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 2010-11

DIRECTORS' REPORT

To
The Members

Your Directors submit herewith, the Sixth Annual Report along with the audited statement of accounts for the financial year ended 31st March, 2011.

1. **Change of Name of the Company:**

   The name of the Company has been changed to Leela Palaces and Resorts Limited in terms of Certificate dated 14th March, 2011 issued by the Registrar of Companies, NCT of Delhi and Haryana. The Company converted into a Public Limited Company during the year and is a Wholly Owned Subsidiary of Hotel Leelaventure Limited.

2. **Financial Results:**

   During the period the Company has made a loss of Rs.173,659 as compared to a loss of Rs.19,306/- during the previous year.

3. **Dividend:**

   The Directors do not propose any dividend in view of the losses.

4. **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 2011 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 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) That the Directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

5. **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.

6. **Directors:**

   In accordance with the provisions of the Companies Act, 1956, Mr. Sachin Sridhar and Capt. C. P. Krishnan 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.

7. **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.

8. **Fixed Deposits:**

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

9. **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.

10. **Secretarial Compliance Report:**

    Secretarial Compliance Certificate for the financial year ended 31st March, 2011 is attached herewith and forms part of this Report.

11. **Acknowledgement:**

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

On behalf of the Board of Directors

Capt. C.P. Krishnan Nair
Chairman

Mumbai, 23rd May, 2011

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, 2011. 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 was a Private Limited Company upto 13th March 2011 and had minimum prescribed paid up share capital and its maximum number of members during the said financial year was 7 (seven) excluding its present and past employees. 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. The Company was converted into a Public Limited Company w.e.f. 14th March, 2011.

4) The Board of Directors duly met 7 times on 24/05/2010, 13/07/2010, 25/09/2010, 13/11/2010, 20/12/2010, 29/01/2011 and 17/03/2011 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, 2010 was held on 11th August, 2010 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) An Extra Ordinary General Meeting of shareholders was held on 12th November, 2010 after giving shorter notice with the consent of the members under section 171(2) of the Companies Act, 1956 and the resolutions passed thereat were duly recorded in the Minutes maintained for the purpose.

8) 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.

9) The Company has not entered into any contracts falling within the purview of Section 297 of the Act.

10) The Company was not required to make any entries in the register maintained under Section 301 of the Act.

11) 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.

12) The Company has not issued any duplicate share certificates during the financial year.

13) The Company

    (i) Has delivered all the certificates on transfer of shares during the financial year to the nominees of Hotel Leelaventure Limited in accordance with the provisions of the Act.

    (ii) Has not deposited any amount in a separate bank as no dividend was declared during the financial year.

    (iii) Was not required to post warrants to any member of the Company as no dividend was declared during the financial year.

    (iv) 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.

    (v) Has duly complied with the requirements of Section 217 of the Act.

14) The Board of Directors of the Company is duly constituted. Mr. V. L. Ganesh has resigned from the Board of Directors of the Company during the year under Scrutiny.

15) 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.

16) The Company has not appointed any sole selling agents during the financial year.

17) 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.

18) 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.

19) The Company has not issued any shares, debentures and other securities during the financial year under Scrutiny.

20) The Company has not bought back any shares during the financial year under Scrutiny.

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

21) There was no redemption of preference shares or debentures during the financial year under Scrutiny.

22) 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.

23) The Company has not invited or accepted any deposits including any unsecured loans, falling within the purview of Section 58A during the financial year.

24) 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.

25) 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.

26) The Company has 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.

27) The Company has altered the provisions of the Memorandum of Association with respect to the objects of the Company as it plans to enter into hotel business in the near future. The said alteration has become effective from 15th December, 2010.

28) The Company has altered the provisions of the Memorandum of Association with respect to change in name of the Company from Iskon Estates Private Limited to Leela Palaces and Resorts Private Limited which became effective from 16th December, 2010. Further, the Company was converted into a public limited company and its name was changed from Leela Palaces and Resorts Private Limited to Leela Palaces and Resorts Limited w.e.f. 14th March, 2011.

29) The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under Scrutiny.

30) The Company has altered its Articles of Association during the financial year with respect to changes in the name of the Company and conversion into a public limited Company.

31) 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.

32) The Company has not received any money as security from its employees during the financial year.

33) 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

Prasanna Gupchup
Partner
COP - 9900

Mumbai, 23rd May, 2011

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, Transmissions.

ANNEXURE – B

Forms & Returns as filed by the Company with Registrar of Companies during the financial year ended 31st March 2011.

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	220	Balance Sheet and Profit and Loss Account	23.08.2010	Yes	N/A
2	20B	159	Annual Return	23.08.2010	Yes	N/A
3	66	383A	Compliance Certificate	20.08.2010	Yes	N/A
4	18	146	Change of Registered office	03.11.2010	Yes	N/A
5	1A		Application for availability name	03.11.2010	Yes	N/A
6	32		Resignation of Mr.V.L.Ganesh	25.11.2010	Yes	N/A
7	23	17(1) and 18(1)	Change in name and Main objects	16.11.2010	Yes	N/A
8	23	21/44(1)(b)	Conversion to a Public Limited Company	16.02.2011	No	Yes
9	62	44	Statement in lieu of Prospectus as per Schedule IV	17.02.2011	Yes	N/A

For V. Sundaram & Co.
Company Secretaries

Prasanna Gupchup
Partner
COP - 9900

Mumbai, 23rd May, 2011

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

(Formerly known as Iskon Estates Private Limited)

1. We have audited the attached Balance Sheet of Leela Palaces and Resorts Limited as at 31st March, 2011, 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 sub-section (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 2011 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 2011.
      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

Mumbai, 23rd May, 2011

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 eview. 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 were 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 301of 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 30,47,46,114/- which is in the nature of loan from its holding Company. The year end outstanding of the same is Rs. 39,95,72,192/.
      (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, 2011 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 50 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. As far as we could ascertain, the terms and conditions of guarantee given by the Company to a bank for the loans taken by certain employees are not prejudicial to the interest of the Company;

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

Mumbai, 23rd May, 2011

BALANCE SHEET as at 31st March, 2011

	Schedule		As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SOURCE OF FUNDS	Schedule			
Shareholders' Funds				
Share Capital	A		**10,000,000**	10,000,000
			10,000,000	10,000,000
TOTAL			**10,000,000**	10,000,000
APPLICATION OF FUNDS				
Fixed Assets	B			
Gross Block		**389,225,432**		
Less: Depreciation		-		
Net Block		**389,225,432**		88,271,004
Add: Projects-in-Progress		**4,164,940**	**393,390,372**	-
Current Assets, Loans and advances	C			
Cash and Bank balances		**9,827,969**		8,075,703
Loans and Advances		**2,600,000**		2,712,864
		12,427,969		10,788,567
Less: Current Liabilities and Provisions	D	**401,769,537**		94,837,108
Net Current Assets			**(389,341,568)**	(84,048,541)
Profit and Loss Account			**5,951,196**	5,777,537
TOTAL			**10,000,000**	10,000,000
Notes to the Accounts	F			

Schedules referred to herein form an integral part of the Balance Sheet

For and on behalf of the Board of Directors

Per our report of even date attached
For **PICARDO & CO.**
Chartered Accountants

Y. KESHAVAYYA
Partner
Membership Number 25783
Firm Registration No: 107917W
Mumbai, 23rd May, 2011

Vivek Nair Director
Dinesh Nair Director

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2011

		For the year ended 31st March, 2011 Rupees	For the year ended 31st March, 2010 Rupees
INCOME	Schedule		
Sales/Services rendered and other Income		-	-
TOTAL		-	-
EXPENDITURE			
Administrative and Other expenses	E	**173,659**	19,036
TOTAL		**173,659**	19,036
Profit Before Depreciation		**(173,659)**	(19,036)
Depreciation		-	-
PROFIT BEFORE TAX		**(173,659)**	(19,036)
PROFIT AFTER TAX		**(173,659)**	(19,036)
Balance brought forward		**(5,777,537)**	(5,758,501)
		(5,951,196)	(5,777,537)
Amount available for Appropriation		**(5,951,196)**	(5,777,537)
APPROPRIATIONS			
Balance carried forward to Balance Sheet		**(5,951,196)**	(5,777,537)
		(5,951,196)	(5,777,537)
Basic and Diluted Earning per share of Rs.10 each		**(0.17)**	(0.02)
Notes to the Accounts	F		

Schedules referred to herein form an integral part of the Profit and Loss Account

For and on behalf of the Board of Directors

Vivek Nair Director

Dinesh Nair Director

Per our report of even date attached
For **PICARDO & CO.**
Chartered Accountants

Y. KESHAVAYYA
Partner
Membership Number 25783
Firm Registration No: 107917W
Mumbai, 23rd May, 2011

CASH FLOW STATEMENT for the year ended 31st March, 2011

	Particulars	2010-11 Rupees	2009-10 Rupees
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) after tax	**(173,659)**	(19,036)
	Adjustments for :		
	Interest Received	-	-
	Depreciation	-	-
	Preliminary expenses written off	-	-
	Operating profit before working capital changes	**(173,659)**	(19,036)
	Changes in :		
	Other receivables	**112,864**	(300,000)
	Trade and other payables	**306,932,429**	17,386,630
	Taxes and Levies	-	-
	Net Cash Flow from Operating Activities	**306,871,634**	17,067,594
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Investments in Fixed Assets / in New Projects	**(305,119,368)**	(8,999,668)
	Interest Received	-	-
	Net Cash Flow from Operating Activities	**1,752,266**	8,067,926
C.	**CASH FLOW FROM FINANCIAL ACTIVITIES**		
	Unsecured Loans Received / (Paid)	-	-
	Net Cash flow from financial activities	-	-
	Net Change in Cash & Cash Equivalents	**1,752,266**	8,067,926
	Cash & Cash Equivalents at the start of the year	**8,075,703**	7,777
	Cash & Cash Equivalents at the end of the year	**9,827,969**	8,075,703

Per our report of even date attached

For **PICARDO & CO.**
Chartered Accountants

Y. KESHAVAYYA
Partner
Membership Number 25783
Firm Registration No: 107917W
Mumbai, 23rd May, 2011

For and on behalf of the Board of Directors

Vivek Nair Director

Dinesh Nair Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule- A		
SHARE CAPITAL		
AUTHORISED:		
10,00,000 (Previous year 10,00,000) Equity Shares of Rs.10 each (Previous year Rs 10) each	**10,000,000**	10,000,000
Total	**10,000,000**	10,000,000
ISSUED, SUBSCRIBED AND PAID-UP:		
Equity Shares		
10,00,000 (Previous year 10,00,000)		
Equity shares of Rs. 10 (Previous year Rs 10) each	**10,000,000**	10,000,000
(Entire shares are held by Holding company)		
Total	**10,000,000**	10,000,000

Schedule - B
FIXED ASSETS

Rupee

ASSETS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION				NET BLOCK	
	1st April, 2010	Additions during the year	Deductions during the year	As at 31st March, 2011	As on 1st April, 2010	For the year	Deductions during the year	Up to 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land	88,271,004	300,954,428	-	**389,225,432**	-	-	-	-	**389,225,432**	88,271,004
Total	**88,271,004**	**300,954,428**	-	**389,225,432**	-	-	-	-	**389,225,432**	**88,271,004**
Previous year	79,271,336	8,999,668	-	88,271,004	-	-	-	-	88,271,004	79,271,336

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Schedule- C		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Cash and Bank Balances		
Cash on Hand	**2,300,000**	-
Cash at Bank - Current Account	**7,527,969**	8,075,703
LOANS AND ADVANCES		
Advance against Land	**2,600,000**	2,600,000
TDS Receivable	-	112,864
Total	**12,427,969**	10,788,567
Schedule- D		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Due to Holding Company	**399,572,192**	94,826,078
Other Liabilities	**16,545**	11,030
TDS Payable	**2,180,800**	-
Total	**401,769,537**	94,837,108

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

Schedule - E		
ADMINISTRATIVE AND OTHER EXPENSES:		
Bank Charges	**4,700**	5,406
Filing Fees	**6,550**	2,600
Professional Charges	**33,000**	-
Auditor's Remuneration	**16,545**	11,030
Sundry Balances written off	**112,864**	-
Total	**173,659**	19,036

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE: F

Notes to Accounts:

1. **Significant Accounting Policies:**

a) Convention:

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

b) Use of Estimates:

The preparation of financial statement requires 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 provisions for doubtful debts, employee benefits, 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 incurred incidental to the installation of assets and attributable borrowing costs.

d) Depreciation:

Depreciation on fixed assets are provided under written down value method as per the rates prescribed under Schedule XIV of 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 on 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 relatable to the unabsorbed losses have not been recognized in the accounts, as measure of prudence, as per the requirement of the said Standard.

2. **Computation of Earning Per Share (EPS) – Face value of Rs.10 each**

	2010-11	2009-10
Profit / (Loss) Before Taxation	**(1,73,659)**	(19,036)
Weighted Average no. of Equity Shares	**10,00,000**	10,00,000
EPS (Basic& Diluted)	**(0.17)**	(0.02)
Cash Profit attributable to Equity Shareholders	**(1,73,659)**	(19,036)
Cash EPS	**(0.17)**	(0.02)

3. **Related Parties disclosure:**

Sr. No.	**Description of relationship**	**Name of the Related Party**
A	Key Management Personnel	1. Capt. C P Krishnan Nair 2. Mr. Vivek Nair 3. Mr. Dinesh Nair 4. Mr. Venu Krishnan
B	Enterprises in which the key managerial personnel exercises significant influence	1. Hotel Leelaventure Limited 2. Leela Lace Holdings Pvt Ltd 3. Leela Realty Limed 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 Industires 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. Relators Pvt. Ltd. 19. Leela Lace Estates Pvt. Ltd.
C	Related Party having control	1. Hotel Leelaventure Limited (Holding Company)

4. Transactions carried out with related parties referred in 1 above

Advance received from Holding Company	Rs. 3,995.72 lacs (P.Y. Rs. 948.26 lacs)

5. During the year, the Company has changed its name from Iskon Estates Private Limited to Leela Palaces And Resorts Private Limited and subsequently converted into Limited Company for which fresh certificates have been obtained from Registrar of Companies.

6. Previous year's figures have been regrouped wherever necessary.

Schedule referred to herein form an integral part of the Balance Sheet

Per our report of even date attached
For **PICARDO & CO.**
Chartered Accountants

Y. KESHAVAYYA
Partner
Membership Number 25783
Firm Registration No: 107917W
Mumbai, 23rd May, 2011

For and on behalf of the Board of Directors

Vivek Nair Director
Dinesh Nair Director

PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	134480	State Code	55
Balance Sheet Date	31 (Date) 03 (Month) 2011 (Year)		

II Capital Raised During the Year (Amount in Rs. Thousands)

Pubic Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	10000	Total Assets	10000
Sources of Funds			
Paid up Capital	10000	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	393390	Investments	NIL
Net Current Assets	(389341)	Misc. Expenditure	NIL
Accumulated losses	5951		

IV Performance of Company (Amount in Rs. Thousands)

Turnover	NIL	Total Expenditure	174
	+ –		+ –
Profit/Loss Before Tax	✓ (174)	Profit/Loss(-) After Tax	(174)
Earnings Per Share in Rs.	(0.17)	Dividend Rate %	NIL

V Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	NOT APPLICABLE
Product Description	HOTELIERING

For and on behalf of the Board of Directors

Vivek Nair Director

Dinesh Nair Director

Mumbai, 23rd May, 2011