

**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2007**

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2007.

**FINANCIAL PERFORMANCE**

During the year under review, your Company earned a gross income of Rs. 271.31 lakhs (previous year Rs. 579.20 lakhs) and incurred a net loss of Rs. 776.29 lakhs (previous year Rs. 738.98 lakhs).

**OPERATIONS**

The Management of your Company declared lockout at the Classic Golf Resort, Gurgaon w.e.f. 6th October, 2006 on no work no pay basis, consequent to large scale and widespread violence resorted to by the workmen. In this context, it is pertinent to mention that there has been a general rise in workmen militancy in the industrial area of Gurgaon with the backing of politically affiliated trade unions and the above actions by the workmen is one such evidence of this growing trend.

The Labour Conciliation Officer commenced conciliation proceedings on 7th October, 2006. The Honourable Punjab & Haryana High Court vide its Orders dated 5th April, 2007, against an application preferred by the Company for speeding up the conciliation proceedings, ordered the concerned Haryana Government Authorities to conclude the conciliation proceedings within two months of receipt of its Orders in keeping with the Settlement Agreement executed with the workmen by the Company earlier on 8th May, 2006.

During the operational part of the year under review, Classic Golf Resort had been the venue for some very prestigious tournaments, amongst them being British Golf Society Group Game, Northern India Amateur Golf Tournament, Maruti Denso Golf Cup, Denso Golf Cup, Baxter Conference and Doon School Golf Tournament.

The preparatory work towards the development of Resort Hotel project at the Classic Golf Resort has commenced and various consultants have been appointed for the purpose. The Company is in the process of obtaining permissions from various authorities for the commencement of the Project.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The applicable information pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given below:

(a) *Conservation of Energy*

The dedicated electricity feeder at the Classic Golf Resort continues to yield savings during operations.

Efforts to conserve electricity by operating only necessary lighting, fittings and fixtures, and judicious use of diesel generating sets continue.

(b) *Technology Absorption*

The provisions of Clause B of Rule 2 are not attracted, as the Company has not imported any technology during the year under review.

(c) *Foreign Exchange Earnings and Outgo*

i) **Earnings** : During the year under review, gross foreign exchange earnings of the Company were Rs. 0.41 lakhs ( previous year Rs. 5.84 lakhs ).

ii) **Outgo** : Foreign exchange outgo during the year under review was Rs. 73.50 lakhs ( previous year Rs. 26.55 lakhs ).

**DEMAND FOR ADDITIONAL CONVERSION CHARGES**

The Petition of the Company challenging the exorbitant demand of additional conversion charges of Rs. 15.82 crores by Haryana Government in respect of 'Change of Land Use' permission for the Classic Golf Resort had been disallowed by the Hon'ble High Court at Chandigarh. Your Board of Directors, based on legal advice, has filed a Special Leave Petition before the Honourable Supreme Court of India, and the matter is sub-judice.

**DIRECTORS**

The Board of Directors at their meeting held on 29th March, 2007, reappointed Mr. S. C. Sekhar as the Managing Director of your Company without any remuneration for a further period of three years w.e.f. 1st April, 2007. An appropriate resolution seeking your approval for the reappointment of Mr. S. C. Sekhar is included in the Notice convening the Fifteenth Annual General Meeting.

In accordance with Articles 106 and 107 of the Articles of Association of the Company, M/s. S. C. Sekhar and M. Riaz Ahmed will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**PARTICULARS OF EMPLOYEES**

None of the employees fall under the purview of the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

**AUDITORS**

The Auditors of your Company M/s. Lovelock and Lewes, Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**RESPONSIBILITY STATEMENT**

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that :

a) in the preparation of annual accounts under review, the applicable accounting standards had been followed; b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period; c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; d) the Annual Accounts are prepared on a going concern basis. The required disclosures and significant accounting policies followed are appearing in Schedule 19 and 20, respectively in the annual accounts.

On behalf of the Board

Place : Gurgaon

S. C. Sekhar *Managing Director*

Date : 1st May, 2007

M. Riaz Ahmed *Director*

**AUDITORS' REPORT TO THE MEMBERS OF LANDBASE INDIA LIMITED**

1. We have audited the Balance Sheet of Landbase India Limited as at March 31, 2007 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order,

2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "The Companies Act, 1956" of India (the "Act") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that :

- 3.1 (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and except for discrepancies for certain assets for which the management is in the process of reconciling with the book records, the discrepancies between the book records and the physical inventory have been adjusted. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

- 3.2 (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- 3.3 (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- 3.4 In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 3.5 In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that section.
- 3.6 The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- 3.7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 3.8 The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- 3.9 (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is *generally* regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- 3.10 The accumulated losses of the Company as at March 31, 2007 are more than fifty percent of its net worth and it has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- 3.11 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- 3.12 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 3.13 The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the company.
- 3.14 In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 3.15 In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 3.16 The Company has obtained certain term loans from the Holding Company. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 3.17 On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- 3.18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
- 3.19 The Company has not raised any money by public issue during the year or in earlier years.
- 3.20 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 3.21 Clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.
4. Without qualifying our report, in view of the net loss of the Company during the year and the accumulated losses till the balance sheet date, we draw attention to para X of Schedule 19 to the Notes to Accounts regarding the continued support from the Holding Company and para IV (i) regarding advance received in connection with sale of land and space rights.
5. Further to our comments in paragraphs 3 and 4 above, we report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from Directors, as on March 31, 2007, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
- (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Kaushik Dutta  
Partner

Membership Number: F88540

For and on behalf of  
Lovell & Lewes  
Chartered Accountants

Place : Gurgaon  
Date : 1st May, 2007

**BALANCE SHEET AS AT 31ST MARCH, 2007**

	Schedule	31st March, 2007 (Rs.)	As at 31st March, 2007 (Rs.)	31st March, 2006 (Rs.)	As at 31st March, 2006 (Rs.)
<b>I. SOURCES OF FUNDS</b>					
<b>1. Shareholders' Funds</b>					
a) Capital	1		4,00,00,000		4,00,00,000
b) Reserves and Surplus	2		6,11,62,181		6,11,62,181
<b>2. Loan Funds</b>					
a) Secured Loans	3		21,00,00,000		21,28,59,152
b) Unsecured Loans	4		15,00,00,000		11,00,00,000
<b>TOTAL</b>			<u>46,11,62,181</u>		<u>42,40,21,333</u>
<b>II. APPLICATION OF FUNDS</b>					
<b>1. Fixed Assets</b>	5				
Gross Block		93,33,40,498		94,27,88,410	
Less : Depreciation		<u>26,62,61,729</u>		<u>24,90,01,874</u>	
Net Block		66,70,78,769		69,37,86,536	
Capital Work-in-Progress		<u>4,54,17,672</u>	71,24,96,441	<u>3,40,98,697</u>	72,78,85,233
<b>2. Investments</b>	6		250		250
<b>3. Current Assets, Loans and Advances</b>					
a) Inventories	7	1,04,82,225		1,04,18,536	
b) Sundry Debtors	8	25,09,579		58,60,748	
c) Cash and Bank Balances	9	8,00,37,554		98,42,822	
d) Other Current Assets	10	2,49,194		1,30,143	
e) Loans and Advances	11	69,68,104		1,28,65,426	
		<u>10,02,46,656</u>		<u>3,91,17,675</u>	
<b>Less : Current Liabilities and Provisions</b>					
a) Liabilities	12	1,00,88,66,551		92,38,25,368	
b) Provisions	13	<u>8,00,223</u>		<u>6,66,499</u>	
Net Current Assets			(90,94,20,118)		(88,53,74,192)
<b>4. Miscellaneous Expenditure</b> (To the extent not written off or adjusted) (Refer Note XIV of Schedule 19)			52,66,736		63,20,083
<b>5. Profit and Loss Account</b>			<u>65,28,18,872</u>		<u>57,51,89,959</u>
<b>TOTAL</b>			<u>46,11,62,181</u>		<u>42,40,21,333</u>

**Notes to the Accounts**

**Significant Accounting Policies**

The Schedules referred to above form an integral part of the Accounts.

This is the Balance Sheet referred to in our Report of even date.

Kaushik Dutta

Partner

Membership No. : F88540

For and on behalf of

Lovelock & Lewes

Chartered Accountants

Gurgaon, 1st May, 2007

On behalf of the Board

S. C. Sekhar *Managing Director*  
M. Riaz Ahmed *Director*  
V. K. Jain *Company Secretary*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

	Schedule	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
<b>I. INCOME</b>			
Income from Operations	14	2,16,38,044	5,66,85,100
Other Income	15	<u>54,92,662</u>	<u>12,35,074</u>
		<u>2,71,30,706</u>	<u>5,79,20,174</u>
<b>II. EXPENDITURE</b>			
Raw Material, Merchandising etc. Consumed and Expenditure incurred on Construction	16	22,39,216	55,35,553
Interest Charges	17	67,268	17,795
Operating and Administrative Expenses	18	7,50,49,011	6,66,52,684
Depreciation on Fixed Assets (net)		<u>2,70,04,124</u>	<u>2,68,87,743</u>
		<u>10,43,59,619</u>	<u>9,90,93,775</u>
<b>III. PROFIT</b>			
Profit/(Loss) before Prior Year Adjustments		(7,72,28,913)	(4,11,73,601)
Prior Year Adjustments (Refer Note on Schedule 5)		—	9,31,618
Profit/(Loss) before Taxation		(7,72,28,913)	(4,02,41,983)
Deferred Tax Credit / write-off		—	(3,32,30,693)
Fringe Benefit Tax		<u>(4,00,000)</u>	<u>(4,25,000)</u>
Profit/(Loss) after Taxation		(7,76,28,913)	(7,38,97,676)
Profit/(Loss) Brought Forward		<u>(57,51,89,959)</u>	<u>(50,12,92,283)</u>
Profit/(Loss) Carried Forward		<u>(65,28,18,872)</u>	<u>(57,51,89,959)</u>
Earnings Per Share (Face Value Rs. 10/- each)	19 (XV)	(19.41)	(18.47)

**Notes to the Accounts**

**Significant Accounting Policies**

The Schedules referred to above form an integral part of the Accounts.

This is the Profit and Loss Account referred to in our Report of even date.

Kaushik Dutta

Partner

Membership No. : F88540

For and on behalf of

Lovelock & Lewes

Chartered Accountants

Gurgaon, 1st May, 2007

On behalf of the Board

S. C. Sekhar *Managing Director*  
M. Riaz Ahmed *Director*  
V. K. Jain *Company Secretary*

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	31st March, (Rs.)	As at 31st March, 2007 (Rs.)	31st March, (Rs.)	As at 31st March, 2006 (Rs.)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>(7,72,28,913)</b>		<b>(4,02,41,983)</b>
<b>Add :</b>				
Depreciation	2,70,04,124		2,59,35,425	
Lease Rentals				
Interest Expense	67,268		17,795	
Amortisation of 11KV exp.	10,53,347		10,53,347	
Loss on Sale of Fixed Assets/Written off	36,50,994		29,62,189	
Bad Debts / Advances w/o	88,64,689		—	
Stock Written off	—		—	
Provision for Doubtful Debt	—		37,247	
Provision for dimunition in value of Long-Term Investments	—		—	
Wealth Tax Provision	—		45,000	
<b>Less:</b>				
Profit on Sale of Fixed Assets	—		—	
Interest Income	(3,45,469)		(2,21,038)	
Prior year adjustments Expenses /(Income)	—		20,700	
Liability no longer required written back	(50,11,234)	<u>3,52,83,719</u>	(36,672)	<u>2,98,13,993</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>(4,19,45,194)</b>		<b>(1,04,27,990)</b>
<b>ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL :</b>				
– (Increase) / Decrease in Trade and Other Receivables	2,64,752		(23,79,781)	
– (Increase) / Decrease in Inventories	(63,689)		(88,300)	
– Increase / (Decrease) in Trade Payables	8,97,86,141	<u>8,99,87,204</u>	(1,35,15,974)	<u>(1,59,84,055)</u>
Taxes Paid / Received (Net of TDS)	—		(5,60,622)	
Prior Period (Expenses)/ Income (Net)			(20,700)	(5,81,322)
<b>Cash generated from operations</b>		<b>4,80,42,010</b>		<b>(2,69,93,367)</b>
<b>Net cash from operating activities</b>	<b>(A)</b>	<b>4,80,42,010</b>		<b>(2,69,93,367)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	(1,54,21,326)		(1,48,89,118)	
Proceeds from Sale of Fixed Assets	1,55,000		1,03,111	
Purchase of Long-Term Investment	—		—	
Interest Received	3,45,469	<u>(1,49,20,857)</u>	2,21,038	<u>(1,45,64,969)</u>
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>(1,49,20,857)</b>		<b>(1,45,64,969)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES :</b>				
<b>Receipts :</b>				
Proceeds from Long-Term Borrowings		4,00,00,000		4,00,00,000
<b>Payments :</b>				
Net decrease in Cash Credit facilities	(28,59,153)		28,55,562	
Interest Paid	(67,268)	<u>(29,26,421)</u>	(17,795)	<u>28,37,767</u>
<b>Net Cash Flow used in financial activities</b>	<b>(C)</b>	<b>3,70,73,579</b>		<b>4,28,37,766</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(D)=(A+B+C)</b>	<b>7,01,94,732</b>		<b>12,79,430</b>
<b>Cash and Cash Equivalents as at the beginning of the Year</b>	<b>(E)</b>	<b>98,42,822</b>		<b>85,63,392</b>
<b>Cash and Cash Equivalents as at the end of the Year</b>	<b>(E+D)</b>	<b>8,00,37,554</b>		<b>98,42,822</b>
<b>Cash and Cash Equivalents as at the end of the Year Comprise :</b>				
<b>Cash &amp; Bank Balances</b>		<b>8,00,37,554</b>		<b>98,42,822</b>

NOTES:-

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard-3 on Cash Flow Statement issued by Institute of Chartered Accountants of India.
- The amount of cash and cash equivalents as at March 31, 2007 includes balance of Rs. 192 (previous year Rs. 292) not available for use by the Company. This is the Cash Flow Statement referred to in our Report of even date.

Kaushik Dutta  
Partner  
Membership No. : F88540  
For and on behalf of  
Lovelock & Lewes  
Chartered Accountants  
Gurgaon, 1st May, 2007

On behalf of the Board

S. C. Sekhar    *Managing Director*  
M. Riaz Ahmed    *Director*  
V. K. Jain    *Company Secretary*

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
<b>1. CAPITAL</b>				
<b>Authorised</b>				
1,00,00,000 Equity Shares of Rs. 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>		
<b>Issued and Subscribed</b>				
40,00,000 Equity Shares of Rs. 10/- each, fully paid up	<u>4,00,00,000</u>	<u>4,00,00,000</u>		
All the above 40,00,000 Equity Shares (Previous Year – 40,00,000 Equity Shares are held by the Holding Company ITC Limited)	<u>4,00,00,000</u>	<u>4,00,00,000</u>		
<b>2. RESERVES AND SURPLUS</b>				
General Reserve	<u>6,11,62,181</u>	<u>6,11,62,181</u>		
	<u>6,11,62,181</u>	<u>6,11,62,181</u>		
<b>3. SECURED LOANS</b>				
From Banks				
— Cash Credit			—	28,59,152
From Others (Holding Company – ITC Limited)				
— Term Loan			<u>21,00,00,000</u>	<u>21,00,00,000</u>
			<u>21,00,00,000</u>	<u>21,28,59,152</u>
1. Cash Credit Limit is secured by hypothecation of stocks, receivables and moveable and immovable fixed assets excluding Land.				
2. Loans from others are secured by equitable mortgage on Land.				
<b>4. UNSECURED LOANS</b>				
From Others (Holding Company – ITC Ltd.)				
— Term Loan			<u>15,00,00,000</u>	<u>11,00,00,000</u>
			<u>15,00,00,000</u>	<u>11,00,00,000</u>

5. FIXED ASSETS (At Cost) [Refer Note XIII of Schedule 19 and Note II & III of Schedule 20]

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2006 (Rs.)	Additions (Rs.)	Withdrawals /Adjustments (Rs.)	As at 31st March, 2007 (Rs.)	As at 1st April, 2006 (Rs.)	For the year** (Rs.)	Withdrawals /Adjustments (Rs.)	As at 31st March, 2007 (Rs.)	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
	Land (Freehold)	21,98,35,400	4,21,924	1,55,000	22,01,02,324	—	—	—	—	22,01,02,324
Building*	22,80,38,819	9,97,100	—	22,90,35,919	3,55,54,933	36,72,247	—	3,92,27,180	18,98,08,739	19,24,83,886
Plant and Machinery	22,71,35,314	15,26,953	58,74,118	22,27,88,149	9,10,91,635	1,16,37,469	29,69,471	9,97,59,633	12,30,28,516	13,60,43,679
Golf Course	22,57,78,037	—	—	22,57,78,037	9,06,79,715	1,06,67,751	—	10,13,47,466	12,44,30,571	13,50,98,322
Office & Other Equipment	34,65,707	2,45,118	5,50,364	31,60,461	15,46,243	1,70,520	2,84,234	14,32,529	17,27,932	19,19,464
Furniture and Fixtures	1,22,85,412	3,23,573	14,37,491	1,11,71,494	1,07,49,310	2,73,500	12,42,281	97,80,529	13,90,965	15,36,102
Computers	66,43,485	3,31,396	39,83,182	29,91,699	57,65,894	1,54,441	39,68,299	19,52,036	10,39,663	8,77,591
Vehicles	86,75,322	2,56,287	15,50,108	73,81,501	26,83,230	4,28,196	12,79,984	18,31,442	55,50,059	59,92,092
Golf Carts	1,09,30,914	—	—	1,09,30,914	1,09,30,914	—	—	1,09,30,914	—	—
TOTAL	94,27,88,410	41,02,351	1,35,50,263	93,33,40,498	24,90,01,874	2,70,04,124	97,44,269	26,62,61,729	66,70,78,769	69,37,86,536
Capital Work-in-Progress	3,40,98,697	1,13,18,975	—	4,54,17,672	—	—	—	—	4,54,17,672	3,40,98,697
GRAND TOTAL	97,68,87,107	1,54,21,326	1,35,50,263	97,87,58,170	24,90,01,874	2,70,04,124	97,44,269	26,62,61,729	71,24,96,441	72,78,85,233
Previous Year	96,86,21,015	1,48,89,118	66,23,026	97,68,87,107	22,66,24,175	2,59,35,425	35,57,726	24,90,01,874	72,78,85,233	

\* Building includes vehicular roads of Rs. 45,95,709/- (Previous year Rs. 45,95,709/-) which have been fully depreciated over a period of five years as per Note III of Schedule 20.

\*\* Includes Adjustment on account of excess depreciation charged in the earlier years amounting to Rs. Nil [Previous year Rs. 9,52,318 (net)]

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)
<b>6. INVESTMENTS</b>				
(Refer Note VIII of Schedule 20) (Unquoted - Long-Term, Non-Trade)				
Gilt Facilities India Pvt. Ltd.	5,45,00,000	5,45,00,000		
545 Redeemable Preference Shares (0.5%) of Rs. 1,00,00,000/- each fully paid				
Less : Provision for Diminution in investments	<u>5,44,99,900</u>	<u>100</u>	<u>5,44,99,900</u>	<u>100</u>
Prime Golf Ranking Private Limited	<u>150</u>	<u>150</u>		
150 Equity Shares of Re. 1/- each fully paid				
	<u>250</u>	<u>250</u>		
<b>7. INVENTORIES</b>				
(Refer Note IV of Schedule 20)				
Merchandising Stock	8,28,682	10,89,710		
Food and Beverage Stock	1,76,040	3,64,999		
Stores and Spares	95,27,149	90,13,473		
Stock of Parking Slot/ Servant Qtrs	<u>13,19,908</u>	<u>13,19,908</u>		
	<u>1,18,51,779</u>	<u>1,17,88,090</u>		
Less : Provision for Slow Moving Inventory	<u>13,69,554</u>	<u>13,69,554</u>	<u>1,04,18,536</u>	<u>1,04,18,536</u>
	<u>1,04,82,225</u>	<u>1,04,18,536</u>		
<b>8. SUNDRY DEBTORS</b>				
(Unsecured)				
Debts Outstanding for a period exceeding six months				
Considered Good	25,09,579	22,29,900		
Considered Doubtful	<u>5,02,688</u>	<u>5,02,688</u>		
	<u>30,12,267</u>	<u>27,32,588</u>		
Less : Provision for doubtful debts	<u>5,02,688</u>	<u>5,02,688</u>		
Other Debts				
Considered Good	<u>—</u>	<u>36,30,848</u>	<u>58,60,748</u>	<u>58,60,748</u>
	<u>25,09,579</u>	<u>36,30,848</u>	<u>58,60,748</u>	<u>58,60,748</u>
<b>9. CASH AND BANK BALANCES</b>				
Cash/Cheques in hand			1,85,820	7,29,335
With Scheduled Banks				
— in Current Accounts			9,96,239	12,89,188
— in Cash Credit Account*			7,70,88,359	—
— in Dividend Account (Including interest)			192	292
— in Deposit Accounts**			<u>17,66,944</u>	<u>78,24,007</u>
			<u>8,00,37,554</u>	<u>98,42,822</u>
*Cash Credit limit is secured by hypothecation of stocks, receivables and moveable and immovable fixed assets excluding Land.				
**Includes Rs. 16,51,234 (Previous year Rs. 17,91,071) held as margin money issued by Scheduled Banks.				
<b>10. OTHER CURRENT ASSETS</b>				
(Unsecured - considered good)				
Interest Accrued on Fixed Deposits			<u>2,49,194</u>	<u>1,30,143</u>
			<u>2,49,194</u>	<u>1,30,143</u>
<b>11. LOANS AND ADVANCES</b>				
(Unsecured, considered good)				
Advances recoverable in cash or in kind or for value to be received				
Considered good			50,14,588	1,09,46,763
Security Deposits				
Considered good			<u>13,76,028</u>	<u>14,37,628</u>
Advance Tax (Net of Provision)			<u>5,77,488</u>	<u>4,81,035</u>
			<u>69,68,104</u>	<u>1,28,65,426</u>

SCHEDULES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2007 (Rs.)	As at 31st March, 2006 (Rs.)	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)
<b>12. CURRENT LIABILITIES</b>				
Sundry Creditors				
— Total outstanding dues to small scale industrial undertakings*	10,848	10,848		
— Total outstanding dues of creditors other than small scale industrial undertakings	6,53,60,719	5,56,71,005		
Other Liabilities	10,21,601	8,51,282		
Investor Education and Protection Fund shall be credited by the following amount :				
— Unpaid Dividend	157	157		
Payments received against Golf Membership	2,73,88,201	3,11,42,791		
Security Deposit against Golf Membership (Refer Note IV of Schedule 19)	31,04,67,422	31,06,05,660		
	<u>33,78,55,623</u>	<u>34,17,48,451</u>		
Less :				
Membership Subscription Receivable**	1,03,82,397	94,56,375		
Less : Provision for Doubtful Debts	—	—		
	<u>1,03,82,397</u>	<u>94,56,375</u>	33,22,92,076	
Payments received under agreement to sell (Refer Note IV of Schedule 19)	61,50,00,000	53,50,00,000		
	<u>1,00,88,66,551</u>	<u>92,38,25,368</u>		
*(Amount due to Small Scale Undertaking Outstanding for more than 30 days : Sana Enterprises)				
** Includes outstanding from Directors Rs. Nil (Previous year – Rs. 2,975/-)				
<b>13. PROVISIONS</b> (Refer Note XVIII of Schedule - 19 & Note V of Schedule - 20)				
Provision for Retirement Benefits				
— Leave Encashment	3,50,477	1,39,656		
— Gratuity	4,49,746	5,26,843	6,66,499	
	<u>8,00,223</u>	<u>6,66,499</u>		
	For the year ended 31st March, 2007 (Rs.)	For the year ended 31st March, 2006 (Rs.)		
<b>14. INCOME FROM OPERATIONS</b> (Refer Note - IX of Schedule - 19)				
Membership Fee	1,29,09,146	2,53,81,130		
Food and Beverage	20,59,502	86,54,041		
Proshop Income	4,94,862	21,28,993		
Caddie Rental	13,19,875	38,72,975		
Cart Rental	14,56,936	34,46,168		
Green Fee	29,79,636	1,03,24,059		
Health Club and Other Facilities	2,49,399	7,05,266		
Tent Income	—	10,53,656		
Sponsorship Income	1,68,688	11,18,812		
	<u>2,16,38,044</u>	<u>5,66,85,100</u>		
<b>15. OTHER INCOME</b>				
Interest received				
— On Fixed Deposits*	2,07,540	2,21,038		
— Others	1,37,929	2,72,700		
Foreign Exchange Fluctuation	—	1,140		
Holding Charges	—	—		
Transfer Charges	—	—		
Miscellaneous Receipts	1,35,959	7,03,524		
Profit on Sale of Fixed Assets	—	—		
Liabilities Written Back	50,11,234	36,672		
Provision no longer required written back	—	—		
	<u>54,92,662</u>	<u>12,35,074</u>		
*[Tax deducted at source Rs. 23,309/- (Previous year - Rs. 42,166/-)]				
<b>16. RAW MATERIAL, MERCHANDISING, ETC. CONSUMED AND EXPENDITURE INCURRED ON CONSTRUCTION</b>				
1) Raw Material (F & B)				
Opening Stock	3,64,999	2,43,985		
Add : Purchases	17,64,503	45,33,991		
	<u>21,29,502</u>	<u>47,77,976</u>		
Less : Closing Stock	1,76,040	19,53,462	3,64,999	44,12,977
2) Merchandising				
Opening Stock	10,89,710	13,49,378		
Add : Purchases	24,726	8,62,908		
	<u>11,14,436</u>	<u>22,12,286</u>		
Less : Closing Stock	8,28,682	2,85,754	10,89,710	11,22,576
3) Laburnum Project Expenses				
Opening Balance				
Stock of Parking Slots & Servant Qtrs	13,19,908	13,19,908		
Add : Expenses during the year :	—	—		
	<u>13,19,908</u>	<u>13,19,908</u>		
Less : Unsold stock of Parking Slots & Servant Quarter	13,19,908	13,19,908		
	<u>22,39,216</u>	<u>55,35,553</u>		
<b>17. INTEREST CHARGES</b>				
Interest Paid				
— To Banks				
— On Cash Credit Limits		455	17,795	
— To Others	66,813	—	—	—
	<u>67,268</u>	<u>17,795</u>		
<b>18. OPERATING AND ADMINISTRATIVE EXPENSES</b>				
Salaries, Wages and Bonus	3,25,73,642	2,49,55,757		
Contribution to Provident and Other Funds	5,95,876	8,93,287		
Welfare Expenses	6,45,619	3,38,15,137	16,54,301	2,75,03,345
Rent	8,33,500	7,38,950		
Rates & Taxes	9,38,677	8,85,353		
Travelling & Conveyance	6,59,665	5,91,104		
Vehicle Maintenance	18,67,701	17,54,413		
Communication Expenses	7,68,048	9,41,396		
Power & Fuel	53,94,248	79,02,168		
Consumption of Stores	24,33,112	11,71,645		
Insurance	11,05,831	9,99,831		
Repair and Maintenance				
— Building	14,899	10,50,573		
— Plant and Machinery	14,93,285	38,02,651		
— Others	9,20,057	24,28,241	32,54,219	81,07,443
Course Maintenance	31,03,281	45,82,271		
Business Promotion	12,917	93,068		
Printing & Stationery	2,29,363	7,07,755		
Auditors' Remuneration				
— Audit Fee	4,00,000	4,00,000		
— Tax Audit Fee	35,000	35,000		
— Certification Fees	—	—		
— Out of Pocket Expenses	95,778	5,30,778	90,689	5,25,689
Legal & Professional Charges	36,02,132	22,70,390		
Hire Charges	26,66,763	24,49,869		
Amortisation of Miscellaneous Expenses (Refer Note XIV of Schedule 19)	10,53,347	10,53,347		
Club Promotion Expenses	40,423	36,170		
Provision for Doubtful Debts & Advances	—	37,247		
Sundry Balances written off	88,64,689	—		
Loss on Assets sold & written off	36,50,994	29,62,189		
Miscellaneous Expenses	10,50,164	13,39,041		
	<u>7,50,49,011</u>	<u>6,66,52,684</u>		

SCHEDULES TO THE ACCOUNTS (Contd.)

19. NOTES TO THE ACCOUNTS

- I. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 6,76,82,768 (Previous year – Rs. 5,21,430).
- II. Claims against the Company not acknowledged as debts :
- i) Demand received from Director, Town & Country Planning, Haryana for Change of Land Use (CLU) – Rs. 15,82,61,118 (Previous year – Rs.15,82,61,118). These are not considered as statutory dues. The Company has preferred an appeal to the Supreme Court on the Hon'ble High Courts Order upholding the demand of the Haryana Government on the conversion charges.
- ii) Legal suits against the Company for recovery of dues/compensation Rs. 4,59,730 (Previous year – Rs. 5,69,821).
- III. Bank Guarantees given to Government Authorities, Rs. 16,64,970 (Previous year – Rs. 18,22,033).
- IV. **Current Liabilities include the following :**
- i) Rs. 53,50,00,000 (Previous year – Rs. 53,50,00,000 ) received as advance against agreement to sell from ITC Ltd. the Holding Company, in respect of approx. 26.82 acres of land and 6 lakh sq. ft. of space rights in the Company's golf course, is subject to certain procedural approvals, which are in the process of being obtained. Upon implementation of the agreement to sell, significant profits are expected to be realised.
- ii) Rs. 8,00,00,000 (Previous year – Rs. Nil) was received during the year from ITC Ltd, as an unsecured advance for the purchase of additional land for the purpose of development of Hotel Resort Project.
- iii) Rs. 31,04,67,422 (Previous year – Rs. 31,06,05,660) are deposits received from individuals towards golf memberships. These represent long-term tradable memberships which, given the high brand equity of the Company's international class golf course, are unlikely to be surrendered in the near term.

V. 1) **C I F Value of Imports**

Particulars	Current year		Previous year	
	Rs.		Rs.	
Stores & Spares	—		20,26,510	
Capital Equipment	—		6,28,625	
Total	—		26,55,135	

2) **Value of imported and indigenous Raw Materials and stores and spare parts consumed and percentage of each to total consumption :**

Particulars	Current year		Previous year	
	Value (Rs.)	%	Value (Rs.)	%
a) Raw Material - Food & Beverage				
Imported	—	—	—	—
Indigenous	19,53,462	100	44,12,977	100
Total	19,53,462	100	44,12,977	100
b) Stores & Spares				
Imported	—	—	45,31,001	37
Indigenous	66,07,992	100	76,01,967	63
Total	66,07,992	100	1,21,32,968	100

VI. **Quantitative Details of Merchandising Stock :**

Particulars	Current year		Previous year	
	Qty (Nos.)	Value Rs.	Qty (Nos.)	Value Rs.
a) Opening Stock				
Golf Equipment	5	43,518	5	43,518
Golf Apparel etc.	29,609	10,46,192	37,260	13,05,860
Total	29,614	10,89,710	37,265	13,49,378
b) Purchases				
Golf Equipment	0	—	0	0
Golf Apparel etc.	513	24,726	7,164	8,62,908
Total	513	24,726	7,164	8,62,908
c) Turnover (at selling price)				
Golf Equipment	0	—	0	0
Golf Apparel etc.	130	2,97,412	14,815	13,83,082
Total	130	2,97,412	14,815	13,83,082
d) Closing Stock				
Golf Equipment	5	43,518	5	43,518
Golf Apparel etc.	29,992	7,85,164	29,609	10,46,192
Total	29,997	8,28,682	29,614	10,89,710

VII. Earnings in Foreign Currency, on cash basis — Rs. 41,011 (Previous year Rs. 5,83,935) and expenditure in foreign currency on cash basis was Travelling : Rs. 2,36,990 (Previous year Nil) and Consultant Fee : Rs. 71,13,210 (Previous year Nil).

VIII. The Company's significant leasing arrangements are in respect of leases for residential premises. These leasing arrangements are not non-cancellable and range between 11 months or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged to Rent under Schedule 18. The Company has not entered into any finance lease during the year.

IX. The Management of the Company declared total lockout at the Classic Golf Resort due to violence in October 2006 by the workmen which resulted in injury to two officials and some damage to the property. As a result the facilities at the Classic Golf Resort were closed to the members since October 2006 and accordingly the members' subscription fees were waived off for the period of the lockout during the year. The Company is taking all the steps including intervention of the Government Authorities and the Hon'ble High Court of Punjab & Haryana to resolve all issues and expects to re-open the golf course and other facilities at the Classic Golf Resort at the earliest. The Company does not expect any significant additional cost for reopening the facilities and hence has not considered the same in the accounts.

X. The Company despite having a lockout for a significant part of the year, as stated above, has been assured by its parent, ITC Ltd., of continued support to the Company's projects. Hence, notwithstanding continuing losses and lockout, these accounts have been prepared on going concern basis.

XI. The amount outstanding for more than 30 days as on 31st March, 2007 to a small scale industrial undertaking (SSI) as defined under sub-section (j) of Section 3 of the Industries (Development & Regulation) Act, 1951, has been disclosed separately in Schedule 12.

The above information regarding Small Scale Industrial Undertakings has been determined, to the extent such parties have been identified, on the basis of information available with the Company.

XII. In view of 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, 2007 has not been recognised in the books of accounts.

XIII. The Capital work-in-progress amounting to Rs. 4,54,17,672 (Previous year – Rs. 3,40,98,697) relates to Resort project, which is awaiting for the approvals from the concerned authorities.

XIV. During the previous year – 2002-03, the Company had incurred an expenditure of Rs. 1,05,33,471 on erection of 11 KVA Feeder Line from Tauru Sub Station to Classic Golf Resort. Considering the nature of expenditure as being enduring in nature, the same is being amortised over a period of 10 years. Accordingly, an amount of Rs. 52,66,736 (Previous year – Rs. 63,20,083) has been treated as Deferred Revenue Expenditure and disclosed under Miscellaneous Expenditure (to the extent not written off or adjusted) after amortising an amount of Rs. 10,53,347 (Previous year – Rs. 10,53,347) (disclosed under Schedule 18 Operating and Administrative Expenses).

XV. **Earnings per share**

	Current Year	Previous Year
Earnings per share has been computed as under :		
(a) Profit/ (Loss) After Taxation (Rs.)	(7,76,28,913)	(7,38,97,676)
(b) Number of Ordinary Shares outstanding	40,00,000	40,00,000
(c) Earnings per share (Face value Rs. 10/- per share) (a)/(b) - (Basic and diluted)	(19.41)	(18.47)

XVI. **Segmental Information**

The Company carried on activities primarily under the Leisure & Hospitality segment and operates within one geographical segment, India.

XVII. **Related Party Disclosures**

- a) **Holding Company :** ITC Limited
- b) **Related Parties with whom transactions have taken place :**
- i) Fellow Subsidiary Companies : Fortune Park Hotels Limited, ITC Infotech India Limited
- ii) Associate Companies : Classic Infrastructure & Development Limited, International Travel House.
- c) **Key Management Personnel :**
- Mr. S. S. H. Rehman Chairman
- Mr. S. C. Sekhar Managing Director
- Mr. Rajiv Tandon Director
- Mr. Anil Bhandari Director
- Mr. M. Riaz Ahmed Director
- Mr. Nakul Anand Director

SCHEDULES TO THE ACCOUNTS (Contd.)

Summary of Transactions during the year :

(Figures in Rs.)

Sl.No.	Particulars	Holding Company		Fellow Subsidiaries		Associate Companies	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1.	Sale of Goods	—	—	—	—	—	—
2.	Sale of Services	19,292	3,69,197	—	93,843	22,399	74,251
3.	Commission Income on Consignment Sales	20,479	48,421	—	—	—	—
4.	Purchase of Services	13,386	5,830	5,12,493	—	4,61,599	—
5.	Interest Paid	—	—	—	—	—	—
6.	Expenses Recovered	—	—	—	—	—	—
7.	Expenses Reimbursed	99,42,542	54,27,968	—	—	41,952	7,42,535
8.	Loans Taken	4,00,00,000	4,00,00,000	—	—	—	—
9.	Payment towards refund of Advances	—	—	—	—	—	—
10.	Payment towards Interest payable (Gross)	—	—	—	—	—	—
11.	Advances received	8,00,00,000	—	—	—	—	—
12.	Sale of Fixed Assets	—	—	—	—	—	—
13.	Balances Outstanding at the year end						
	i) Debtors/Receivables	45,304	40,712	—	—	—	29,750
	ii) Creditors/Payables	1,00,45,125	3,21,46,248	5,12,493	—	16,061	—
	iii) Advances Received	64,65,00,000	53,50,00,000	—	—	—	—
	iv) Loans Taken	36,00,00,000	32,00,00,000	—	—	—	—

Summary of Transactions with the key Management Personnel during the year :

Sl. No.	Particulars	Current Year	Previous Year
1.	Sale of Services	3,130	11,768
2.	Balances Outstanding at the year end		
	i) Debtors /Receivables	—	2,975

XVIII. The Company has during the year complied with the Accounting Standard 15 (Revised 2005) on Employee benefits issued by the Institute of Chartered Accountants of India.

There has been no additional charge during the period on account of adoption of the above Accounting Standard.

The Company has accounted for the following long term defined benefits and contribution schemes as under :

A) Defined Benefit Schemes

a. Gratuity

The employees are entitled to gratuity that is computed as half-month's salary, for every completed year of service and is payable on retirement/termination. The Company makes provision of such gratuity liability in the books of accounts on the basis of actuarial valuation. The plan is unfunded.

b. Leave Encashment/ Compensated Absences

The employees are entitled for leave for each year/part thereof of service and subject to the limits specified, the unavailed portion of such leaves can be accumulated or encashed during/at the end of the service period. The plan is unfunded.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below :

	Year ended 31st March, 2007	
	Leave Encashment	Compensated Absences
	Gratuity	Absences
Obligations at year beginning	4,32,506	1,39,260
Services Cost - Current	1,24,659	38,396
Interest Cost	22,066	3,032
Actuarial (gain) / loss	1,47,091	3,67,457
Benefit Paid	(2,76,576)	(1,97,668)
Obligations at year end	4,49,746	3,50,477
<b>Liability recognised in the Balance Sheet</b>	<b>4,49,746</b>	<b>3,50,477</b>
<b>Defined benefit obligations cost for the year</b>		
Service Cost - Current	1,24,659	38,396
Interest Cost	22,066	3,032
Expected return on plan assets	—	—
Actuarial (gain) / loss	1,47,091	3,67,457
<b>Net defined benefit obligations cost</b>	<b>2,93,816</b>	<b>4,08,885</b>

The principal assumptions used in determining post-employment benefit obligations are shown below :

	2007 (%)
Discount Rate	7.50 p.a.
Future salary increases	5.00 p.a.

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

B) State Plans

The Company deposits an amount determined at a fixed percentage of basic pay to the fund every month to the State administered provident fund for the benefit of the employees. Accordingly the Company during the year has contributed and charged to revenue Rs. 4,33,620.

XIX. Previous year's figures have been regrouped/rearranged wherever considered necessary to comply with current year's classification.

SCHEDULES TO THE ACCOUNTS (Contd.)

SCHEDULE -20

SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare financial statements in accordance with the historical cost convention, generally accepted accounting principles and relevant presentational requirements of the Companies Act, 1956. Income & Expenditure are recognised on accrual basis.

II. FIXED ASSETS

Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses relating to acquisition. In respect of major projects involving construction, related project and pre-operational expenses form part of the value of assets capitalised.

III. DEPRECIATION

To provide depreciation in respect of Assets on straight line method at its estimated useful life or the rates specified in Schedule XIV of the Companies Act, 1956. The rates of depreciation used for Golf Carts (@20%), Tented Accommodation (@ 50%) and Vehicular Roads (@ 20%) are on the basis of the estimated life of these Assets.

IV. INVENTORIES

To value inventories on weighted average basis, at cost or net realisable value, whichever is less. Work in Progress is valued at cost which includes all direct and indirect attributable expenses. Cost includes freight and other related incidental expenses.

V. RETIREMENT BENEFITS

To make regular contributions to Statutory Provident and Pension Funds which are charged to revenue. Provision for Gratuity and Leave Encashment is based on actuarial valuation according to AS-15 (Revised) carried out at the year-end.

VI. FOREIGN CURRENCY TRANSLATION

To record transactions in foreign currencies at the exchange rate prevailing on the date of the transaction. Payments made in foreign currencies are recorded at the exchange rate prevailing on the day of remittance. Liability/ Receivables on account of foreign currency are converted at the exchange rates prevailing at the end of the year. Exchange differences are appropriately dealt with in the Profit and Loss Account, except those relating to fixed assets which are capitalised.

VII. REVENUE RECOGNITION

1. Consequent to the completion of the Laburnum Project the Company had disclosed the unsold stock of Parking Slots and Servant Quarters under inventory and the revenue on account of the sale of such stock is being accounted for on accrual basis.
2. i) Corporate membership fee is accounted for over the period of membership.  
ii) Entrance fees is accounted for in the year of receipt.  
iii) Interest charged on delayed receipt of Subscription is accounted for on receipt basis.
3. Sale of merchandising items is recognised at the time of raising of relevant invoices.

VIII. INVESTMENTS

Long term Investments are stated at cost. Where applicable, provision is made where there is a permanent diminution in the valuation of the investments.

IX. TAXES ON INCOME

1. To provide and determine current tax as the amount of tax payable in respect of taxable income for the period.
2. To provide and recognise deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.
3. Not to recognise deferred tax asset 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.

On behalf of the Board

S. C. Sekhar *Managing Director*  
M. Riaz Ahmed *Director*  
V. K. Jain *Company Secretary*

Gurgaon, 1st May, 2007

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
(As per Schedule VI, Part IV of the Companies Act, 1956)

I. Registration Details

Registration No.  State Code

Balance Sheet Date    
Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue   
Rights Issue

Bonus Issue   
Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities   
Total Assets

Sources of Funds

Paid up Capital   
Reserves & Surplus

Secured Loans   
Unsecured Loans

Current Liabilities and Provision

Application of Funds

Net Fixed Assets   
Investments

Current Assets   
Misc. Expenditure

Accumulated Losses

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover   
Total Expenditure

+ - Profit/Loss before Tax   
+ - Profit/Loss after Tax

(Please tick the appropriate box + for Profit, - for Loss)

+ - Earning per Share in Rs.   
Dividend Rate %

V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

On behalf of the Board

S. C. Sekhar *Managing Director*  
M. Riaz Ahmed *Director*  
V. K. Jain *Company Secretary*

Gurgaon, 1st May, 2007