

Leela Palaces and Resorts Limited

(Formerly Iskon Estates Private Limited)

CIN: U70101DL2005PLC134480

CORPORATE INFORMATION

Board of Directors

Capt. C. P. Krishnan Nair	Director
Mr. Vivek Nair	Director
Mr. Dinesh Nair	Director
Mr. Venu Krishnan	Director
Mr. Sachin Shridhar	Director

Statutory Auditors

M/s. Picardo & Co.

Bankers

HDFC Bank Limited
Punjab National Bank
Bank of Baroda

Registered Office

The Leela Palace
Diplomatic Enclave
Chanakyapuri
New Delhi – 110 023

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ANNUAL REPORT 2011-12



DIRECTORS' REPORT

To
The Members

Your Directors submit herewith, the Seventh Annual Report along with the audited statement of accounts for the financial year ended 31st March, 2012.

1. Financial Results

During the year the Company has incurred a loss of Rs. 80,076 as compared to a loss of Rs.173,659 during the previous year.

2. Director's Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in according 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) That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

3. Auditors

The Statutory Auditors, M/s.Picardo & Co., Chartered Accountants, retire at the ensuing Annual General Meeting. They have confirmed their eligibility and willingness for re-appointment as Auditors of the Company. The Board recommends their re-appointment as Auditors.

4. Directors

In accordance with the provisions of the Companies Act, 1956, Mr. Vivek Nair and Mr. Dinesh Nair, Directors of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board commends their re-appointment by the members at the forthcoming Annual General Meeting.

5. Particulars of Employees:

Since the Company has no employees, disclosure under the provisions of Companies (Particulars of Employees) Rules, 1975 read with Section 217(2A) of Companies Act, 1956 is not applicable.

6. Fixed Deposits:

The Company has not accepted any deposits from the Public or from the shareholders.

7. Conservation of Energy / Technology Absorption / Foreign Exchange Earnings and Outgo:

As there were no business activities / commercial operation at present, the above provisions are not applicable to the Company.

8. Secretarial Compliance Report:

Secretarial Compliance Certificate for the financial year ended 31st March, 2012 issued by M/s. V. Sundaram & Co., Practicing Company Secretaries, is attached herewith and forms part of this Report.

9. Acknowledgement:

The Directors would like to place on record its appreciation for the continued support and co-operation received from Hotel Leelaventure Limited, the parent company.

By order of the Board of Directors
For Leela Palaces and Resorts Limited
Capt. C.P. Krishnan Nair
Chairman

Mumbai, 29th May, 2012

ANNEXURE TO THE DIRECTORS' REPORT

COMPLIANCE CERTIFICATE U/S 383A (1)

CIN: U70101DL2005PLC134480

Nominal Capital Rs.100 Lakhs

The Members of
Leela Palaces and Resorts Limited
The Leela Palace
Chanakyapuri
New Delhi 110 023

We have examined the registers, records, books and papers of Leela Palaces and Resorts Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions of the Companies Act, 1956 and the rules made there under.
- 2) The Company has duly filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, under the Act and the rules made there under.
- 3) The Company is a Wholly Owned Subsidiary of Hotel Leelaventure Limited. The Company during the year under Scrutiny has not invited from public to subscribe for its shares and has not invited or accepted any deposits.
- 4) The Board of Directors duly met 7 times during the financial year i.e. on 16/04/2011, 23/05/2011, 10/08/2011, 8/09/2011, 10/11/2011, 10/02/2012 and 21/03/2012 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed during the financial year.
- 5) The Company was not required to close its Register of Members during the financial year under Scrutiny.
- 6) The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 6th July, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes maintained for the purpose.
- 7) The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
- 8) The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
- 9) The Company was not required to make any entries in the register maintained under Section 301 of the Act.
- 10) As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
- 11) The Company has not issued any duplicate share certificates during the financial year.
- 12) The Company
 - (i) Has not deposited any amount in a separate bank as no dividend was declared during the financial year.
 - (ii) Was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iii) Did not have any moneys lying in unpaid/unclaimed dividend account and therefore, the provisions relating to transfer to Investor Education and Protection Fund do not apply to the Company.
 - (iv) Has duly complied with the requirements of Section 217 of the Act.
- 13) The Board of Directors of the Company is duly constituted.
- 14) The provisions of Section 269 of the Act with regard to appointment of Managing Director/Whole-Time Director/Manager are not applicable to the Company.
- 15) The Company has not appointed any sole selling agents during the financial year.
- 16) The Company was not required to obtain any approval of the Central Government/Company Law Board/ Regional Director for any matter during the financial year under Scrutiny.
- 17) The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
- 18) The Company has not issued any shares, debentures and other securities during the financial year under Scrutiny.
- 19) The Company has not bought back any shares during the financial year under Scrutiny.
- 20) There was no redemption of preference shares or debentures during the financial year under Scrutiny.
- 21) There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 22) The Company has not invited or accepted any deposits including any unsecured loans, falling within the purview of Section 58A during the financial year.
- 23) The Company being a public Company, the provisions of Section 293(1) (a) and 293(1) (d) of the Companies Act, are applicable to the Company. However there are no borrowings from any Bank/Financial Institution/Others.
- 24) The Company has not made any loans and investments or given any guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.



COMPLIANCE CERTIFICATE U/S 383A (1) (Contd.)

- 25) The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office within local limits of city, town or village during the year under scrutiny.
- 26) The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year.
- 27) The Company has not altered the provisions of the Memorandum of Association with respect to change in name of the Company during the year.
- 28) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.
- 29) The Company has not altered its Articles of Association during the financial year with respect to changes in the name of the Company.
- 30) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment were imposed on the Company during the financial year, for offences under the Act.
- 31) The Company has not received any money as security from its employees during the financial year.
- 32) The Company has not deducted any contribution towards Provident Fund & ESI during the financial year, as both are not applicable to the Company.

For V. Sundaram & Co.
Company Secretaries

V. Sundaram
Partner
CP - 3373

Mumbai, 29th May, 2012

ANNEXURE - A

Registers as maintained by the Company:

1. Register of Members under Section 150.
2. Register of Directors' Shareholdings under Section 307.
3. Register of Directors, Managing Director, Manager and Secretary under Section 303.
4. Register and Returns under Section 163.
5. Minutes Book of General Meetings and Board Meetings.
6. Books of Accounts under Section 209.
7. Register of Loans and Investments under Section 372A.
8. Register of Transfer and Transmissions.

ANNEXURE – B

Forms & Returns as filed by the Company with Registrar of Companies during the financial year ended 31st March 2012.

Sr. No	Form No	Section	Purpose	Filing Date	Whether filed within the prescribed time Yes / No	If delay in filing, whether requisite additional fee paid Yes / No
1	23AC & 23ACA -XBRL	220	Balance Sheet and Profit and Loss Account	02.11.2011	Yes	N/A
2	20B	159	Annual Return	30.08.2011	Yes	N/A
3	66	383A	Compliance Certificate	08.09.2011	No	Yes
4	23	293(1) (d)	Increase in borrowing power and Creation of Charge to the extent of Rs. 300 Crores	08.09.2011	No	Yes
5	18	146	Change of Registered Office	24.04.2011	Yes	No
6	32	303(2)	Resignation of Mr. Ashok Khetrupal Mr. Mahendra Gupta & Mr. Dinesh Johari	28.04.2011	No	Yes

For V. Sundaram & Co.
Company Secretaries

V. Sundaram
Partner
COP - 3373

Mumbai, 29th May, 2012

AUDITORS' REPORT TO THE MEMBERS OF LEELA PALACES AND RESORTS LIMITED

1. We have audited the attached Balance Sheet of Leela Palaces and Resorts Limited as at 31st March 2012, and also the Profit and Loss Account and the Cash Flow statement for the year ended as 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 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'order') issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we give in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to 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 it appears from our examination of those books;
 - c. The Balance Sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards, to the extent applicable, referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors, taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said Accounts read with other notes, 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - ii. In the case of Profit and Loss Account, of the loss for the year ended on that date;
 - iii. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **Picardo & Co,**
Chartered Accountants

Y. Keshavayya
Partner
Membership No.: 25783
Firm Registration No: 107917W

Place: Mumbai
Date: 29th May, 2012

ANNEXURE TO AUDITORS' REPORT

[referred to in paragraph (3) of our report of even date]

1. **Fixed Assets:**
 - a. The Company has maintained proper records showing full particulars, including quantitative details and the situation of its fixed assets.
 - b. The fixed assets have been physically verified by the management during the year under review. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no discrepancies have been noticed on such verification.
 - c. During the year under review, Company has not sold any of its fixed assets.
2. **Inventory:**

Clause 4(ii) (a) (b) & (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company as the Company has not held any inventory during the year under review.
3. **Loans and Advances:**
 - i. During the year, the Company has not granted loans to parties covered in the register maintained under Section 301 of the Companies Act, 1956 and hence clause 4 (iii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company for the year under review.
 - ii. (a). The Company has taken an advance of Rs. 54,35,93,037/- which is in the nature of loan from its holding Company. The maximum during the year and year end outstanding of the same is Rs. 54,35,93,037/-.
 - (b) The rate of interest and other terms and conditions of this advance are prima facie not prejudicial to the interest of the Company.
 - (c) We have been informed that there is no stipulation as regards repayment of principal and interest.
4. **Internal Control Procedures:**

In our opinion and according to the information and explanations provided to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. During the year under review, Company has not purchased any inventory or sold any goods or services. During the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
5. **Related Party Transactions:**

Based on the information and explanations provided by the management, Company has not entered into any contracts or arrangements referred to in section 301 of the Companies Act, 1956, during the year under review.
6. The Company has not accepted any deposits under the provisions of section 58A, 58AA or any other provisions of the Act and the rules framed there under.
7. The Company has a system of internal audit commensurate with the size of the Company and nature of its business.
8. Maintenance of Cost Records as per section 209 (1)(d) of the Companies Act, 1956 are not applicable to the Company under review.
9. **Statutory Liabilities:**
 - a. According to the records, information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it.
 - b. According to the information and explanation given to us, there were no undisputed amounts payable were outstanding as at 31st March,



ANNEXURE TO AUDITORS' REPORT (contd.)

- 2012 for a period of more than six months from the date they became payable in respect of Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, and other statutory dues.
- c. According to the information and explanation given to us, there were no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess Tax that have not been paid to the concerned authorities on account of any disputes.
10. The accumulated losses of the Company are more than fifty percent of its net worth and the Company has incurred cash losses during the year under review and also during the immediately preceding financial year.
 11. Based on the information and explanations given by the management, the Company has no dues to any financial institution or bank.
 12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The Company is not a chit/nidhi/mutual benefit fund/society and hence clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company for the year under review.
 14. The Company is not dealing or trading in shares, securities, debentures and other investments hence clause (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company for the year under review.
 15. According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions.
 16. In our opinion and according to the information and explanation given to us, the Company has not availed any term loan during the year under review.
 17. On the basis of information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, in our opinion, the funds raised on short-term basis have not been used for long-term investment except for permanent working capital.
 18. According to the information and explanations given to us, the Company has not made preferential issue of capital to parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year under review.
 19. According to the information and explanations given to us, the Company did not have any outstanding debentures during the year under review and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 regarding creation of securities are not applicable.
 20. The Company has not raised any money by public issues during the year under review and hence the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 regarding creation of securities are not applicable.
 21. Based on the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Picardo & Co,**
Chartered Accountants

Y. Keshavayya
Partner
Membership No.: 25783
Firm Registration No: 107917W

Place: Mumbai
Date: 29th May, 2012

BALANCE SHEET as at 31st March, 2012

Particulars	Note No.	Rs.	
		As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	10,000,000	10,000,000
(b) Reserves and surplus	2	(6,031,272)	(5,951,196)
		3,968,728	4,048,804
Non-current liabilities			
(a) Long-term borrowings- Loan from Holding Company	3	543,593,037	399,572,192
		543,593,037	399,572,192
Current liabilities			
(a) Other current liabilities	4	1,722,293	2,197,345
		1,722,293	2,197,345
TOTAL		549,284,058	405,818,341
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	5	532,233,218	389,225,432
(ii) Capital work-in-progress		4,164,940	4,164,940
(b) Long-term loans and advances	6	-	2,600,000
		536,398,158	395,990,372
Current assets			
(a) Cash and cash equivalents	7	12,885,900	9,827,969
		12,885,900	9,827,969
TOTAL		549,284,058	405,818,341
Notes forming part of the Financial Statements	1 to 10		

In terms of our report attached

For and on behalf of the Board of Directors

 For PICARDO & CO.
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair Director

 Y. KESHAVAYYA
Partner
Membership Number 25783
Mumbai, 29th May, 2012

Dinesh Nair Director

STATEMENT OF PROFIT AND LOSS for the year ended 31 March, 2012

Particulars	Note No.	Rs.	
		Year ended 31 March, 2012	Year ended 31 March, 2011
Revenue from operations		-	-
Other Income - Profit on Sale of Investment		4,895	-
Total revenue		4,895	-
Expenses			
(a) Finance costs	8	3,273	4,700
(b) Other expenses	9	81,698	168,959
Total expenses		84,971	173,659
Profit / (Loss) before exceptional and extraordinary items and tax		(80,076)	(173,659)
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		(80,076)	(173,659)
Extraordinary items		-	-
Profit / (Loss) before tax		(80,076)	(173,659)
Tax expense		-	-
Profit / (Loss) for the year		(80,076)	(173,659)
Earnings per share (of Rs.10 each):			
(a) Basic		(0.08)	(0.17)
(b) Diluted		(0.08)	(0.17)
Earnings per share (excluding extraordinary items) (of Rs. 10 each):			
(a) Basic		(0.08)	(0.17)
(b) Diluted		(0.08)	(0.17)
Notes forming part of the Financial Statements			

In terms of our report attached

For and on behalf of the Board of Directors

 For PICARDO & CO.
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair Director

 Y. KESHAVAYYA
Partner
Membership Number 25783
Mumbai, 29th May, 2012

Dinesh Nair Director



**CASH FLOW STATEMENT
for the year ended 31st March, 2012**

Particulars	Rs.	
	2011-12	2010-11
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax	(80,076)	(173,659)
Adjustments for :		
Interest Received	-	-
Depreciation	-	-
Preliminary expenses written off	-	-
Operating profit before working capital changes	(80,076)	(173,659)
Changes in :		
Other receivables	2,600,000	112,864
Trade and other payables	(475,052)	306,932,429
Taxes and Levies	-	-
Net Cash Flow from Operating Activities	2,044,872	306,871,634
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Fixed Assets / in New Projects	(143,007,786)	(305,119,368)
Interest Received	-	-
Net Cash Flow from Investing Activities	(143,007,786)	(305,119,368)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Unsecured Loans Received / (Paid)	144,020,845	-
Net Cash flow from financial activities	144,020,845	-
Net Change in Cash & Cash Equivalents	3,057,931	1,752,266
Cash & Cash Equivalents at the start of the year	9,827,969	8,075,703
Cash & Cash Equivalents at the end of the year	12,885,900	9,827,969

In terms of our report attached For and on behalf of the Board of Directors

For PICARDO & CO. Vivek Nair Director
Chartered Accountants
Firm Registration No: 107917W

Y. KESHAVAYYA Dinesh Nair Director
Partner
Membership Number 25783
Mumbai, 29th May, 2012

Notes forming part of the Financial Statements

Note 1 Share Capital

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs.10 each	1,000,000	10,000,000	1,000,000	10,000,000
(b) Issued				
Equity shares of Rs. 10 each	1,000,000	10,000,000	1,000,000	10,000,000
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each	1,000,000	10,000,000	1,000,000	10,000,000
Total	1,000,000	10,000,000	1,000,000	10,000,000
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
(d) Equity Shares at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Add: Shares allotted during the year	-	-	-	-
Equity Shares at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000
(e) Shares held by the Holding Company				
Hotel Leelaventure limited	999,994	9,999,940	999,994	9,999,940
	No of Shares	% of Shares held	No of Shares	% of Shares held
(f) The details of Shareholders holding more than 5% shares				
Hotel Leelaventure Limited	999,994	99.99%	999,994	99.99%

Note 2 Reserves and Surplus

Particulars	Rs.	
	As at 31st March, 2012	As at 31 March, 2011
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(5,951,196)	(5,777,537)
Add: Profit / (Loss) for the year	(80,076)	(173,659)
Total	(6,031,272)	(5,951,196)

Note 3 Long-term borrowings

Particulars	Rs.	
	As at 31st March, 2012	As at 31 March, 2011
Loans and advances from related parties (Refer Note 10.3.b)		
Unsecured- Hotel Leelaventure Limited	543,593,037	399,572,192
Total	543,593,037	399,572,192

Note 4 Other current liabilities

Particulars	Rs.	
	As at 31st March, 2012	As at 31 March, 2011
Other payables		
(i) Statutory remittance-TDS Payable	1,705,439	2,180,800
(ii) Others - Liabilities	16,854	16,545
Total	1,722,293	2,197,345

Note 5 Tangible Assets

Rs.

Assets	Gross Block At Cost Or Valuation					Depreciation				Net Block	
	1st April 2011	Addition during the year	Borrowing cost capitalised	Deduction during the year	As at 31st March 2012	1st April 2011	For the year	Deduction during the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Land	389,225,432	85,744,625	57,263,161		532,233,218					532,233,218	389,225,432
Total	389,225,432	85,744,625	57,263,161	-	532,233,218	-	-	-	-	532,233,218	389,225,432
Previous year	88,271,004	279,179,436	21,774,992		389,225,432					38,925,432	88,271,004

Note 6 Long-term loans and advances

Rs.

Particulars	As at 31st March, 2012	As at 31 March, 2011
Capital advances	-	2,600,000
Total	-	2,600,000

Note 7 Cash and cash equivalents

Rs.

Particulars	As at 31st March, 2012	As at 31 March, 2011
(a) Cash on hand	90,000	2,300,000
(b) Balances with banks		
In current accounts	12,795,900	7,527,969
Total	12,885,900	9,827,969

Note 8 Finance costs

Rs.

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Bank Charges	3,273	4,700
Total	3,273	4,700

Note 9 Other expenses

Rs.

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
Printing & Stationary	8,100	
Rates and taxes	22,154	6,550
Payments to auditors (Refer Note (i) below)	16,854	16,545
Professional Charges	34,590	33,000
Advances written off	-	112,864
Total	81,698	168,959
(i) Payments to auditors - Statutory audit	16,854	16,545
Total	16,854	16,545

Note 10 Additional Information

10.1 Significant Accounting Policies

a) Convention

The financial statements are prepared under the historical cost convention in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 1956.

b) Use of Estimates

The preparation of financial statements require the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and the reported amount of income and expenses during the year. Examples of such estimates include provision for income taxes, useful life of depreciable fixed assets and provision for impairment.

c) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost includes expenses incidental to the installation of the assets and attributable borrowing costs.

d) Depreciation and Amortisation

Depreciation on fixed assets is provided under written down value method at rates specified in Schedule XIV to the Companies Act, 1956.

e) During the year under review the carrying amount of assets are reviewed and entries are passed for impairment of the same.

f) The Company is accounting for the liabilities for Income Tax in accordance with the Accounting Standard on Accounting for taxes in Income (AS-22). In the opinion of the management, the available evidences do not provide virtual certainty regarding absorption / set-off on unabsorbed losses against the Company's future taxable income. Hence the deferred tax assets relating to the unabsorbed losses have not been recognized in the accounts, as measure of prudence, as per the requirement of the said Standard.

10.2 Computation of Earning Per Share (EPS) - Face value of Rs. 10 each

Particulars	2011-12	2010-11
Profit/(Loss) Before Taxation	(80,076)	(173,659)
Weighted Average no. of Equity Shares	1,000,000	1,000,000
EPS (Basic and Diluted)	(0.08)	(0.17)



10.3 Related party transactions

a) Details of related parties

Description of relationship	Names of Related Parties
Ultimate Holding Company	Hotel Leelaventure Limited
Holding Company	Hotel Leelaventure Limited
Key Management Personnel (KMP)	1. Capt. C.P Krishna Nair 2. Mr. Vivek Nair 3. Mr.Dinesh Nair 4. Mr. Venu Krishnan
Relatives of KMP	
Company in which KMP / Relatives of KMP can exercise significant influence	1. Hotel Leelaventure Limited. 2. Leela Lace Holdings Pvt Ltd. 3. Leela Realty Limited. 4. Leela Lace Software Solutions Pvt. Ltd. 5. Rockfort Estate Developers Pvt. Ltd. 6. Leela Fashions Pvt. Ltd. 7. Mumbai International Convention & Exhibition Centre Ltd. 8. Elegant Eateries Pvt. Ltd. 9. Vibgyor Leasing Pvt. Ltd. 10. Armcess Engineering Pvt.Ltd. 11. Leela Housing Pvt.Ltd. 12. Standard Precision Alloy Industries Pvt. Ltd. 13. Aushim Soft Pvt. Ltd. 14. Leela Soft Pvt. Ltd. 15. Buena Vista Travels Pvt. Ltd. 16. Leela Capital & Finance Ltd. 17. Leela Lace Real Estate Development Pvt. Ltd 18. L.M Realtors Pvt Ltd. 19. Leela Lace Estates Pvt. Ltd.

b) Transactions carried out with related parties

Advance received from Holding Company	Rs. 543,593,037 (P.Y. Rs. 399,572,192)
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10.4 Previous year's figures have been regrouped wherever necessary.

In terms of our report attached For and on behalf of the Board of Directors

For PICARDO & CO.
Chartered Accountants
Firm Registration No: 107917W

Vivek Nair Director

Y. KESHAVAYYA
Partner
Membership Number 25783
Mumbai, 29th May, 2012

Dinesh Nair Director