

**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED
31ST MARCH, 2012**

1. Your Directors hereby submit their Report and Accounts for the financial year ended 31st March, 2012.

2. PERFORMANCE OF THE COMPANY

During the year, your Company has earned revenue of ₹ 2.20 crores from its operations, with total revenue being ₹ 2.97 crores. The Company provides maintenance services for real estate assets such as office building. The Board of Directors of your Company continues to explore better growth opportunities.

The financial results of your Company, summarised, are as under :

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
a. Profit Before Tax	1,20,42,723	1,09,68,030
Less : Tax Expense	<u>23,47,238</u>	<u>25,36,041</u>
b. Profit After Tax	96,95,485	84,31,989
c. Add : Profit brought forward from previous years	9,37,79,046	8,53,47,057
d. Balance carried forward to the following year	<u>10,34,74,531</u>	<u>9,37,79,046</u>

3. DIRECTORS

In accordance with the provisions of Article 143 of the Articles of Association of the Company, Mr. Saradindu Dutta will retire by rotation at the ensuing Annual General Meeting of the Company, and being eligible, offers himself for re-election. Your Board of Directors has recommended his re-election.

4. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm having : -

- i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanations 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 Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) prepared the Annual Accounts on a going concern basis.

5. PARTICULARS OF EMPLOYEES

None of the employees of your Company is covered under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. AUDITORS

The Company's Auditors, Messrs. A. F. Ferguson & Co., Chartered Accountants, retire at the ensuing Annual General Meeting of the Company, and being eligible, offer themselves for re-appointment.

7. AUDIT COMMITTEE

The Audit Committee of the Company comprises Mr. R. Tandon as Chairman and M/s. A. Nayak and Saradindu Dutta as Members.

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

Considering the nature of business of your Company, no comment is required on conservation of energy and technology absorption. There has been no foreign exchange earnings or outflow during the year under review.

10th May, 2012

On behalf of the Board

Registered Office:

ITC Centre

37, J. L. Nehru Road

Kolkata 700 071

R. Tandon *Director*

S. Dutta *Director*

AUDITORS' REPORT TO THE MEMBERS OF GREENACRE HOLDINGS LIMITED

1. We have audited the attached Balance Sheet of GREENACRE HOLDINGS LIMITED ("the Company") as at 31st March, 2012, and also the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. 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 conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

- (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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required 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 31st March, 2012;
- ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For A. F. Ferguson & Co.
Chartered Accountants
(Registration No. 112066W)

Kolkata
10th May, 2012

Shyamak R. Tata
Partner
(Membership No. 38320)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 thereof)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses 4(ii), (iii), (v), (vi), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of Companies (Auditor's Report) Order 2003, are not applicable to the Company. In respect of the other clauses, we report as under:

- (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, no material discrepancies were noticed on such verification.
- (c) None of the fixed assets were disposed off during the year.
- (ii) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
- (iii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.

- (iv) (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) As at 31st March, 2012, according to the records of the Company and the information and explanations given to us, there were no dues on account of income-tax, service tax and cess which have not been deposited on account of any dispute.
- (v) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (vi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For A. F. Ferguson & Co.
Chartered Accountants
(Registration No.112066W)
Shyamak R. Tata
Partner
(Membership No. 38320)

Kolkata
10th May, 2012

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note	31st March, 2012		31st March, 2011	
		(₹)	(₹)	(₹)	(₹)
I. Equity and Liability					
1. Shareholders' Funds					
a) Share capital	3	42,06,01,660		42,06,01,660	
b) Reserves and surplus	4	11,72,45,509	53,78,47,169	10,75,50,024	52,81,51,684
2. Non-current liabilities					
a) Other long-term liabilities	5	2,76,11,000		21,76,357	
b) Long-term provisions	6	16,06,387	2,92,17,387	18,69,022	40,45,379
3. Current liabilities					
a) Trade payables	7	—		6,31,257	
b) Other current liabilities	8	1,14,49,652		3,82,83,482	
c) Short-term provisions	9	4,43,432	1,18,93,084	72,972	3,89,87,711
Total			57,89,57,640		57,11,84,774
II. Assets					
1. Non-current assets					
(a) Fixed assets					
Tangible assets	10	43,10,83,088		43,09,81,332	
(b) Non-current investments	11	6,63,26,700		6,63,26,700	
(c) Deferred tax assets	12	6,06,561		7,65,830	
(d) Long-term loans and advances	13	34,72,278	50,14,88,627	34,68,278	50,15,42,140
2. Current assets					
(a) Current investment	14	5,93,41,015		5,31,08,872	
(b) Inventories	15	1,23,71,911		1,23,71,911	
(c) Cash and cash equivalents	16	36,84,691		10,05,915	
(d) Short-term loans and advances	17	7,69,856		26,28,869	
(e) Other current assets	18	13,01,540	7,74,69,013	5,27,067	6,96,42,634
Total			57,89,57,640		57,11,84,774

The accompanying notes 1 to 25 are an integral part of the financial statements
In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants
Shyamak R. Tata
Partner
Kolkata, 10th May, 2012

On behalf of the Board
R. Tandon Director
S. Dutta Director
A. Prasad Manager & Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
I Revenue from operations	19	2,20,40,402	2,19,19,628
II Other income	20	76,59,546	52,49,603
III Total revenue		2,96,99,948	2,71,69,231
IV Expenses			
Changes in inventories of work-in-progress	21	—	—
Maintenance and service expenses		43,20,233	39,02,299
Employee benefits expense	22	1,12,43,158	1,16,16,399
Depreciation expense	10	1,81,744	1,81,744
Other expenses	23	19,12,090	5,00,759
Total expenses		1,76,57,225	1,62,01,201
V Profit before tax		1,20,42,723	1,09,68,030
VI Tax expense:			
Current tax	24	21,87,969	27,86,163
Deferred tax	24	1,59,269	(2,50,122)
VII Profit for the year		96,95,485	84,31,989
Earnings per equity share (Face Value of ₹ 10/- each) (Basic and Diluted)	25(1)	0.23	0.20

The accompanying notes 1 to 25 are an integral part of the financial statements
In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants
Shyamak R. Tata
Partner
Kolkata, 10th May, 2012

On behalf of the Board
R. Tandon Director
S. Dutta Director
A. Prasad Manager & Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
A. Cash flow from operating activities		
Profit before tax	1,20,42,723	1,09,68,030
Adjustments for:		
Depreciation	1,81,744	1,81,744
Loss on sale of current investments	989	1,02,400
Liabilities no longer required written back	(11,11,409)	(6,35,326)
Income from current investments	(41,10,760)	(26,17,910)
Operating profit before working capital changes	70,03,287	79,98,938
Changes in working capital:		
(Increase)/Decrease in short-term loans and advances	(1,56,479)	3,75,622
(Increase)/Decrease in long-term loans and advances	(4,000)	(1,78,000)
(Increase)/Decrease in other current assets	(7,74,473)	(3,57,067)
Increase/(Decrease) in trade payables	(6,31,257)	—
Increase/(Decrease) in other current liabilities	(2,57,22,421)	1,44,82,222
Increase/(Decrease) in other long-term liabilities	2,54,34,643	(1,36,88,643)
Increase/(Decrease) in short-term provisions	3,70,460	72,972
Increase/(Decrease) in long-term provisions	(2,62,635)	1,51,455
	(17,46,162)	8,58,561
Cash generated from operations	52,57,125	88,57,499
Income tax paid	(1,72,476)	(31,37,247)
Net cash generated from operating activities	50,84,649	57,20,252
B. Cash flow from investing activities		
Purchase of current investments	(59,61,08,000)	(71,40,72,784)
Sale of current investments	59,17,92,037	71,37,99,111
Dividend from investments	21,93,590	11,22,921
Purchase of fixed assets	(2,83,500)	(90,00,000)
Net cash used in investing activities	(24,05,873)	(81,50,752)
C. Cash flow from financial activities		
Net cash flow used in financing activities	—	—
Net increase/(decrease) in cash and cash equivalents	26,78,776	(24,30,500)
Opening cash and cash equivalents	10,05,915	34,36,415
Closing cash and cash equivalents (note 16)	36,84,691	10,05,915

Notes:

- The above cash flow statement has been prepared under the "indirect method" as set out in accounting standard - 3 cash flow statements
- Cash and cash equivalents:

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Cash on hand	19,409	15,251
Balances with banks	36,65,282	9,90,664
Cash and cash equivalents as per balance sheet (refer note 16)	36,84,691	10,05,915

The accompanying notes 1 to 25 are an integral part of the financial statements
In terms of our report of even date

For A. F. Ferguson & Co.
Chartered Accountants
Shyamak R. Tata
Partner
Kolkata, 10th May, 2012

On behalf of the Board
R. Tandon Director
S. Dutta Director
A. Prasad Manager & Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

1. Corporate Information

Greenacre Holdings Limited, a subsidiary of Russell Credit Limited, which in turn a wholly-owned subsidiary of ITC Limited, is engaged in the business of project management, property development and property maintenance.

2. Significant Accounting Policies

Basis of Accounting

The financial statements are prepared on accrual basis under 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 Revised Schedule VI to the Companies Act, 1956 based on the nature of services.

Fixed Assets

Fixed Assets are stated at cost including any incidental acquisition expenses.

Depreciation

Depreciation is provided on 'Straight Line' basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Investments

Current Investments are stated at lower of cost and fair value and Long-Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long-Term Investments.

Investment Income

Income from Investments is accounted for on an accrual basis, inclusive of related tax deducted at source.

Method of Accounting - Projects

The Company recognises revenue on projects using percentage of completion method of accounting, if work completed can be reasonably estimated.

Revenue Recognition

Service Income is recognised on rendering of service, net of taxes.

Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such assets. All other borrowing costs are charged to revenue.

Employee Benefits

Contributions is made to the Provident Fund administered through duly constituted and approved independent trust, which is in the nature of defined contribution scheme and such paid/payable amounts are charged against revenue.

Liability for Gratuity and Leave Encashment schemes in the nature of defined benefit schemes are based on independent actuarial valuation as per the requirements of Accounting Standard -15 (revised 2005) on 'Employee Benefits'.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense.

Lease Rentals

Lease Rentals are accounted for on an accrual basis.

Taxes on Income

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

Deferred tax is accounted for 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.

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

3. Share capital

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Authorised		
5,00,00,000 (2011 - 5,00,00,000) equity shares of ₹ 10/- each	<u>50,00,00,000</u>	<u>50,00,00,000</u>
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
Issued, Subscribed and Fully Paid-up		
4,20,60,166 (2011 - 4,20,60,166) equity shares of ₹ 10/- each, fully paid	<u>42,06,01,660</u>	<u>42,06,01,660</u>
	<u>42,06,01,660</u>	<u>42,06,01,660</u>

(i) Reconciliation of number of shares and amounts outstanding

Particulars	As at 31st March, 2012 Equity Shares (Number)	As at 31st March, 2011 Equity Shares (₹)	As at 31st March, 2011 Equity Shares (Number)	As at 31st March, 2011 Equity Shares (₹)
Issued, Subscribed and Fully Paid-up				
Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of the year	<u>4,20,60,166</u>	<u>42,06,01,660</u>	<u>4,20,60,166</u>	<u>42,06,01,660</u>
	<u>4,20,60,166</u>	<u>42,06,01,660</u>	<u>4,20,60,166</u>	<u>42,06,01,660</u>

(ii) Details of the shareholders holding more than 5% of equity share of the company

Name of the shareholders	As at 31st March, 2012 No. of Shares held (%)	As at 31st March, 2011 No. of Shares held (Number)	As at 31st March, 2011 No. of Shares held (%)	As at 31st March, 2011 No. of Shares held (Number)
Russell Credit Limited - the holding company	100%	4,20,60,166	100%	4,20,60,166

(iii) Rights, preferences and restrictions attached to the equity shares

Equity Shares of the Company, having par value of ₹ 10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend.

4. Reserves and surplus

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
General reserve		
Balance at the beginning and at the end of the year	<u>1,37,70,978</u>	<u>1,37,70,978</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	9,37,79,046	8,53,47,057
Add: Profit for the year	<u>96,95,485</u>	<u>84,31,989</u>
	<u>10,34,74,531</u>	<u>9,37,79,046</u>
Balance at the end of the year	<u>11,72,45,509</u>	<u>10,75,50,024</u>

5. Other long-term liabilities

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Others		
Security deposits [includes deposits from ultimate holding company ₹ 2,20,00,000/- (2011 - ₹ 20,00,000/-)]	<u>2,76,11,000</u>	<u>20,00,000</u>
Liability towards gratuity fund	<u>—</u>	<u>1,76,357</u>
	<u>2,76,11,000</u>	<u>21,76,357</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

6. Long-term provisions	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Provision for employee benefits		
Provision for compensated absences	<u>16,06,387</u>	<u>18,69,022</u>
	<u>16,06,387</u>	<u>18,69,022</u>
7. Trade payables		
Total outstanding dues other than micro and small enterprises (*)	<u>—</u>	<u>6,31,257</u>
	<u>—</u>	<u>6,31,257</u>

(*) 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, 2012. 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 based on information available with the Company.

8. Other current liabilities	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Other payables (#)		
Statutory remittances	<u>13,69,838</u>	<u>8,08,162</u>
Progress payments and advance received against projects	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Liabilities for expenses	<u>79,814</u>	<u>11,92,155</u>
Security deposits	<u>—</u>	<u>2,60,90,000</u>
[includes deposits from ultimate holding company ₹ Nil (2011 – ₹ 2,00,00,000/-)]		
Liability towards gratuity fund	<u>—</u>	<u>1,93,165</u>
	<u>1,14,49,652</u>	<u>3,82,83,482</u>

(#) 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, 2012. 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 based on information available with the Company.

9. Short-term provisions	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Current portion of long-term employee benefits		
Provision for compensated absences	<u>4,43,432</u>	<u>72,972</u>
	<u>4,43,432</u>	<u>72,972</u>

10. Tangible assets

Particulars	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
	As at commencement of the year (₹)	Additions (₹)	As at the end of the year (₹)	Upto 31st March, 2011 (₹)	For the year (₹)	Up to 31st March, 2012 (₹)	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Freehold land (*)	42,25,24,727	2,83,500	42,28,08,227	—	—	—	42,28,08,227	42,25,24,727
Buildings (#)	1,10,04,119	—	1,10,04,119	25,70,431	1,79,367	27,49,798	82,54,321	84,33,688
Plant and equipment	57,783	—	57,783	34,866	2,377	37,243	20,540	22,917
Total	43,35,86,629	2,83,500	43,38,70,129	26,05,297	1,81,744	27,87,041	43,10,83,088	43,09,81,332
Previous year	42,34,68,927	1,01,17,702	43,35,86,629	24,23,553	1,81,744	26,05,297	43,09,81,332	42,10,45,374

(*) Includes land given on lease, which are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

The Gross value of such assets is ₹ 28,21,78,478/- (2011 - ₹ 28,21,78,478/-)

The aggregate lease rental of ₹ 10,00,000/- (2011 - ₹ 10,00,000/-) is included in Lease rental income under Other income (Note No.20)

(#) Represents assets given on operating leases, which are not non-cancellable and are usually renewable by mutual consent on mutually agreeable terms.

The Gross value of such assets is ₹ 1,10,04,119/- (2011 - ₹ 1,10,04,119/-) and Accumulated depreciation is ₹ 27,49,798/- (2011 - ₹ 25,70,431/-).

Depreciation for the year charged to Statement of Profit and Loss is ₹ 1,79,367/- (2011 - ₹ 1,79,367/-).

The aggregate lease rental of ₹ 11,89,500/- (2011 - ₹ 8,87,500/-) is included in Lease rental income under Other income (Note No.20)

11. Non-current investments (at cost)	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)		14. Current investments	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Long term - trade				(at lower of carrying cost and fair value)		
Unquoted				Other investments		
Investments in equity instruments				Unquoted		
Classic Infrastructure & Development Limited	<u>6,63,26,700</u>	<u>6,63,26,700</u>		Investments in mutual funds		
16,50,000 (2011-16,50,000) equity shares of ₹ 10/- each fully paid up	<u>6,63,26,700</u>	<u>6,63,26,700</u>		DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend	—	2,31,08,872
Aggregate amount of unquoted investments	<u>6,63,26,700</u>	<u>6,63,26,700</u>		Nil (2011-23,102) Units of ₹ 1,000/- each		
12. Deferred tax asset				Kotak Quarterly Interval Plan Series 2 - Dividend	—	3,00,00,000
On fiscal allowances on fixed assets	<u>13,428</u>	15,859		Nil (2011- 29,99,641) Units of ₹ 10/- each		
On employee benefits	<u>5,93,133</u>	7,49,971		HDFC Cash Management Fund - Saving Plan-Daily Dividend Reinvestment	<u>3,20,23,071</u>	—
	<u>6,06,561</u>	7,65,830		30,10,706 (2011- Nil) Units of ₹ 10/- each		
13. Long term loans and advances				Birla Sun Life Floating Rate - Long Term Institutional Plan Daily Dividend - Reinvestment	<u>2,73,17,944</u>	—
Unsecured, considered good				2,73,128 (2011- Nil) Units of ₹ 100/- each	<u>5,93,41,015</u>	5,31,08,872
Security deposit	<u>1,55,000</u>	1,55,000		Aggregate amount of unquoted investments	<u>5,93,41,015</u>	5,31,08,872
Project advances	<u>32,90,278</u>	32,90,278		15. Inventories		
Advances to employees	<u>27,000</u>	23,000		(At lower of cost and net realisable value)		
	<u>34,72,278</u>	34,68,278		Work-in-progress	<u>1,23,71,911</u>	1,23,71,911
				(project for property development)	<u>1,23,71,911</u>	1,23,71,911

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

16. Cash and cash equivalents

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Cash on hand	19,409	15,251
Balances with banks in current accounts	36,65,282	9,90,664
	<u>36,84,691</u>	<u>10,05,915</u>

17. Short term loans and advances
Unsecured, considered good

Advances to employees	1,01,000	99,000
Prepaid expenses	1,58,091	94,794
Current taxation (net of provisions)	3,70,786	23,77,518
Fringe benefit tax (net of provisions)	—	8,760
Advance towards gratuity fund	1,30,296	—
Balances with government authorities	—	—
Service tax credit receivable	9,683	48,797
	<u>7,69,856</u>	<u>26,28,869</u>

18. Other current assets

Lease rent receivable [includes ₹ 11,03,000/- (2011- ₹ 4,00,000/-) due from ultimate holding company, ITC Limited]	13,01,540	4,18,200
Accrued interest on income tax	—	1,08,867
	<u>13,01,540</u>	<u>5,27,067</u>

19. Revenue from operations

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
Sale of services	2,20,40,402	2,19,19,628
	<u>2,20,40,402</u>	<u>2,19,19,628</u>

20. Other income

Dividend income from current investments	41,10,760	26,17,910
Lease rental income	21,89,500	18,87,500
Interest on income tax refund	2,47,877	1,08,867
Liability no longer required written back	11,11,409	6,35,326
	<u>76,59,546</u>	<u>52,49,603</u>

21. Changes in inventories of work-in-progress

Opening work-in-progress	1,23,71,911	1,23,71,911
Add: Expenditure incurred on projects during the year	—	—
Less: Closing work-in-progress	1,23,71,911	1,23,71,911
	<u>—</u>	<u>—</u>

22. Employee benefits expense

Salaries and wages	97,38,609	88,15,749
Contribution to provident and other funds	9,08,597	16,94,742
Staff welfare expense	5,95,952	11,05,908
	<u>1,12,43,158</u>	<u>1,16,16,399</u>

23. Other expenses

Rates and taxes	47,498	41,288
Insurance	2,395	4,354
Travelling and conveyance	13,540	7,097
Legal and professional	16,59,461	1,62,977
Payment to auditor	—	—
As auditors - statutory audit	75,000	75,000
For taxation matters (*)	37,500	50,000
For other matters	4,000	—
Communication expenses	9,795	11,322
Loss on sale of current investments	989	1,02,400
Miscellaneous expenses	61,912	46,321
	<u>19,12,090</u>	<u>5,00,759</u>

(*) Paid to the erstwhile auditors, ₹ Nil (2011 - ₹ 50,000/-) a firm in which some of the partners of the statutory auditors firm are partners

24. Tax expense

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
Current tax	—	—
– for the year	23,00,000	32,00,000
– for earlier years	(1,12,031)	(4,13,837)
	(A) <u>21,87,969</u>	<u>27,86,163</u>
Deferred tax	—	—
– for the year	1,59,269	(2,50,122)
	(B) <u>1,59,269</u>	<u>(2,50,122)</u>
	(A+B) <u>23,47,238</u>	<u>25,36,041</u>

25. Additional notes to the financial statements

1. Earnings Per Share : For the year ended 31st March, 2012 (₹) For the year ended 31st March, 2011 (₹)
- | | | |
|--|-------------|-------------|
| Profit after tax (₹) | 96,95,485 | 84,31,989 |
| Weighted average number of equity shares outstanding | 4,20,60,166 | 4,20,60,166 |
| Basic and diluted earnings per share (Face Value – ₹ 10/- per share) | ₹ 0.23 | ₹ 0.20 |
2. Segment reporting - The Company operates in a single business segment namely property maintenance and in a single geographical segment.

3. Related party disclosures:

- a) Relationship:
- | | |
|---------------------------|------------------------|
| Holding Company | Russell Credit Limited |
| Ultimate Holding Company | ITC Limited |
| Fellow Subsidiary Company | Landbase India Limited |

Employees' Benefit Plans where there is significant influence:

- a) Greenacre Holdings Limited Provident Fund
b) Greenacre Holdings Limited Gratuity Fund

Key Management Personnel

Mr. R. Tandon	Non-Executive Chairman
Mr. A. Nayak	Non - Executive Director
Mr. S. Dutta	Non - Executive Director
Ms. A. Prasad	Manager and Company Secretary

- (b) Disclosure of transactions between the Company and Related Parties and the status of outstanding balances:

Particulars	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
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Ultimate Holding Company ITC Ltd

Lease rental income	19,60,000	18,20,000
Sale of service	2,20,40,402	2,19,19,628
Other reimbursements received	1,94,164	2,61,830
Other reimbursements made	16,758	26,332

Balances as at

Ultimate Holding Company ITC Ltd

Security deposit received	2,20,00,000	2,20,00,000
Other receivables	11,03,000	4,00,000

Fellow Subsidiary Company

Landbase India Ltd

Reimbursement of expenses	4,33,592	21,79,702
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Fellow Subsidiary Company

Landbase India Ltd

Other payables	Nil	11,17,702
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Key Management Personnel

Remuneration of manager	24,20,296	18,29,776
Contribution to Greenacre Holdings Limited Provident Fund	7,00,169	5,27,754
Contribution to Greenacre Holdings Limited Gratuity Fund	6,02,820	2,35,195

4. Employee Benefits:

- (a) Contribution to Defined Contribution Schemes – ₹ 8,05,595/- (2011 – ₹ 8,25,782/-)
Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2012 and recognised in the financial statements in respect of Employee Benefit Schemes:

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded
I. Components of Employer Expenses				
1. Current Service Cost	2,46,575	1,33,423	2,11,698	1,28,601
2. Interest Cost	2,17,091	1,57,204	1,50,696	1,25,405
3. Expected Return on Plan Assets	(2,19,930)	Nil	(1,88,083)	Nil
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Past Service Cost	Nil	Nil	2,17,055	Nil
7. Actuarial Losses/(Gains)	(1,40,734)	(1,09,830)	4,77,594	2,70,421
8. Total expense recognised in the Statement of Profit & Loss (*)	1,03,002	1,80,797	8,68,960	5,24,427

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
II. Actual Returns	2,52,474	Nil	2,09,189	Nil
III. Net Asset / (Liability) recognised in Balance Sheet				
1. Present Value of Defined Benefit Obligation	28,42,884	20,49,819	27,27,984	19,41,994
2. Fair Value on Plan Assets	29,73,180	Nil	23,58,462	Nil
3. Status [Surplus/(Deficit)]	1,30,296	(20,49,819)	(3,69,522)	(19,41,994)
4. Unrecognised Past Service Cost	Nil	Nil	Nil	Nil
5. Net Asset/(Liability) recognised in Balance Sheet	1,30,296	(20,49,819)	(3,69,522)	(19,41,994)

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded
V. Change in Fair Value of Assets				
1. Plan Assets at Beginning of year	23,58,462	N.A.	23,43,602	N.A.
2. Acquisition Adjustment	Nil	N.A.	Nil	N.A.
3. Expected Return on Plan Assets	2,19,930	N.A.	1,88,083	N.A.
4. Actuarial Gains/(Losses)	(14,867)	N.A.	(7,234)	N.A.
5. Actual Company Contributions	6,02,820	N.A.	2,45,069	N.A.
6. Benefits Paid	(1,93,165)	N.A.	(4,11,058)	N.A.
7. Plan Assets at the end of year	29,73,180	N.A.	23,58,462	N.A.

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV. Change in Defined Benefit Obligations (DBO)				
1. Present Value of DBO at beginning of year	27,27,984	19,41,994	20,89,233	17,17,567
2. Current Service Cost	2,46,575	1,33,423	2,11,698	1,28,601
3. Interest Cost	2,17,091	1,57,204	1,50,696	1,25,405
4. Curtailment Cost/(Credit)	Nil	Nil	Nil	Nil
5. Settlement Cost/(Credit)	Nil	Nil	Nil	Nil
6. Plan Amendments	Nil	Nil	Nil	Nil
7. Past Service Cost	Nil	Nil	2,17,055	Nil
8. Actuarial (Gains)/Losses	(1,55,601)	(1,09,830)	4,70,360	2,70,421
9. Benefits Paid	(1,93,165)	(72,972)	(4,11,058)	(3,00,000)
10. Present Value of DBO at the end of year	28,42,884	20,49,819	27,27,984	19,41,994

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI. Actuarial Assumptions				
1. Discount Rate (%)	8.25	8.25	8.00	8.00
2. Expected Return on Plan Assets (%)	8.25	N.A.	8.00	N.A.

	As at 31st March, 2012		As at 31st March, 2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
VII. Major Category of Plan Assets as a % of the Total Plan Assets				
1. Government Securities/Special Deposit with RBI	N.A.		N.A.	
2. High Quality Corporate Bonds	N.A.		N.A.	
3. Insurance Companies	100%		100%	
4. Mutual Funds	N.A.		N.A.	
5. Cash and Cash Equivalents	N.A.		N.A.	

(*) Gratuity expense has been recognised in "Contribution to provident and other funds" and leave encashment expense in "Salaries and wages" under Note 22.

	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)		For the year ended 31st March, 2010 (₹)		For the year ended 31st March, 2009 (₹)		For the year ended 31st March, 2008 (₹)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
VIII. Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)										
1. Present Value of Defined Benefit Obligation	28,42,884	20,49,819	27,27,984	19,41,994	20,89,233	17,17,567	19,76,274	15,44,591	16,38,837	12,91,053
2. Fair Value on Plan Assets	29,73,180	Nil	23,58,462	Nil	23,43,602	Nil	22,31,093	Nil	19,19,289	Nil
3. Status [Surplus / (Deficit)]	1,30,296	(20,49,819)	(3,69,522)	(19,41,994)	2,54,369	(17,17,567)	2,54,819	(15,44,591)	2,80,452	(12,91,053)
4. Experience Adjustment of Plan Assets [Gain / (Loss)]	(8,203)	N.A.	(61,732)	N.A.	79,276	N.A.	Nil	N.A.	Nil	N.A.
5. Experience Adjustment of Obligation [(Gain) / Loss]	(1,07,738)	(66,852)	6,41,666	4,49,894	(58,958)	(344)	Nil	Nil	Nil	Nil

- (b) 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 in the employment market.
- (c) In the absence of detailed information regarding plan assets (of gratuity fund) which is funded with insurance company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets have not been disclosed.
- (d) The expected rate of returns on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.
5. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / re-classified wherever necessary to correspond with the current year's classification / disclosure.

Kolkata, 10th May, 2012

On behalf of the Board
 R. Tandon Director
 S. Dutta Director
 A. Prasad Manager & Secretary