

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

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

FINANCIAL PERFORMANCE

During the year under review, your Company earned a gross income of ₹ 1056.90 lakhs (previous year ₹ 1022.94 lakhs) and incurred a net loss of ₹ 321.57 lakhs (previous year ₹ 325.79 lakhs).

OPERATIONS

The Company owns and operates 'Classic Golf Resort', a Jack Nicklaus Signature Golf Course, 45 Kms from Delhi. The Golf Resort continues to hold prestigious Golf Tournaments which has received extensive electronic media coverage.

Golf based resorts present attractive long-term prospects in view of their growing popularity all over the world. Work towards creating a destination luxury resort hotel at the Classic Golf Resort is under construction and the project is estimated to be completed by second quarter of 2013.

During the year, the Company issued and allotted 23,00,000 Redeemable Preference Shares of ₹ 100/- each for cash at par, aggregating ₹ 23 Crores, to ITC Limited, the Holding Company. The total preference capital of the Company subsequent to the above issue stands at ₹ 149 Crores. The proceeds from the said issue are being utilised towards the construction of the destination resort.

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 of the aforesaid Rules 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 ₹ 66.43 lakhs (previous year ₹ 35.58 lakhs)
- ii) **Outgo:** Foreign exchange outgo during the year under review was ₹ 111.70 lakhs (previous year ₹ 68.59 lakhs).

DIRECTORS

In accordance with Articles 106 and 107 of the Articles of Association of the Company, Mr. Nakul Anand will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-election. Your Board of Directors has recommended his re-election.

PARTICULARS OF EMPLOYEES

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

AUDITORS

The Board has recommended the re-appointment of M/s. Price Waterhouse, Chartered Accountants, as Auditors of the Company from the conclusion of the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Mr. Rajiv Tandon as Chairman and Messrs Nakul Anand and Bhagwateshwaran Hariharan as members.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) followed in the preparation of the Annual Accounts the applicable accounting standards along with proper explanations relating to material departures, if any;
- b) 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 loss of the Company for that period;
- c) 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;
- d) prepared the Annual Accounts on a going concern basis. The significant accounting policies and required disclosures followed are appearing in Notes, in the Annual Accounts.

On behalf of the Board

Place : Gurgaon
Date : 27th April, 2012

Chandrasekhar Subrahmanyam *Managing Director*
Bhagwateshwaran Hariharan *Director*

AUDITORS' REPORT TO THE MEMBERS OF LANDBASE INDIA LIMITED

1. We have audited the attached Balance Sheet of Landbase India Limited (the "Company") as at March 31, 2012, and the related Statement of Profit and Loss 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 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 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 (together the "Order"), 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 give in

the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to in paragraph 3 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 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, 2012;
- (ii) in the case of the Statement of Profit and Loss, 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.

For Price Waterhouse
Firm Registration Number : 12754N
Chartered Accountants
Abhishek Rara
Partner

Gurgaon, 27th April, 2012

Membership No : 077779

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Landbase India Limited on the financial statements for the year ended March 31, 2012.

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 no material discrepancies between the book records and the physical inventory have been noticed. 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 of by the Company during the year.
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. (a) The Company has not granted any loans only, 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.
4. 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 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.
5. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, the question of commenting on transactions made in pursuance of such contracts or arrangements does not arise.
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 there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
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,
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 regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of income-tax as at March 31, 2012 which have not been deposited on account of a dispute, are as follows:

Name 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	13,82,55,172	A.Y. 2005-06	Income Tax Appellate Tribunal

10. The accumulated losses of the Company as at March 31, 2012 are not more than fifty percent of its net worth and it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
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 or debenture holders as at the balance sheet date.
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.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
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.
16. The Company has not obtained any term loans.
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.
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.
19. The Company has not issued any debentures and there are no debentures outstanding as at year end.
20. The Company has not raised any money by public issues during the year or in earlier years.
21. 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.

For Price Waterhouse
Firm Registration Number : 012574N
Chartered Accountants
Abhishek Rara
Partner

Gurgaon, 27th April, 2012

Membership No : 077779

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31st March, 2012 (₹)		As at 31st March, 2011 (₹)	
I. EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	1	1,99,00,00,000		1,76,00,00,000	
Reserves and Surplus	2	(83,59,26,536)	1,15,40,73,464	(80,37,69,458)	95,62,30,542
Non-current Liabilities					
Other Long Term Liabilities	3	31,63,07,991		31,07,10,096	
Long-Term Provisions	4	18,33,528	31,81,41,519	17,94,668	31,25,04,764
Current Liabilities					
Trade Payables	5	63,28,091		95,15,319	
Other Current Liabilities	6	6,50,97,010		4,71,98,230	
Short-Term Provisions	7	6,87,450	7,21,12,551	34,267	5,67,47,816
TOTAL			1,54,43,27,534		1,32,54,83,122
II. ASSETS					
Non Current Assets					
Fixed Assets					
Tangible Assets	8	95,24,40,789		94,84,15,213	
Intangible Assets	9	7,41,126		1,42,355	
Capital Work-in-Progress	8	45,17,33,199		20,43,88,532	
Non-Current Investments	10	150		250	
Long-Term Loans and Advances	11	3,93,27,354		6,53,12,367	
Other Non-Current Assets	12	1,41,74,975	1,45,84,17,593	1,68,06,693	1,23,50,65,410
Current Assets					
Inventories	13	2,93,44,221		1,66,43,021	
Trade Receivables	14	57,64,921		46,42,528	
Cash and Bank Balances	15	3,52,73,321		5,92,22,164	
Short-Term Loans and Advances	16	1,54,69,478		98,16,844	
Other Current Assets	17	58,000	8,59,09,941	93,155	9,04,17,712
TOTAL			1,54,43,27,534		1,32,54,83,122

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

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

For Price Waterhouse

Firm Registration Number : 012574N

Chartered Accountants

Abhishek Rara

Partner

Membership No : 077779

Gurgaon, 27th April, 2012

For and on behalf of the Board

Chandrasekhar Subrahmoneyan

Bhagwateshwaran Hariharan

Managing Director

Director

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

Particulars	Note No.	For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)	
Revenue from Operations (Net)	18	10,08,45,697		9,90,76,298	
Other Income	19	48,44,942		32,17,610	
Total Revenue		10,56,90,639		10,22,93,908	
Expenses:					
Cost of Material Consumed	20 (a)	57,66,252		52,28,629	
Purchase of Stock in Trade	20 (b)	24,68,399		23,77,022	
Changes in Inventories of Finished Goods, Stock in Process, Manufactured Components (Intermediates) and stock in Trade	20 (c)	(1,31,96,963)		(35,31,611)	
Employee Benefits expense	21	4,66,71,761		4,46,69,487	
Depreciation and Amortisation expense	22	3,22,93,556		3,26,54,928	
Other Expense	23	6,38,44,712		5,34,74,482	
Total Expense		13,78,47,717		13,48,72,937	
Profit/(Loss) Before Tax		(3,21,57,078)		(3,25,79,029)	
Tax Expense:					
Current Tax		—		—	
Deferred Tax		—		—	
Profit/(Loss) for the year		(3,21,57,078)		(3,25,79,029)	
Earnings Per Equity Share:	28	(0.64)		(0.65)	
Basic & Diluted					

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

The Statement of Profit and Loss referred to in our Report of even date.

For Price Waterhouse

Firm Registration Number : 012574N

Chartered Accountants

Abhishek Rara

Partner

Membership No : 077779

Gurgaon, 27th April, 2012

For and on behalf of the Board

Chandrasekhar Subrahmoneyan

Bhagwateshwaran Hariharan

Managing Director

Director

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

(Figures for the previous year have been rearranged to conform with the revised presentation)

	For the year ended 31st March, 2012		For the year ended 31st March, 2011	
	(₹)	(₹)	(₹)	(₹)
A. Cash Flow from Operating Activities				
NET PROFIT BEFORE TAX		(3,21,57,078)		(3,25,79,029)
ADJUSTMENTS FOR :				
Depreciation	3,22,59,371		3,26,31,559	
Amortisation	34,185		23,369	
Interest Income	(48,44,942)		(32,15,895)	
Fixed Assets - Loss on Sale - Net	30,05,284		34,15,657	
Write off of subscription fees	—		6,53,022	
Write off of Long Term Investment/Joint Venture	100		—	
Doubtful and Bad Debts	2,25,756		—	
Amortisation of Miscellaneous Expenditure	10,53,348		10,53,347	
Liability no longer required written back	(3,73,983)	3,13,59,119	(61,20,555)	2,84,40,504
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(7,97,959)		(41,38,525)
ADJUSTMENTS FOR :				
Increase/(Decrease) in Trade Payables	(28,13,245)		1,21,16,769	
Increase/(Decrease) in Provisions	6,92,043		3,67,158	
Increase/(Decrease) in Other Current Liabilities	1,78,98,780		1,99,18,264	
Increase/(Decrease) in Other long term Liabilities	55,97,895		6,40,183	
(Increase)/Decrease in Trade Receivables	(13,48,149)		3,41,381	
(Increase)/Decrease in Inventories	(1,27,01,200)		(43,05,215)	
(Increase)/Decrease in Loans & Advances	(32,90,905)		(16,97,759)	
(Increase)/Decrease in Other non-current Current Assets	34,09,587	74,44,804	32,90,413	3,06,71,194
CASH GENERATED FROM OPERATIONS		66,46,845		2,65,32,669
Income Tax paid		(34,15,077)		39,89,826
NET CASH FROM OPERATING ACTIVITIES		32,31,768		3,05,22,495
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(1,46,09,329)		(11,52,58,732)	
Capital Work-in-Progress	(24,69,11,029)		(12,18,11,559)	
Sale of Fixed Assets	2,37,517		—	
Interest Received	41,02,230	(25,71,80,611)	24,71,171	(23,45,99,120)
NET CASH USED IN INVESTING ACTIVITIES		(25,71,80,611)		(23,45,99,120)
C. Cash Flow from Financing Activities				
Proceeds from issue of Share Capital	23,00,00,000	23,00,00,000	25,00,00,000	25,00,00,000
NET CASH USED IN FINANCING ACTIVITIES		23,00,00,000		25,00,00,000
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,39,48,843)		4,59,23,375
OPENING CASH AND CASH EQUIVALENTS		5,92,22,164		1,32,98,791
CLOSING CASH AND CASH EQUIVALENTS		3,52,73,321		5,92,22,166

Notes :

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".

2 CASH AND CASH EQUIVALENTS :

Cash and Cash Equivalents as above	4,98,427	1,89,161
Balance in Statutory Restricted Accounts	3,47,74,894	5,90,33,003
Other Restricted Balances	—	—
Unrealised (Loss) / Gain on Foreign Currency Cash and Cash Equivalents - Net	—	—
Cash and Bank Balances	3,52,73,321	5,92,22,164

The Statement of Cash Flow referred to in our Report of even date

For Price Waterhouse
Firm Registration Number : 012574N
Chartered Accountants
Abhishek Rara
Partner
Membership No : 077779
Gurgaon, 27th April, 2012

For and on behalf of the Board

Chandrasekhar Subrahmoneyan Managing Director
Bhagwateshwaran Hariharan Director

NOTES TO THE ACCOUNTS

	As at 31st March, 2012 (₹)		As at 31st March, 2011 (₹)	
NOTE 1				
SHARE CAPITAL				
Authorised				
50,000,000 Equity Shares (Previous Year 50,000,000 Equity Share) of ₹ 10/- each	50,00,00,000		50,00,00,000	
15,000,000 Redeemable Preference Shares (Previous Year 15,000,000) of ₹ 100/- each	<u>1,50,00,00,000</u>	<u>2,00,00,00,000</u>	<u>1,50,00,00,000</u>	<u>2,00,00,00,000</u>
Issued, Subscribed and Paid up				
50,000,000 (Previous Year 50,000,000) Equity Shares of ₹ 10/- each fully paid up.		50,00,00,000		50,00,00,000
14,900,000 (Previous Year 12,600,000) Redeemable Preference Shares of ₹ 100/- each fully paid up		1,49,00,00,000		1,26,00,00,000
TOTAL		<u>1,99,00,00,000</u>		<u>1,76,00,00,000</u>

	As at 31st March, 2012		As at 31st March, 2011	
	Number of Shares	Amount (₹)	Number of Shares	Amount (₹)
(a) Reconciliation of number of shares				
Equity Shares:				
Balance as at beginning of the year	5,00,00,000	50,00,00,000	5,00,00,000	50,00,00,000
Add: Shares issued	—	—	—	—
Balance as at end of the year	<u>5,00,00,000</u>	<u>50,00,00,000</u>	<u>5,00,00,000</u>	<u>50,00,00,000</u>
Preference Share:				
Balance as at beginning of the year	1,26,00,000	1,26,00,00,000	1,01,00,000	1,01,00,00,000
Add: Shares issued	23,00,000	23,00,00,000	25,00,000	25,00,00,000
Balance as at end of the year	<u>1,49,00,000</u>	<u>1,49,00,00,000</u>	<u>1,26,00,000</u>	<u>1,26,00,00,000</u>

(b) Rights, preferences and restrictions attached to Shares

Equity Shares : This class of shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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.

	As at 31st March, 2012 (₹)		As at 31st March, 2011 (₹)	
(c) Shares held by holding company and subsidiary of holding company				
Equity Shares				
50,000,000 shares (March 31, 2011: 50,000,000 shares) held by ITC Limited, the Holding Company along with its nominees		50,00,00,000		50,00,00,000
Preference Shares				
14,900,000 shares (March 31, 2011: 12,600,000 shares) held by ITC Limited, the Holding Company		1,49,00,00,000		1,26,00,00,000
(d) Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company				
Equity Shares				
ITC Limited, the Holding Company		5,00,00,000		5,00,00,000
		100%		100%
Preference Shares				
ITC Limited, the Holding Company		1,49,00,00,000		1,26,00,00,000
		100%		100%

NOTES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
NOTE 2		
RESERVES AND SURPLUS		
General Reserve/(Deficit)	6,11,62,181	6,11,62,181
Surplus/(Deficit) in the statement of Profit and Loss		
At the commencement of the year	(86,49,31,639)	(83,23,52,610)
Add: Net Profit/(Net Loss) For the current year	<u>(3,21,57,078)</u>	<u>(3,25,79,029)</u>
TOTAL	<u>(83,59,26,536)</u>	<u>(80,37,69,458)</u>
NOTE 3		
OTHER LONG-TERM LIABILITIES		
Membership Deposits (Refer Note 26)	31,55,18,793	31,39,08,793
Less: Subscription Fees receivable	<u>1,80,91,337</u>	<u>2,10,09,662</u>
Others		
– Income received in advance	<u>1,88,80,535</u>	<u>1,78,10,965</u>
TOTAL	<u>31,63,07,991</u>	<u>31,07,10,096</u>
NOTE 4		
LONG-TERM PROVISIONS		
Provision for Employee Benefits: (Also refer Note 21)		
Provision for Gratuity	10,81,654	9,00,003
Provision for Compensated Absenses	<u>7,51,874</u>	<u>8,94,665</u>
TOTAL	<u>18,33,528</u>	<u>17,94,668</u>
NOTE 5		
TRADE PAYABLES		
Dues from Micro and Small Enterprises	—	—
Dues other than Micro and Small Enterprises (Refer Note 27)	<u>63,28,091</u>	<u>95,15,319</u>
TOTAL	<u>63,28,091</u>	<u>95,15,319</u>
NOTE 6		
OTHER CURRENT LIABILITIES		
Sundry Deposits	2,65,961	2,50,961
Income Received in Advance	1,36,98,055	1,33,25,677
Advances from customers	1,98,441	9,01,730
Statutory dues including Provident Fund and Tax Deducted at source	27,81,496	43,72,608
Provision for Expenses under Capital Contracts	2,46,48,773	1,65,35,421
Retention Money under Capital Contracts	39,68,654	38,09,949
Other Payables	<u>1,95,35,630</u>	<u>80,01,884</u>
TOTAL	<u>6,50,97,010</u>	<u>4,71,98,230</u>
NOTE 7		
SHORT-TERM PROVISIONS		
Provision for Employee Benefits:		
Provision for Gratuity	1,85,134	—
Provision for Compensated Absenses	<u>5,02,316</u>	<u>34,267</u>
TOTAL	<u>6,87,450</u>	<u>34,267</u>
NOTE 8		
TANGIBLE ASSETS (At Cost)		

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2011	Additions	Withdrawals/ Adjustments	As at 31st March, 2012	As at 1st April, 2011	For the year**	Withdrawals/ Adjustments	As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
Own Assets										
Land (Freehold)	55,31,70,741	2,84,74,980	—	58,16,45,721	—	—	—	—	58,16,45,721	55,31,70,741
Building*	23,04,18,179	25,06,485	—	23,29,24,664	5,34,40,487	36,88,070	—	5,71,28,557	17,57,96,107	17,69,77,692
Plant & Machinery	24,59,30,897	78,76,227	69,81,896	24,68,25,228	13,45,63,731	1,19,68,651	39,11,669	14,26,20,713	10,42,04,515	11,13,67,166
Golf Course	22,57,78,037	—	—	22,57,78,037	14,42,45,296	1,07,24,458	—	15,49,69,754	7,08,08,283	8,15,32,741
Office & Other Equipment	22,60,757	38,246	3,53,943	19,45,060	7,77,178	1,04,313	2,06,599	6,74,892	12,70,168	14,83,579
Furniture & Fixtures	78,89,746	5,27,333	1,84,829	82,32,250	45,21,352	3,47,452	1,78,393	46,90,411	35,41,839	33,68,394
Computers	64,64,129	5,38,115	4,08,609	65,93,635	32,51,514	9,74,401	4,08,607	38,17,308	27,76,327	32,12,615
Vehicles	87,55,897	—	57,966	86,97,931	35,77,873	8,31,809	39,179	43,70,503	43,27,428	51,78,024
Golf Carts	1,72,01,112	—	13,50,329	1,58,50,783	74,87,677	26,84,044	13,50,325	88,21,396	70,29,387	97,13,434
Tented Accommodation	27,39,620	—	—	27,39,620	3,28,795	13,69,811	—	16,98,606	10,41,014	24,10,825
TOTAL	1,30,06,09,115	3,99,61,386	93,37,572	1,33,12,32,929	35,21,93,903	3,26,93,009	60,94,772	37,87,92,140	95,24,40,789	94,84,15,211
Capital Work-in-Progress									45,17,33,199	20,43,88,615
Previous Year	1,26,66,05,173	5,20,65,091	1,78,86,061	1,30,07,84,203	33,35,05,542	3,31,79,925	1,44,58,831	35,22,26,636	94,85,57,567	

Note:

* Building includes vehicular roads of ₹ 45,95,709/- (Previous Year ₹ 45,95,709/-) which have been fully depreciated over a period of five years

** Capital Work-in-progress includes depreciation amounting to ₹ 433,638/- (Previous Year ₹ 524,998/-) on Assets used for the Resort Project & stock in progress include depreciation amounting to ₹ 147,235/- (Previous Year ₹ 116,058/-) pertaining to Golf Hut Project.

NOTES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2012 (₹)		As at 31st March, 2011 (₹)	
NOTE 16				
SHORT-TERM LOANS AND ADVANCES				
Sundry Deposits				
Unsecured, considered good		6,32,836		5,30,128
Other Loans and Advances				
Advance Income Tax [Net of provision of ₹ 1,886,593 (March 31, 2011: ₹ 1,886,593)]		24,28,819		24,10,602
Balance with Government Authorities		67,13,702		33,16,842
SFIS Credit Entitlement		7,33,883		—
Prepaid Expenses		27,30,724		10,61,776
Unsecured, considered good		22,29,514	1,48,36,642	24,97,496
TOTAL		<u>1,54,69,478</u>		<u>98,16,844</u>
NOTE 17				
OTHER CURRENT ASSETS				
Interest accrued on Loans, Deposits etc.		58,000		93,155
TOTAL		<u>58,000</u>		<u>93,155</u>
		For the year ended 31st March, 2012 (₹)		For the year ended 31st March, 2011 (₹)
NOTE 18				
REVENUE FROM OPERATIONS (GROSS)				
Sale of Products				
Food and Beverage Sale		1,15,61,459		1,14,11,553
Proshop Items		29,06,179	1,44,67,638	28,84,601
Sale of Services				
Caddie Rental		75,99,632		72,56,493
Cart Income		68,90,278		54,52,356
Green Fees		2,54,45,155		2,43,36,451
Health Club & Other Facilities		22,59,892		21,99,514
Proshop Income		22,263		49,358
Tented Accomodation Income		11,50,713		8,86,993
Sponsorship Income		29,85,166	4,63,53,099	32,14,288
Membership Income			3,82,94,878	3,48,75,000
Other Operating Income				
Liability Written Back		3,73,983		61,20,555
SFIS Income		7,33,883		—
Others		6,22,216	17,30,082	3,89,136
TOTAL		<u>10,08,45,697</u>		<u>9,90,76,298</u>
NOTE 19				
OTHER INCOME				
Interest Income				
On Fixed Deposits		35,18,239		21,14,818
Income Tax Refund		78,027		8,80,000
Others		12,48,676	48,44,942	2,21,077
Others			—	1,715
TOTAL		<u>48,44,942</u>		<u>32,17,610</u>
NOTE 20				
(a) Cost of Materials Consumed (including Packing Materials)				
Opening Stock		5,23,182		5,56,797
Purchases		56,77,037		51,95,014
Less: Closing Stock		4,33,967	57,66,252	5,23,182
(b) Purchases of Stock in Trade			24,68,399	23,77,022
(c) Changes in inventories of Stock in Trade and stock in progress				
Stock in Trade and stock in progress				
Opening Stock		83,78,253		48,46,642
Less: Closing Stock		2,15,75,216	(1,31,96,963)	83,78,253
TOTAL			<u>(49,62,312)</u>	<u>40,74,040</u>
(d) Changes in inventory of stock in progress and stock in trade				
(Increase)/decrease in stocks				
Stock at end of the year				
Stock in Trade - Proshop		21,08,618		14,80,690
Stock in Progress - Golf Huts		1,94,66,598		68,97,563
TOTAL (A)		<u>2,15,75,216</u>		<u>83,78,253</u>
Less: Stock at beginning of the year:				
Stock in Trade - Proshop		14,80,690		9,09,456
Stock in Progress - Golf Huts		68,97,563		39,37,186
TOTAL (B)		<u>83,78,253</u>		<u>48,46,642</u>
Increase/(Decrease) in Stocks (A-B)		<u>1,31,96,963</u>		<u>35,31,611</u>

NOTES TO THE ACCOUNTS (Contd.)

For the year ended
31st March, 2012
(₹)

For the year ended
31st March, 2011
(₹)

NOTE 21

EMPLOYEE BENEFITS EXPENSE

Salaries / Wages and Bonus	4,37,44,007	4,22,94,862
Contribution to Provident and Other Funds	15,97,732	13,57,274
Workmen and Staff Welfare Expenses	13,30,022	10,17,351
TOTAL	4,66,71,761	4,46,69,487

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
 - Contribution to Regional Provident Fund Commissioner (State Plans)
 - Contribution to Employee's State Insurance Corporation (ESIC)
- II. Defined Benefit Plans - Gratuity for employees
 - During the current year the Company has recognized the following amounts in the Statement of Profit & Loss:

Employer's Contribution	As at March 31, 2012	As at March 31, 2011
Provident Fund	11,45,123	9,62,615
Employee's State Insurance Corporation	4,52,609	3,94,659
	15,97,732	13,57,274

(A) Present Value of Defined Benefit Obligation

Employee's Gratuity Fund	As at March 31, 2012	As at March 31, 2011
Balance at the beginning of the year	9,00,003	7,02,851
Interest Cost	74,250	47,288
Current Service Cost	3,89,155	4,18,916
Benefits paid	—	(2,23,508)
Actuarial (gain)/ loss due to change in assumption/ interest guarantee	(96,620)	(45,544)
Balance at the end of the year	12,66,788	9,00,003

(B) Assets and Liabilities recognised in the Balance Sheet

	Employee's Gratuity Fund				
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Liability at the end of the year	(12,66,788)	(9,00,003)	(7,02,851)	(6,30,127)	(4,70,063)
Ending Assets	—	—	—	—	—
Funded Status asset/(liability)	—	—	—	—	—
Unrecognised Past Service Cost	—	—	—	—	—
Asset/(Liability) recognised in the Balance Sheet	(12,66,788)	(9,00,003)	(7,02,851)	(6,30,127)	(4,70,063)

(C) Expense recognised in Statement of Profit and Loss

Employee's Gratuity Fund	As at March 31, 2012	As at March 31, 2011
Current Service Cost	3,89,155	4,18,916
Interest Cost	74,250	47,288
Net Actuarial (Gain)/Loss To Be Recognised	(96,620)	(45,544)
Expense Recognised in P& L**	3,66,785	4,20,660

Actuarial Assumptions

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

Assumptions	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Employee's Gratuity Fund (Unfunded)				
Discount Rate	8.25%	8.00%	7.50%	7.00%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Normal Retirement Age	58 years	58 years	58 years	58 years
Attrition Rate	10% p.a	10% p.a	10% p.a	10% p.a

NOTES TO THE ACCOUNTS (Contd.)

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.

Other Long-Term Benefits – Leave Encashment

	Year ended March 31, 2012	Year ended March 31, 2011
Asset/(Liability) recognised in the Balance Sheet*	(12,05,352)	(8,88,260)
Amount recognised in the Income Statement**	3,51,538	3,12,720

* Provision for compensated absences as disclosed under Note 8 includes ₹ 48,838/- (Previous Year ₹ 34,267/-) provided for short-term leave of the employees.

** Leave encashment and Provision for Gratuity are included in Salary, Wages and Bonus. Contribution to Provident Fund and ESIC is included in Contribution to Provident and Other Funds (Refer Note 21)

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
(d) Expected Contribution to the Funds in the next year		
Gratuity	<u>4,00,000</u>	<u>3,66,785</u>

NOTE 22

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation on Tangible Assets	3,22,59,371	3,26,31,559
Amortisation on Intangible Assets	34,185	23,369
TOTAL	<u>3,22,93,556</u>	<u>3,26,54,928</u>

NOTE 23

OTHER EXPENSES

Power and Fuel	1,43,46,429	1,19,76,468
Consumption of Stores and Spare Parts	46,38,955	51,56,168
Rent	5,72,000	5,93,745
Rates and Taxes	23,03,928	11,90,061
Insurance	14,21,271	11,92,824
Repairs		
- Buildings	17,01,739	7,69,749
- Machinery	7,67,465	8,46,650
- Others	28,04,054	32,16,482
Maintenance and Upkeep	47,13,718	37,68,941
Advertising / Sales Promotion	2,34,045	2,74,162
Travelling and Conveyance	28,88,997	29,63,692
Vehicle Maintenance	18,70,955	17,40,582
Hire Charges	12,08,741	12,16,052
Legal Expenses	25,34,820	37,65,779
Consultancy / Professional fees	1,28,96,347	44,32,525
Communication, Postage and Telegram Expenses	12,91,491	12,98,567
Bad Debts written off	2,25,756	—
Loss on Assets sold & written offs	30,05,284	34,15,657
Auditors Remuneration	9,11,520	7,17,400
Provision for doubtful debts	—	6,53,022
Miscellaneous Expenses	35,07,197	42,85,956
	<u>6,38,44,712</u>	<u>5,34,74,482</u>

NOTE 24

DETAILS OF EXPENSES CAPITALISED TO CWIP

The Board of Directors had approved a detailed plan in Financial Year 2009-10 of the Green Bharat Project (resort project) of the Company. The Capital work-in-progress amounting to ₹ 45,17,33,199/- (Previous Year ₹ 20,43,88,532/-) relates to the Resort project. Details of project management expenses directly attributable to resort project, transferred to capital work-in-progress relating to resort project are as under:

Particulars	Resort Project (Capital Work-in-Progress)		Stock in Process-Golf Hut	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Opening Balance as at April 1, 2011	11,16,49,051	8,14,62,283	68,97,563	39,37,186
Add:- Expenses Incurred				
Salaries, Wages and Bonus	50,63,451	54,77,110	4,603	11,582
Welfare Expenses	11,16,360	—	—	—
Rates & Taxes	4,46,417	5,06,288	6,40,040	—
Travelling & Conveyance	12,78,757	21,22,497	1,88,663	55,037
Vehicle Maintenance	3,18,196	56,482	—	3,336
Power & Fuel	3,74,759	1,75,749	—	—
Insurance	3,34,199	16,904	—	—
Legal & Professional Charges	2,59,35,562	1,97,56,882	1,10,38,237	27,54,165
Repairs & Maintenance - Plant & Machinery	1,14,964	5,447	—	—
Repairs & Maintenance - Others	1,92,305	4,87,470	—	—
Printing & stationery	5,78,682	4,26,970	—	16,249
Miscellaneous exp.	22,72,609	6,17,184	60,000	3,949
Hire Charges	4,98,076	12,788	—	—
Consumption of Stores	—	—	4,90,258	—
Bank Charges	14,844	—	—	—
Depreciation	4,33,638	5,24,997	1,47,235	1,16,059
TOTAL	<u>3,89,72,819</u>	<u>3,01,86,768</u>	<u>1,25,69,036</u>	<u>29,60,377</u>
Closing Balance as at March 31, 2012	<u>15,06,21,870</u>	<u>11,16,49,051</u>	<u>1,94,66,599</u>	<u>68,97,563</u>

NOTES TO THE ACCOUNTS (Contd.)

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
--	----------------------------------	----------------------------------

NOTE 25

CONTINGENT LIABILITIES

A) Claims against the Company

not acknowledged as debts:

(a) Income Tax matters	38,55,05,802	38,55,05,802
(b) Legal Cases	2,92,745	6,32,716
(c) Bank Guarantees given to Government Authorities	1,13,77,970	1,14,77,970
(d) Letter of Credits given to vendors	NIL	33,00,000

(a) The Company had received Income Tax demands of ₹ 11,59,41,813/- (Previous Year ₹ 11,59,41,813/-) for Assessment Year 2001-02, ₹ 32,98,817/- (Previous Year ₹ 32,98,817/-) for the Assessment Year 2003-04 and ₹ 26,62,65,172/- (Previous Year ₹ 26,62,65,172/-), for Assessment Year 2005-06. All the assessments are currently under appeal with Income Tax Authorities.

(b) Pertaining to legal suits against the Company for recovery of dues/compensation aggregating to ₹ 2,92,745/- (Previous Year ₹ 6,32,716/-) plus future interest, the amount of which is unascertainable, under litigation. As opined by Company's lawyers, the chances of suit succeeding are remote and accordingly Company does not foresee any liability in this regard.

In the opinion of the management, the likelihood of the appeal being decided against the Company is highly unlikely, hence no provision of these amounts has been considered necessary in the books of account.

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of above pending resolution of the respective proceedings.

B) Outstanding Capital Commitments

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Estimated value of contracts in capital account remaining to be executed	26,91,45,076	41,81,13,474

NOTE 26

Non Current Liabilities include ₹ 31,10,18,793/- (Previous Year ₹ 31,10,08,793/-) as deposits received from individuals towards golf memberships and ₹ 45,00,000/- (Previous Year ₹ 29,00,000/-) received from Corporate towards Golf Memberships. These represent long term tradable memberships which, are to be refunded at the time of termination of the membership.

NOTE 27

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also at March 31, 2012. This information as required to be disclosed under the MSME Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTE 28

EARNING PER SHARE

	As at 31st March, 2012 (₹)	As at 31st March, 2011 (₹)
Basic/Diluted Earnings Per Share		
Net Profit/(Loss) after tax available for Equity Shareholders (₹)	(3,21,57,078)	(3,25,79,029)
Weighted Average Number of Equity Shares outstanding during the year	5,00,00,000	5,00,00,000
Nominal Value of Equity Shares (₹)	10	10
Basic/Diluted (Loss)/Earnings per Share of ₹ 10/- each	(0.64)	(0.65)

NOTE 29

ACCOUNTING FOR TAXES ON INCOME

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, 2012 has not been recognized in the books of accounts.

NOTE 30

VALUE OF IMPORTS CALCULATED ON CIF BASIS DURING THE YEAR IN RESPECT OF

	For the year ended 31st March, 2012 (₹)	For the year ended 31st March, 2011 (₹)
Capital Goods	30,68,070	75,60,411

NOTE 31

EXPENDITURE IN FOREIGN CURRENCY

(Accrual Basis):

Professional & Consultancy	1,11,70,798	68,59,370
----------------------------	-------------	-----------

NOTE 32

EARNINGS IN FOREIGN EXCHANGE

(Accrual Basis):

Service Income	66,42,973	35,58,156
----------------	-----------	-----------

NOTE 33

VALUE OF INDIGENOUS AND IMPORTED RAW MATERIAL, STORES & SPARES CONSUMED DURING THE PERIOD & PERCENTAGE OF EACH TO THE TOTAL CONSUMPTION

(a) Details of Raw Material/Packing Material consumed

Raw Material	57,66,252	52,28,629
TOTAL	57,66,252	52,28,629

(b) Value of imported and indigenous materials consumed

PARTICULARS	For the year ended March 31, 2012		For the year ended March 31, 2011	
	Value (₹)	%	Value (₹)	%
Raw Material - F&B				
Imported	—	—	—	—
Indigenous	57,66,252	100	52,28,629	100
TOTAL	57,66,252	100	52,28,629	100
Stores & Spares				
Imported	16,88,550	36	18,99,400	37
Indigenous	29,50,405	64	32,56,768	63
TOTAL	46,38,955	100	51,56,168	100

(c) Purchase of Traded Goods

Proshop	24,68,399	23,77,022
TOTAL	24,68,399	23,77,022

NOTE 34

SEGMENT REVENUE, RESULT & OTHER INFORMATION

The Company carries on activities primarily under the Leisure & Hospitality segment and operates within one geographical segment in India. Hence the segment disclosure has not been provided.

NOTE 35

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 M/s Fortune Park Hotels Limited

M/s Greenacre Holdings Limited

Associates M/s International Travel House Limited

M/s Classic Infrastructure and Development Limited

(iii) Key Management Personnel:

Mr. Nakul Anand	Chairman
Mr. S.C. Sekhar	Managing Director
Mr. Rajiv Tandon	Director
Mr. B. Hariharan	Director
Mr. Ravi Puri	Chief Executive Officer
Mr. Atul Kumar	Head of Finance & Commercial

NOTES TO THE ACCOUNTS (Contd.)

iv) Details of Transaction carried out during the financial year ended March 31, 2012 with related party in the ordinary course of business :
(Consolidated)

(Amount in ₹)

S. No	Particulars	Holding Company		Fellow Subsidiaries		Associates		KMP	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1	Sale of Services	65,313	4,05,434	—	—	8,574	—	58,560	79,002
2	Purchase of Fixed Assets	—	—	—	50,917	—	—	—	—
3	Sale of Fixed Assets	2,58,691	—	—	—	—	—	—	—
4	Purchase of services	1,75,883	5,38,802	3,72,263	—	3,32,973	3,25,434	—	—
5	Expenses Recovered	9,65,840	5,99,840	4,33,591	21,79,702	—	23,915	—	—
6	Expenses Reimbursed	87,58,222	94,56,522	—	10,498	—	—	—	—
7	Project Expenses Reimbursed	27,22,688	25,17,869	—	—	—	16,690	—	—
8	Balances Outstanding at the year end								
i)	Debtors/Receivables	—	—	—	11,17,702	9,301	13,412	—	—
ii)	Creditors/Payables	1,48,40,338	39,47,268	—	—	5,789	—	—	—

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

(Amount in ₹)

S. No	Particulars	Holding Company		Fellow Subsidiaries		Associates		KMP	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
1	Sale of Services — ITC Limited KMP	65,313	4,05,434	—	—	—	—	58,560	79,002
2	Purchase of Fixed Assets Fortune Park Hotels Limited	—	—	—	50,917	—	—	—	—
3	Sale of Fixed Assets — ITC Limited	2,58,691	—	—	—	—	—	—	—
4	Purchase of services — ITC Limited — International Travel House Limited — ITC Infotech India Limited	1,75,883	5,38,802	—	—	3,32,973	3,25,434	—	—
5	Expenses Recovered — ITC Limited — Greenacre Holdings Limited	9,65,840	5,99,840	—	—	—	—	—	—
6	Expenses Reimbursed — ITC Limited	87,58,222	94,56,522	—	—	—	—	—	—
7	Project Expenses Reimbursed — ITC Limited	27,22,688	25,17,869	—	—	—	—	—	—
8	Balances Outstanding at the year end								
i)	Debtors/Receivables — Greenacres Holdings Limited — CIDL	—	—	—	11,17,702	9,301	—	—	—
ii)	Creditors/payables — ITC Limited	1,48,40,338	39,47,268	—	—	—	—	—	—

NOTE 36

PREVIOUS YEAR FIGURES - The financial statements for the year ended March 31, 2012 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE 37

SIGNIFICANT ACCOUNTING POLICIES

Convention

To prepare financial statements in accordance with applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956, 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, 1956.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention.

Tangible and Intangible 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

NOTES TO THE ACCOUNTS (Contd.)

form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalisation 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

To calculate depreciation on Fixed Assets and Intangible Assets in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual instalments except for the following assets on which based on management's assessment of useful life, depreciation has been provided at higher rates:

	Rate (%)
Golf Carts	20
Tents	50
Vehicle Roads	20

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 including work-in-progress 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.

Stock in progress - Golf huts includes cost of work-in-progress properties. Cost included in inventory includes development expenses, cost of services and other overheads relating to projects and is valued at lower of cost/estimated cost and estimated net realisable value.

Revenue Recognition

- i) 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.
- 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.

- iv) Sale of merchandising stock (Proshop Income) is recognised at the time of delivery of goods to the customer.

Employee Benefits

- i) To make regular contributions to State plan namely Employee's Provident Fund and Employee's State Insurance Fund are charged to revenue every year.
- ii) 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 leave encashment by an independent actuarial valuation 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 as income or expense. Other long-term benefit of the Company includes leave encashment/ compensated absence, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method.

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 Translation

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 Statement of Profit and Loss in the period in which they arise.

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

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 practise 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 Price Waterhouse
 Firm Registration Number : 012754N
 Chartered Accountants
 Abhishek Rara
 Partner
 Membership No : 077779
 Gurgaon, 27th April, 2012

For and on behalf of the Board

Chandrasekhar Subrahmoneyan *Managing Director*
 Bhagwateshwaran Hariharan *Director*