciliation of present value of defined obligation and fair value of plan assets:

	Compensated Absences	
	As at 31st March, 2015	As at 31st March, 2014
	(₹)	(₹)
Present value of the obligation at the end of the year	**2,043,796**	1,551,274
Fair value of plan assets	—	—
Net liability recognised in balance sheet	**2,043,796**	**1,551,274**

(C) Expense recognised in Statement of Profit and Loss

	Compensated Absences	
	For the year Ended 31st March, 2015	For the year Ended 31st March, 2014
	(₹)	(₹)
Current service cost	**369,471**	223,477
Interest Cost	**111,571**	121,173
Net actuarial (gain)/loss to be recognised	**234,787**	(74,621)
Expense recognised in Statement of Profit and Loss Account	**715,829**	**270,029**

notes forming part of the financial statements

(D) Assets and Liabilities recognised in the Balance Sheet

	Compensated Absences				
	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Present value of the obligation at the end of the year	**(2,043,796)**	(1,551,274)	(1,411,487)	(1,205,352)	(888,260)
Fair value of plan assets	**—**	—	—	—	—
Asset/(liability) recognised in the Balance Sheet	**(2,043,796)**	**(1,551,274)**	**(1,411,487)**	**(1,205,352)**	**(888,260)**

Actuarial assumptions for gratuity and compensated absences

In accordance with Accounting Standard 15, actuarial valuation was done in respect of the aforesaid plans based on the following assumptions –

Assumptions	**For the year ended 31st March, 2015 (₹)**	For the year ended 31st March, 2014 (₹)	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
Employee's gratuity fund (Unfunded)					
Discount rate	**7.75%**	9.00%	8.00%	8.25%	8.00%
Salary escalation rate	**5.00%**	5.00%	5.00%	5.00%	5.00%
Normal retirement age	**58 years**	58 years	58 years	58 years	58 years
Attrition rate	**10% p.a**	10% p.a	10% p.a	10% p.a	10% p.a

Estimates of future salary increases considered in acturial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
27. Contingent liabilities		
a) Claims against the Company not acknowledged as debts:*		
(i) Income Tax matters**	**385,509,502**	385,505,802
(ii) Legal cases	**394,800**	321,784
(iv) Entertainment duty demand raised by Excise department	**55,262,350**	55,262,350

* All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of management the legal proceedings, when ultimately concluded, will not have a material effect on results of operations or financial position of the Company.

** The Company had received Income Tax demands of ₹ 115,941,813 (Previous Year ₹ 115,941,813) for Assessment Year 2001-02, ₹ 3,298,817 (Previous Year ₹ 3,298,817) for the Assessment Year 2003-04 and ₹ 266,265,172 (Previous Year ₹ 266,265,172), for Assessment Year 2005-06, ₹ 3,700 (Previous Year Nil) for Assessment Year 2012-13. All the assessments are currently under appeal with Income Tax Authorities.

b) Outstanding Capital Commitments:

	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
Estimated value of contracts in capital account remaining to be executed	**42,316,311**	326,571,892

28. Other long term liabilities include ₹ 304,500,082 (Previous year ₹ 302,206,652) as deposits received from individuals towards golf memberships and ₹ 7,391,282 (Previous year ₹ 6,900,000) received from Corporates towards Golf Memberships. These represent long term tradeable memberships which, are to be refunded at the time of termination of the membership.

29. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

30. Earning per share:

Basic/Diluted Earnings Per Share	**As at 31st March, 2015 (₹)**	As at 31st March, 2014 (₹)
Net Profit/(Loss) after tax available for Equity Shareholders (₹)	**10,746,889**	(27,553,254)
Weighted Average Number of Equity Shares outstanding during the year	**104,723,288**	64,142,466
Nominal Value of Equity Shares (₹)	**10**	10
Basic/Diluted (Loss)/Earnings per Share of ₹ 10/- each	**0.10**	(0.43)

31. Accounting for Taxes on Income:

Components of deferred tax asset/liability are:

Defered tax asset

	As at 31st March, 2015 (₹)	As at 31st March, 2014 (₹)
On Unabsorbed depreciation	**217,354,708**	201,551,749
On Unabsorbed business loss	**26,663,680**	41,972,638
Other timing differences	**1,541,951**	1,193,810
Defered Tax Liability		
Depreciation	**(54,208,552)**	(65,924,782)
Net Deferred Tax Asset	**191,351,787**	178,793,415

In view of the significant carry forward income tax losses (business and depreciation) and there being no virtual certainty of profits in the near future, net deferred tax asset as at March 31, 2015 has not been recognized in the books of accounts.

	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
32. Value of Imports calculated on CIF basis during the year in respect of:		
Capital Goods	**9,690,031**	10,945,131

	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
33. Expenditure in Foreign Currency:		
Professional and Consultancy	**1,834,592**	6,174,943

	For the year ended 31st March, 2015 (₹)	For the year ended 31st March, 2014 (₹)
34. Earnings in Foreign Exchange:		
Sale of Golf Services	**5,786,243**	6,563,107

35. Value of indigenous and imported Raw material, Stores and Spares parts consumed during the period and percentage of each to the total consumption:

(a) Details of Raw Material Consumed

Raw Material	**8,096,599**	6,484,703
Total	**8,096,599**	6,484,703

(b) Value of imported and indigenous materials consumed

Particulars	**For the year ended 31st March, 2015 Value (₹)**	**%**	For the year ended 31st March, 2014 Value (₹)	%
Raw Material - F&B				
Imported	**—**	**—**	—	—
Indigenous	**8,096,599**	**100**	6,484,703	100
Total	**8,096,599**	**100**	6,484,703	100
Stores and Spare Parts				
Imported	**—**	**—**	—	—
Indigenous	**5,856,771**	**100**	8,116,090	100
Total	**5,856,771**	**100**	8,116,090	100

Notes forming part of the financial statements

36. Segment Information

As the Company's business activity falls within a single business segment i.e. Leisure and Hospitality and is a single geographical segment, the disclosure requirements of Accounting Standard – 17 "Segment Reporting" notified under the Companies (Accounting Standard) Rules 2006 as amended, are not applicable.

37. Related party disclosure

(i) Names of related parties and nature of relationship

Holding Company ITC Limited

(ii) Other Related Parties with whom transactions have taken place during the year:

Fellow Subsidiaries
Fortune Park Hotels Limited
Greenacre Holdings Limited
Russell Credit Limited

Associates
International Travel House Limited
Classic Infrastructure and Development Limited

Key Management Personnel (KMP):

Mr. Nakul Anand	Chairman
Mr. S. C. Sekhar (upto 27.01.2015)	Managing Director
Mr. A. Anand Rao (w.e.f. 12.03.2015)	Managing Director
Mr. Rajiv Tandon	Director
Mr. B. Hariharan	Director
Ms. Ratna Chadha (w.e.f. 16.03.2015)	Director
Mr. Hari Mohan Jha (w.e.f. 16.03.2015)	Director

iii) Details of Transactions carried out during the financial year ended March 31, 2015 with related party in the ordinary course of business :

(Amount in ₹)

S. No.	Particulars	Holding Company		Fellow Subsidiaries		Associates		KMP	
		31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
1	Sale of Services	6,944,916	373,009	—	—	7,265	—	—	69,495
2	Sale of Goods	23,240							
3	Purchase of Goods	2,893,627	2,912,239	—	—	—	—	—	—
4	Purchase of Services	6,937,497	211,802		—	—	162,081	—	—
5	Expenses Recovered	48,679,064	11,063,496	—	22,472	17,124	16,478	—	—
6	License Fees Received*	19,678,392	—						
7	Expenses Reimbursed*	8,572,202	5,481,973	—	—	—	—	—	—
8	Director Remuneration Fee	—	—	—	—	—	—	20,000	—
9	Project Expenses Reimbursed**	3,710,518	6,574,266	—	—	—	—	—	—
10	Amount written back	—	310,705	—	—	—	—	—	—
11	Issue of Equity Share Capital	280,000,000	420,000,000	—	—	—	—	—	—
12	Issue of Preference Share Capital	—	80,000,000	—	—	—	—	—	—
13	Loan taken	—	—	20,000,000	—	—	—	—	—
14	Interest Expense on borrowings	—	—	794,521	—	—	—	—	—
15	Balances Outstanding at the year end	—	—	—	—		—	—	—
i)	Trade Receivables/Payable	—	—	—	—	9,301	9,301	—	—
ii)	Other Payables	24,684,790	27,164,191	—	—	—	—	—	—
iii)	Unsecured long term borrowings payable	—	—	20,000,000	—	—	—	—	—

* includes service tax

** Expenses Reimbursed and Project Expenses Reimbursed includes expenses on account of salary of personnel deputed of ₹ 10,166,165 (Previous Year ₹ 9,090,283)

(iv) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties

S. No.	Particulars	Holding Company		Fellow Subsidiaries		Associates		KMP	
		31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014	31st March, 2015	31st March, 2014
1	Sale of Services								
	- ITC Limited	6,944,916	373,009	—	—	—	—	—	—
	- International Travel House Limited	—	—	—	—	7,265	—	—	—
2	- KMP	—	—	—	—	—	—	—	—
	Purchase of Fixed Assets	—	—	—	—	—	—	—	—
	Fortune Park Hotels Limited	—	—	—	—	—	—	—	—
3	Purchase of Goods				—		—		
	- ITC Limited	2,893,627	2,912,239	—	—	—	—	—	—
4	Sale of Goods								
	- ITC Limited	23,240	—	—	—	—	—	—	—
5	Purchase of Services								
	- ITC Limited	6,937,497	211,802	—	—	—	—	—	—
	- International Travel House Limited	—	—	—	—	—	162,081	—	—
6	Expenses Recovered								
	- ITC Limited	48,679,064	11,063,496	—	—	—	—	—	—
	- Classic Infrastructure Development Limited	—	—	—		17,124	16,478		
	- Green Acres Holding Limited	—	—	—	22,472	—	—	—	—
7	Expenses Reimbursed								
	- ITC Limited	8,572,202	5,481,973	—	—	—	—	—	—
8	License Fees Received								
	- ITC Limited	19,678,392	—	—	—	—	—	—	—
9	Project Expenses Reimbursed								
	- ITC Limited	3,710,518	6,574,266	—	—	—	—	—	—
10	Issue of Equity Share Capital								
	- ITC Limited	280,000,000	420,000,000	—	—	—	—	—	—
11	Issue of Preference Share Capital								
	- ITC Limited	—	80,000,000	—	—	—	—	—	—
12	Loan taken				—	—	—	—	—
	- Russell Credit Limited	—	—	20,000,000	—	—	—	—	—
13	Interest Expense on borrowings								
	- Russell Credit Limited	—		794,521	—	—	—	—	—
12	Balances Outstanding at the year end								
i)	Trade Receivables								
	- Classic Infrastructure Development Limited	—	—	—	—	9,301	9,301	—	—
ii)	Other Payables	—	—	—	—	—			
	- ITC Limited	24,684,790	27,164,191	—	—	—	—	—	—
iii)	Unsecured long term borrowings payable								
	- Russell Credit Limited	—	—	20,000,000	—	—	—	—	—

38. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.
Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 99,464,879 against the opening retained earnings under the head 'Reserves and Surplus'.

The depreciation expense in the Statement of Profit and Loss for the year is lower by ₹ 15,020,212 consequent to the change in the useful life of the assets.

39. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

NOTES FORMING PART OF FINANCIAL STATEMENTS

40. SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

To prepare financial statements in accordance with applicable Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services, the Company has ascertained its operating cycle as 12 months.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalized.
Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalization costs include licence fees and costs of implementation / system integration services.

All upgradation / enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

Intangible assets are amortised over their estimated useful life on straight line method.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Assets costing less than ₹ 5,000 are fully depreciated in the year.

Investments

To state Long Term Investments at cost. Where applicable, provision is made to recognise a decline, other than temporary in valuation of long term investments.

Inventories

To state inventories at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue Recognition

i) License Fees income is recognised as per the terms of the agreement.

ii) Membership Income:

   a) Revenue from Corporate membership fee is accounted for over the period of membership.

   b) Entrance fees are accounted for in the year of receipt.

   c) Interest charged on delayed receipt of Subscription is accounted for on receipt basis.

iii) Green Fee Income, Caddie Rental, Cart Rental, Income from Health Club and other facilities and Income from Food & Beverage Sales is recognized at the time such services are rendered to the customer.

Employee Benefits

To make regular contributions to State plan namely Employee Provident Fund Employee's and Employee's State Insurance Fund are charged to revenue every year.

Company has Gratuity (Unfunded Plan) which are in the nature of defined benefit/schemes. To determine the liabilities towards such schemes, as applicable, and towards employee compensated absences by an independent actuarial valuation using the projected unit credit method as per the requirements of Accounting Standard - 15 (revised 2005) on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in Statement of Profit and Loss Account as income or expense.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions and Translations

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising out of fluctuations in the exchange rates are recognised in the Profit and Loss Account in the period in which they arise.

To account for gains/losses in the Profit and Loss Account on foreign exchange rate fluctuations relating to monetary items at the year end.

Claims

To disclose claims against the Company not acknowledged as debt after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions and Contingent Liabilities

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Financial and Management Information Systems

To practice an Integrated Accounting System which unifies Financial Books. The books of account and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act on one hand, and meet the internal requirements of information and systems for Planning, Review and Internal Control on the other.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jaideep Bhargava
Partner
Place: Gurgaon
Date: April 18, 2015

On behalf of the Board

B. Hariharan	Director
A. Anand Rao	Managing Director
V. Chandar	Chief Financial Officer
Sonali Grover	Company Secretary