

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2001

Your Directors submit their Report and Accounts for the financial year ended 31st March, 2001.

Financial Performance

During the year under review, your Company earned a gross income of Rs. 1950.80 lacs and has suffered a net loss of Rs. 1735.96 lacs after providing for depreciation.

Share Capital

During the year under review, ITC Limited acquired 70% of the Equity capital in your Company from International Travel House Limited. As a result, your Company and its eight subsidiary companies viz., Aravali Golf Estates Limited, Oasis Golf Estates Limited, Manesar Estates Limited, Gangani Estates Limited, Kota Estates Limited, B.J. Estates Limited, B.L. Estates Limited and V.P. Estates Limited, became subsidiaries of ITC Limited and ceased to be subsidiaries of International Travel House Limited.

Amalgamation

The said eight subsidiaries were amalgamated with your Company vide order of the Hon'ble High Court of Delhi passed on 29th March, 2001 with retrospective effect from 1st April, 2000, and consequently, they were dissolved without being wound up.

Projects

Classic Golf Resort

The twenty seven hole Jack Nicklaus golf course at the Classic Golf Resort continues to be recognised as one of the finest courses in South East Asia and the best in India. During the year under review, several prestigious tournaments were held at the Classic Golf Resort, the most significant being the Wills Indian Open (prize money : US\$ 3,00,000), Xerox Open, Business Today ProAm, etc.

The details of the proposed resort hotel and golf villas projects at the Classic Golf Resort are under finalisation.

The Laburnum

Out of the 263 residential units in the Laburnum complex, possession for 246 residential units which include independent villas and penthouses has already been offered. The seventeen centrally air conditioned apartments are expected to be ready for possession soon. The Laburnum complex continues to be rated as one of the best residential complexes in North India and is comparable to the best in Hongkong and Singapore.

Directors

During the year under review Mr. Kanwal Kant Malhotra resigned from the Board of the Company. The Board records its appreciation of the services rendered by Mr. Kanwal Kant Malhotra during his tenure as a director of the Company.

Mr. M. Riaz Ahmed and Mr. Rajiv Tandon, were appointed as Additional Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 92 of the Articles of Association of the Company they would vacate office at the forthcoming Annual General Meeting, and

being eligible offer themselves for re-appointment.

In accordance with Articles 106 and 107 of the Articles of Association of the Company, Mr. Vijay Bhati will retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

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

- a) in the preparation of annual accounts under review the applicable accounting standards had been followed;
- b) appropriate accounting policies were selected and applied consistently and reasonable and prudent judgements and estimates were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review and of the profit or loss of the Company for that period;
- c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts are prepared on a going concern basis. The required disclosure and significant accounting policies followed are appearing in Schedules 20 and 21 respectively, in the annual accounts.

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 Company does not fall under the List of Industries furnished in Form 'A' of the Rules and therefore, Clause A of Rule 2 does not apply.
- (b) Technology Absorption
The provisions of Clause B of Rule 2 are not attracted as the Company has not imported any technology during the year under review.
- (c) Foreign Exchange Earnings and Outgo
i) Earnings : During the year under review, gross foreign exchange earnings of the Company were Rs. 276.15 lacs.
ii) Outgo : Foreign exchange outgo during the year under review was Rs. 15.56 lacs.

Auditors

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

Particulars of Employees

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is annexed.

On behalf of the Board
Pradip Jain
M. Riaz Ahmed
Managing Director
Director

New Delhi, 22nd May, 2001

ANNEXURE TO THE REPORT OF DIRECTORS

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 and forming part of the Report of Directors.

Name	Age (Years)	Designation/ Nature of duties	Gross Remuneration (Rs.)	Qualifications	Experience (Years)	Date of commencement of employment	Previous Employment/ Position Held
Employed throughout the year and was in receipt of remuneration for the year aggregating Rs. 12,00,000/- or more							
Pradip Jain	48	Managing Director	15,31,460	M.A. (Eco) M.S. (Eco, USA) MBA (USA)	23	1.6.92	Industrialist

Employed for a part of the year and was in receipt of remuneration aggregating Rs. 1,00,000/- or more per month
NIL

Notes:

- 1. None of the above employees is related to any Director of the Company.
- 2. All the appointments are Contractual.
- 3. Gross remuneration includes salary, allowances, value of perquisites, Company's contribution to Provident, Pension Fund.

On behalf of the Board
Pradip Jain
M. Riaz Ahmed
Managing Director
Director

New Delhi, 22nd May, 2001

AUDITORS' REPORT TO THE MEMBERS OF LANDBASE INDIA LIMITED

1. We report that we have audited the Balance Sheet of Landbase India Limited as at March 31, 2001 and the relative Profit and Loss Account for the year ended on that date both of which we have signed under reference to this report and the above mentioned accounts are in agreement with the books of account.
2. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon/attached thereto and the Schedule of Significant Accounting Policies give in the prescribed manner the information required by the "The Companies Act, 1956", of India (the 'Act'), and also give respectively, a true and fair view of the state of the Company's affairs as at March 31, 2001 and its Loss for the year ended on that date.
3. In view of the net loss of the Company during the year and the accumulated losses till the balance sheet date, we draw attention to para (v) of the Schedule 20, the Notes to the Accounts regarding the future plans of the Company.
4. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books.
5. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.
6. Based on representations made by all the Directors of the Company and the information and explanations as made available, directors of the company do not prima facie have any disqualification as referred to in clause (g) of sub-section (1) to Section 274 of the Act.
7. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 dated 7th September 1988 issued by the Central Government of India and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
 - 7.1 (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
 - (b) The management physically verifies fixed assets in a phased programme designed during the year to cover all items of fixed assets over a period of three years, which we consider to be reasonable and all material discrepancies noticed during the verification is properly adjusted in the books.
 - 7.2 The fixed assets of the Company have not been revalued during the year.
 - 7.3 The stocks of stores, spare parts, foods and beverages, merchandising stock etc. of the Company have been physically verified by the management at the year end.
 - 7.4 In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - 7.5 The discrepancies noticed on verification between the physical and the book records, which in our opinion were not material, have been properly dealt with in the books of account. In our opinion, the valuation of stocks of finished goods, stores, spare parts and merchandising stock has been fair and proper in accordance with the normally accepted accounting principles in India and is on the same basis as in the earlier year.
 - 7.6 The Company has taken unsecured loan from the body corporate as listed in the register maintained under Section 301 of the Act. The terms and rate of interest are not prejudicial to the interest of the Company. There are no other loans, secured or unsecured, from Companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
 - 7.7 The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
 - 7.8 The Company has given interest free loans to employees who are repaying the principal as per stipulated period. There are no other loans or advances in nature of loans to any other parties.

- 7.9 In our opinion, internal control procedures are adequate to commensurate with the size of the Company and the nature of its business, for purchases of merchandising stock, stores, provisions (food and beverage etc) including plant and machinery, equipment and similar assets and for the sale of merchandising stocks etc and other services.
- 7.10 The Company has not entered into transactions during the year of purchase of any goods, material and sale of goods, material and services etc. made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Act, and aggregating during the year to Rs. 50,000/- or more in value.
- 7.11 The Company has a system of determining unserviceable or damaged stores, merchandising stocks and provisions for the loss, if any, have been made in the accounts.
- 7.12 The Company has not accepted any deposits from the public covered under the directives of the Reserve Bank of India and Section 58A of the Act and the Companies (Acceptance of Deposit) Rules, 1975.
- 7.13 The Company does not have any by-product and scrap.
- 7.14 The Company's internal audit system is commensurate with the size and the nature of its business.
- 7.15 The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Act.
- 7.16 The Company has been regular during the year in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
- 7.17 At the last day of the financial year there were no amounts outstanding in respect of undisputed Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which were due for more than six months from the date they become payable.
- 7.18 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any personal expenses which have been charged to the Profit and Loss Account, nor have we been informed of any such case by the management other than those payable under contractual obligations and/or accepted business practices.
- 7.19 As informed by the management the provision of the Sick Industrial Companies (Special Provision) Act, 1985 are not applicable to the Company.
- 7.20 In respect of services rendered:
 - (a) In our opinion, the Company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials and stores consumed to the relative jobs, commensurate with the size and nature of its business.
 - (b) In our opinion, the Company has a reasonable system of allocating man-hours utilised to the relative jobs commensurate with the size and nature of its business.
 - (c) In our opinion, the Company has a reasonable system of authorisation at proper levels with necessary controls on the issue of stores and the related system of internal control of the Company is commensurate with the size of the Company and nature of its business.
- 7.21 In respect of trading activities, damaged goods have been determined pursuant to the Company's laid down procedures and consequential adjustments have been made in the accounts.

Kaushek Dutta
Partner
For and on behalf of
Lovelock & Lewes
Chartered Accountants

New Delhi, 22nd May, 2001

BALANCE SHEET AS AT 31ST MARCH, 2001

I. SOURCES OF FUNDS	Schedule	As at 31st March, 2001		As at 31st March, 2000	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
1. Shareholders' Funds					
a) Share Capital	1		4,00,00,000		4,00,00,000
b) Reserves and Surplus	2		22,04,133		22,04,133
2. Loan Funds					
a) Secured Loans	3	12,48,70,915		46,46,55,838	
b) Unsecured Loans	4	68,82,845	13,17,53,760	2,19,55,789	48,66,11,627
TOTAL			17,39,57,893		52,88,15,760
II. APPLICATION OF FUNDS					
1. Fixed Assets	5				
Gross Block		94,06,07,336		75,19,54,670	
Less : Depreciation		12,45,07,409		9,83,16,597	
Net Block		81,60,99,927		65,36,38,073	
Capital Work-in-Progress		92,26,235	82,53,26,162	1,58,23,743	66,94,61,816
2. Project Expenditure Pending Allocation	6		1,77,54,232		1,91,97,091
3. Investments	7		—		3,03,420
4. Current Assets, Loans and Advances					
a) Inventories	8	3,37,16,466		3,84,12,587	
b) Sundry Debtors	9	74,33,105		3,22,58,553	
c) Cash and Bank Balances	10	4,59,50,160		4,48,14,745	
d) Other Current Assets	11	27,62,515		1,77,02,907	
e) Loans and Advances	12	3,76,82,809		24,25,72,793	
		12,75,45,055		37,57,61,585	
Less : Current Liabilities and Provisions					
a) Liabilities	13	1,00,13,35,570		56,37,56,499	
b) Provisions	14	19,76,994		17,53,869	
Net Current Assets			(87,57,67,509)		(18,97,48,783)
5. Miscellaneous Expenditure (To the extent not written off or adjusted)					
Preliminary Expenses			1,02,010		81,420
6. Profit and Loss Account			20,65,42,998		2,95,20,796
TOTAL			17,39,57,893		52,88,15,760

NOTES TO THE ACCOUNTS

20
SCHEDULES 1 TO 14, 20 AND 21 REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE BALANCE SHEET.
THIS IS THE BALANCE SHEET REFERRED TO IN OUR REPORT OF EVEN DATE.

For LOVELOCK & LEWES
Chartered Accountants
Kaushik Datta, Partner
New Delhi, 22nd May, 2001

On behalf of the Board

Pradeep Jain Managing Director
M. Riaz Ahmed Director
Vibhor Verma Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2001

I. INCOME	Schedule	For the year ended 31st March, 2001		For the year ended 31st March, 2000	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Income from Apartments		11,09,31,168		49,00,02,166	
Income from Operations	15	6,56,84,771		6,20,17,883	
Income from Advertisement		—		1,95,000	
Other Income	16	1,84,63,904		2,56,15,976	
		19,50,79,843		57,78,31,025	
II. EXPENDITURE					
Raw Material, Merchandising etc. Consumed and Expenditure incurred on Construction	17	13,18,83,518		41,56,38,507	
Financial Expenses	18	8,85,30,092		7,11,10,026	
Operating and Administrative Expenses	19	11,61,35,688		9,14,71,037	
Depreciation on Fixed Assets		3,20,86,535		3,47,71,392	
		36,86,35,833		61,29,90,962	
III. PROFIT					
Profit/(Loss) Before Taxation		(17,35,55,990)		(3,51,59,937)	
Less: Provision for Taxation (Provision in respect of earlier year Rs. 28,195/- Previous year Rs. 1,68,879/-)		28,195		1,68,879	
Add: Excess provision written back		33,526		—	
Less: Provision for Wealth Tax		45,000		50,000	
Profit/(Loss) after Taxation		(17,35,95,659)		(3,53,78,816)	
Profit/(Loss) Brought Forward		(3,29,47,339)		58,58,020	
Profit/(Loss) Carried Forward		(20,65,42,998)		(2,95,20,796)	

NOTES TO THE ACCOUNTS

20
SCHEDULES 15 TO 20 REFERRED TO ABOVE FORM AN INTEGRAL PART OF THE PROFIT AND LOSS ACCOUNT.
THIS IS THE PROFIT AND LOSS ACCOUNT REFERRED TO IN OUR REPORT OF EVEN DATE.

For LOVELOCK & LEWES
Chartered Accountants
Kaushik Datta, Partner
New Delhi, 22nd May, 2001

On behalf of the Board

Pradeep Jain Managing Director
M. Riaz Ahmed Director
Vibhor Verma Company Secretary

SCHEDULES TO THE BALANCE SHEET

1. SHARE CAPITAL

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
AUTHORISED				
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000		
ISSUED, SUBSCRIBED AND PAID UP				
40,00,000 Equity Shares of Rs. 10/- each, fully paid up	4,00,00,000	4,00,00,000		
[Out of the above 28,00,000 Equity Shares (Previous Year 28,00,000 Equity Shares) are held by the Holding Company ITC Limited (Previous Year held by International Travel House Ltd.)]	4,00,00,000	4,00,00,000		

2. RESERVES AND SURPLUS

General Reserves				
At the commencement of the year			22,04,133	22,04,133
			<u>22,04,133</u>	<u>22,04,133</u>

3. SECURED LOANS

From Banks				
- Term Loans				11,00,00,000
- Cash Credit			48,70,915	39,60,489
From Others			12,00,00,000	35,06,95,349
			<u>12,48,70,915</u>	<u>46,46,55,838</u>

- The Term Loans are secured by a charge over receivables, both present and future and pari-passu equitable mortgage of land and building.
- Cash Credit Limit is secured by hypothecation of stock and receivables.
- Loans from others are secured by a charge on receivables and equitable mortgage of land.

4. UNSECURED LOANS

From Others			68,82,845	2,19,55,789
			<u>68,82,845</u>	<u>2,19,55,789</u>

5. FIXED ASSETS (At cost)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April, 2000	Additions	Withdrawals	As at 31st March, 2001	As at 1st April, 2000	For the year	Withdrawals	As at 31st March, 2001	As at 31st March, 2001	As at 31st March, 2000
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Land (Freehold)**	2,05,33,509	18,24,15,357	—	20,29,48,866	—	—	—	—	20,29,48,866	2,05,33,509
Buildings*	22,98,02,035	5,14,574	—	23,03,16,609	98,15,584	45,63,285	—	1,43,78,869	21,59,37,740	21,99,86,541
Plant and Machinery	23,79,71,584	11,99,638	1,16,05,247	22,75,65,975	3,63,14,117	1,20,26,613	56,96,284	4,26,44,446	18,49,21,529	20,16,57,467
Golf Course	20,99,71,161	1,57,56,876	—	22,57,28,037	2,66,26,887	1,03,46,831	—	3,69,73,718	18,87,54,319	18,33,44,274
Office & Other Equipment	70,46,236	3,68,225	86,878	73,27,583	15,89,855	3,26,844	22,568	18,94,131	54,33,452	54,56,381
Furniture and Fixtures	1,60,72,026	1,95,414	—	1,62,67,440	1,24,07,943	5,91,747	—	1,29,99,690	32,67,570	36,64,083
Computers	56,71,273	2,21,401	—	58,92,674	31,20,399	9,75,839	—	40,96,238	17,96,436	25,50,874
Vehicles	81,70,761	4,26,785	7,62,195	78,35,351	29,69,336	7,95,733	3,70,536	33,94,533	44,40,818	52,01,425
Golf Carts	1,29,88,488	—	—	1,29,88,488	49,15,757	25,91,876	—	75,07,633	54,80,855	80,72,731
Live Stock	45,500	—	—	45,500	—	—	—	—	45,500	45,500
Improvements to Rented/ Leased Premises	36,82,097	8,716	—	36,90,813	5,56,719	61,432	—	6,18,151	30,72,662	31,25,378
	75,19,54,670	20,11,06,986	1,24,54,320	94,06,07,336	9,83,16,597	3,22,80,200	60,89,388	12,45,07,409	81,60,99,927	65,36,38,073
Capital Work-in-Progress	1,58,23,743	72,05,136	1,38,02,644	92,26,235	—	—	—	—	92,26,235	1,58,23,743
TOTAL	76,77,78,413	20,83,12,121	2,62,56,963	94,98,33,571	9,83,16,597	3,22,80,200	60,89,388	12,45,07,409	82,53,26,162	66,94,61,816
Previous Year	74,88,09,667	2,16,01,786	26,33,040	76,77,78,413	6,35,38,719	3,55,51,991	7,74,113	9,83,16,597	66,94,61,816	—

* Buildings include vehicular roads of Rs. 45,95,709/- (Previous Year Rs. 43,45,709/-) being depreciated over the period of five years

Depreciation for the year includes Depreciation transferred to Work in Progress - Rs. 1,93,665/- (Previous year Rs. 7,80,599/-)

** Includes land transferred from subsidiaries under the scheme of amalgamation Rs. 18,24,15,356.50

6. PROJECT EXPENDITURE PENDING ALLOCATION

	As at 31st March, 2001 (Rs.)	As at 31st March, 2000 (Rs.)
Employees' Remuneration and Welfare Expenses	9,25,095	8,46,801
Rent	1,22,535	1,22,535
Rates and Taxes	8,241	8,241
Travelling and Conveyance	80,649	80,649
Vehicle Maintenance	23,454	23,454
Communication Expenses	28,110	28,110
Electricity and Water Expenses	4,548	4,548
Insurance	6,658	6,658
Repair and Maintenance - Others	5,79,099	4,74,351
Business Promotion	23,018	23,018
Printing and Stationery	31,329	31,329
Legal and Professional Fees	26,16,543	26,16,543
Management Fee	5,902	5,902
Advertisement and Sales Promotion	37,742	37,742
Technical Know-how Fee	1,48,93,619	1,45,65,289
Interest	2,13,546	2,13,546
Lease Rental	40,577	40,577
Depreciation	22,583	22,583
Miscellaneous Expenses	45,215	45,215
	<u>1,97,08,463</u>	<u>1,91,97,091</u>
Less : Transferred to Fixed Assets	19,54,231	—
	<u>1,77,54,232</u>	<u>1,91,97,091</u>

7. INVESTMENTS (At Cost)

UNQUOTED - LONG TERM (Contd.)	As at		As at	
	31st March, 2001 (Rs.)	(Rs.)	31st March, 2000 (Rs.)	(Rs.)
b) OTHER INVESTMENTS				
Total Sports Concepts Limited	5,00,000		5,00,000	
50,000 Equity Shares of Rs. 10/- each fully paid				
Less : Provision for diminution in value of investment	5,00,000	—	5,00,000	—
				<u>3,03,420</u>

* The Subsidiary Companies have been amalgamated with the Company. (Refer Note 1 of Schedule 20)

8. INVENTORIES

Merchandising stock	24,51,717	31,98,645
Land - At Cost	1,90,71,127	1,90,89,144
Food and Beverage Stock - At Cost	41,42,611	50,92,055
Stores and Spares - At Cost	61,21,636	60,95,551
Work in Progress - At Cost *	19,29,375	49,37,192
	<u>3,37,16,466</u>	<u>3,84,12,587</u>

* Includes material at site Rs. 19,29,375/- Previous Year Rs. 33,97,815/-

7. INVESTMENTS (At Cost)
UNQUOTED - LONG TERM

a) Subsidiary companies* :		
Manesar Estates Limited	—	1,200
120 Equity Shares of Rs. 10/- each, fully paid		
Gangani Estates Limited	—	1,200
120 Equity Shares of Rs. 10/- each, fully paid		
Aravali Golf Estates Limited	—	50,200
5,020 Equity Shares of Rs. 10/- each, fully paid		
Oasis Golf Estates Limited	—	50,200
5,020 Equity Shares of Rs. 10/- each, fully paid		
Kota Estates Limited	—	50,020
5,002 Equity Shares of Rs. 10/- each, fully paid		
B. J. Estates Limited	—	50,200
5,020 Equity Shares of Rs. 10/- each, fully paid		
B. L. Estates Limited	—	50,200
5,020 Equity Shares of Rs. 10/- each, fully paid		
V. P. Estates Limited	—	50,200
5,020 Equity Shares of Rs. 10/- each, fully paid		

9. SUNDRY DEBTORS

(Unsecured - Considered Good)				
Debts outstanding for a period exceeding six months	2,36,220		5,13,326	
Other Debts	71,96,885		3,17,45,227	
	<u>74,33,105</u>		<u>3,22,58,553</u>	
(Unsecured - Considered Doubtful)				
Debts for a period exceeding six months	59,097		1,54,606	
	<u>74,92,202</u>		<u>3,24,13,159</u>	
Less : Provision for doubtful debts	59,097	74,33,105	1,54,606	3,22,58,553
		<u>74,33,105</u>		<u>3,22,58,553</u>

SCHEDULES TO THE BALANCE SHEET (Contd.)

	As at 31st March, 2001 (Rs.)		As at 31st March, 2000 (Rs.)	
0. CASH AND BANK BALANCES				
Cash and Cheques on hand		16,84,480		1,51,93,615
With Scheduled Banks				
- in Current Accounts		4,38,56,913		1,39,48,331
- in Dividend Account (Including interest)		292		—
- in Fixed Deposits *		1,79,967		1,54,40,775
- Margin money deposit		2,28,508		2,32,024
		<u>4,59,50,160</u>		<u>4,48,14,745</u>
*(Including Rs. Nil (Previous Year Rs. 1,50,00,000) pledged with Bank)				
1. OTHER CURRENT ASSETS				
(Unsecured - Considered Good)				
Interest Accrued on				
Fixed Deposits/Others		27,62,515		1,77,02,907
		<u>27,62,515</u>		<u>1,77,02,907</u>
2. LOANS AND ADVANCES				
(Unsecured, considered good)				
Loans to Subsidiaries*		—		20,13,45,174
Advances recoverable in cash or in kind or for value to be received				
Considered good		2,85,96,352		3,23,39,280
Considered doubtful		36,68,318		16,15,366
		<u>3,22,64,670</u>		<u>3,39,54,646</u>
Less : Provision for doubtful advances		36,68,318		2,85,96,352
Security Deposits		81,23,919		81,94,057
Advance Tax (Net of Provision)		9,62,538		6,94,282
		<u>3,76,82,809</u>		<u>24,25,72,793</u>
* The Subsidiary Companies have been amalgamated with the Company (Refer Note 1 of Schedule 20)				
3. CURRENT LIABILITIES				
Sundry Creditors				
- Due to Small Scale Industries		—		—
- Others		50,95,83,742		51,80,66,883
Other Liabilities		1,18,41,033		71,22,206
Unclaimed Dividend		292		255
Payments received against				
Golf Membership		3,99,10,503		3,85,67,155
Payments received under agreement to sell *		44,00,00,000		—
* Secured by mortgage of land of the Company				
		<u>1,00,13,35,570</u>		<u>56,37,56,499</u>
PROVISIONS				
Provision for Leave Encashment		5,34,216		4,05,207
Provision for Gratuity		14,42,778		13,48,662
		<u>19,76,994</u>		<u>17,53,869</u>
SCHEDULES TO THE PROFIT & LOSS ACCOUNT				
INCOME FROM OPERATIONS				
Membership Fee		2,60,92,270		2,48,41,510
Food and Beverage		1,09,44,276		87,01,487
Sale of Merchandising Items		37,37,082		43,50,457
Caddie Rental		30,20,075		25,62,225
Cart Rental		38,39,850		37,05,468
Green Fee		90,43,071		78,41,718
Health Club and Other Facilities		9,63,352		9,40,703
Tent Income		27,84,795		25,17,482
Sponsorship Income		10,50,000		19,00,000
Management Fee		42,10,000		46,56,833
		<u>6,56,84,771</u>		<u>6,20,17,883</u>
OTHER INCOME				
Interest received				
- On Fixed Deposits*		10,19,842		15,47,461
- Others*		28,96,380		1,44,90,702
Foreign Exchange Fluctuation		533		22,181
Miscellaneous Receipts		1,45,47,149		95,55,632
*(Tax deducted at source Rs. 4,54,224/- Previous year Rs. 602,230/-)				
		<u>1,84,63,904</u>		<u>2,56,15,976</u>

	For the year ended 31st March, 2001 (Rs.)		For the year ended 31st March, 2000 (Rs.)	
17. RAW MATERIALS, MERCHANDISING, ETC. CONSUMED AND EXPENDITURE INCURRED ON CONSTRUCTION				
1) Raw Material				
Opening Stock		50,92,055		36,89,423
Add : Purchases		52,44,475		63,57,216
		<u>1,03,36,530</u>		<u>1,00,46,639</u>
Less : Closing Stock		41,42,611		50,92,055
		<u>61,93,919</u>		<u>49,54,584</u>
2) Merchandising				
Opening Stock		31,98,645		21,16,388
Add : Purchases		17,41,438		37,28,972
		<u>49,40,083</u>		<u>58,45,360</u>
Less : Closing Stock		24,51,717		31,98,645
		<u>24,88,366</u>		<u>26,46,715</u>
3) Work in Progress				
Opening Balances		49,55,209		12,09,28,138
Add : Expenses during the year				
Construction and				
Development Expenses		7,36,99,415		20,60,85,483
Salaries, Wages and Bonus		32,14,519		57,68,692
Contribution to Provident and Other Funds		1,73,813		5,37,860
Welfare Expenses		7,06,783		11,74,558
Rent		—		12,91,160
Rates and Taxes		20,32,962		20,66,075
Travelling and Conveyance		9,73,109		19,83,416
Vehicle Maintenance		5,71,070		24,15,399
Communication Expenses		4,42,745		7,98,784
Electricity and Water Expenses		99,345		9,83,544
Insurance		13,653		3,98,860
Repair and Maintenance				
- Others		2,98,459		8,69,781
Business Promotion		1,68,374		6,61,902
Printing and Stationery		1,27,633		10,29,670
Legal and Professional Charges		90,46,919		1,19,04,770
Advertisement and Publicity		—		98,339
Lease Rental/Hire Charges		83,04,405		15,37,453
Brokerage & Commission		11,16,026		13,30,006
External Development Charges		—		3,97,40,938
Rebate		2,89,209		91,00,698
Depreciation		1,93,665		7,80,599
Miscellaneous Expenses		1,87,03,295		15,06,292
		<u>12,51,30,608</u>		<u>41,29,92,417</u>
Less : Closing Balance		19,29,375		12,32,01,233
		<u>13,18,83,518</u>		<u>40,80,37,208</u>
18. FINANCIAL EXPENSES				
Interest Paid				
- To Banks				
- On Term Loans		4,44,76,362		4,88,69,252
- On Others		15,37,468		4,60,13,830
- To Others*		—		13,30,307
		<u>4,25,16,262</u>		<u>5,01,99,559</u>
		<u>8,85,30,092</u>		<u>2,09,10,467</u>
*Includes Interest amounting to Rs. 61,11,162/- pertaining to Previous years.				
19. OPERATING AND ADMINISTRATIVE EXPENSES				
Salaries, Wages and Bonus		2,17,47,085		2,01,09,140
Contribution to Provident and Other Funds		15,76,682		11,83,966
Welfare Expenses		52,16,518		2,85,40,285
Rent		48,32,900		49,24,124
Rates and Taxes		11,68,313		24,11,100
Travelling and Conveyance		57,09,830		11,23,571
Vehicle Maintenance		33,43,715		53,22,195
Communication Expenses		25,18,018		26,96,064
Electricity and Water Expenses		86,78,316		24,30,837
Consumption of Stores and Spares		7,29,126		1,09,75,667
Insurance		11,74,874		9,16,679
Repair and Maintenance				11,15,961
- Building		3,60,527		4,95,367
- Plant and Machinery		55,24,675		10,94,337
- Others		37,00,360		95,85,562
Course Maintenance		—		35,40,699
Business Promotion		96,05,514		51,30,403
Printing and Stationery		16,21,684		39,13,859
Auditors' Remuneration		—		21,13,885
- Audit Fee		4,00,000		29,54,846
- Tax Audit Fee		35,000		300,000
- Out of Pocket Expenses		13,250		35,000
Legal and Professional Charges		37,05,003		5,750
Advertisement and Sales Promotion		6,357		3,40,750
Hire Charges		48,83,935		40,95,465
Lease Rentals		65,51,086		17,96,270
Club Promotion Expenses		4,44,268		38,39,315
Provision for diminution in value of Investment		—		66,38,221
Bad Debts written off		1,54,073		6,17,458
Provision for Doubtful Debts/Advances		37,27,415		5,00,000
Sundry Balances written off		77,68,063		1,54,606
Loss on Sale of Fixed Assets		36,56,620		—
Preliminary Expenses written off		23,840		—
Miscellaneous Expenses		46,89,657		7,03,422
		<u>11,61,35,688</u>		<u>54,46,798</u>
				<u>9,14,71,037</u>

SCHEDULES TO THE PROFIT & LOSS ACCOUNT (Contd.)

20. NOTES TO ACCOUNTS

- I. During the year under review, eight subsidiaries of the Company were amalgamated with the Company, with effect from 1st April, 2000, vide the order dated 29th March, 2001 of the Hon'ble High Court of Delhi. The respective figures of the subsidiaries have been grouped under respective heads. Since the current year figures include the operations of eight subsidiaries, the previous year figures are not comparable.
- II. Estimated amount of Contracts remaining to be executed on capital account and not provided for, Rs. NIL (Previous Year Rs. NIL).
- III. Claim against the Company not acknowledged as debts, Rs. 3,74,606/- (Previous Year, Rs. 15,82,61,118/-)
- IV. Bank Guarantee given to Government Authorities, Rs. 2,28,508/- (Previous Year, Rs. 2,28,508/-)
- V. Current liabilities include the following :
 - i) Rs. 44 crores received as advance against agreement to sell in respect of 5 lakh sq.ft. of space rights in the Company's golf course, subject to certain procedural approvals which are in the process of being obtained. Upon implementation of this agreement to sell, along with further land development, significant profits are expected to be realised.
 - ii) Approximately Rs. 33 crores being deposits received from individuals towards golf memberships. These represent long term tradeable memberships which, given the high brand equity of the Company's international class golf course, are unlikely to be surrendered in the near term.

VI. Income from :

	Current Year (Rs.)	Previous Year (Rs.)
Food and Beverage	1,09,44,276	87,01,487
Membership Fee	2,60,92,270	2,48,41,510
Sale of Merchandising	37,37,082	43,50,457
Caddie Rentals	30,20,075	25,62,225
Cart Rentals	38,39,850	37,05,468
Green Fees	90,43,071	78,41,718
Health Club & Other Facilities	9,63,352	9,40,703
Income from Tents	27,84,795	25,17,482
Management Fees	42,10,000	46,56,833
Sponsorship Income	10,50,000	19,00,000

VII) 1) CIF Value of Imports :

	Current Year (Rs.)	Percentage	Previous Year (Rs.)	Percentage
Stores and Spares	5,74,152		13,64,995	

2) Value of consumption of Raw Material and Stores and Spares :

	Current Year (Rs.)	Percentage	Previous Year (Rs.)	Percentage
a) Raw Material - Food & Beverage				
Imported	NIL	—	NIL	—
Indigenous	61,93,919	100	49,54,585	100
	<u>61,93,919</u>	<u>100</u>	<u>49,54,585</u>	<u>100</u>
b) Stores and Spares				
Imported	NIL	—	NIL	—
Indigenous	7,29,126	100	9,16,679	100
	<u>7,29,126</u>	<u>100</u>	<u>9,16,679</u>	<u>100</u>

VIII) Quantitative Details of Merchandising Stock :

	Current Year Unit	(Rs.)	Previous Year Unit	(Rs.)
a) Opening Stock				
Golf Equipments	378	8,65,531	318	8,80,052
Golf Apparels etc.	63,156	23,33,114	10,091	12,36,336
b) Purchases				
Golf Equipments	12	17,597	161	4,28,265
Golf Apparels etc.	12,303	17,23,841	72,031	33,00,707
c) Turnover				
Golf Equipments	28	93,123	101	4,42,786
Golf Apparels etc.	19,769	23,95,243	18,966	22,03,929
d) Closing Stock				
Golf Equipments	362	7,90,005	378	8,65,531
Golf Apparels etc.	55,690	16,61,712	63,156	23,33,114

IX. Earnings in Foreign Currency – Rs. 2,76,15,201/- (Previous Year – Rs. 6,84,52,624/-)

X. Expenditure in Foreign Currency :

	Current Year (Rs.)	Previous Year (Rs.)
Technical Know-how	94,568	57,86,802
Foreign Travel	3,28,511	1,49,255
Consultancy Fees	5,58,823	7,07,102
Stores and Spares	5,74,152	13,64,995

XI. Managing Director's Remuneration :

	Current Year (Rs.)	Previous Year (Rs.)
Salary including Bonus	8,40,000	5,00,404
Other Benefits / Perquisites	6,12,260	2,75,200
Contribution to PF and Other Funds	79,200	53,168

21. SIGNIFICANT ACCOUNTING POLICIES

i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

To prepare financial statements in accordance with the historical cost convention, generally accepted accounting principles and relevant presentational requirements of the Companies Act, 1956.

ii) FIXED ASSETS

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

iii) DEPRECIATION

To provide depreciation in respect of Assets on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956, except for Golf Carts (@ 20%), Tented Accommodation (@ 50%) and Vehicular Roads (@ 20%) which are being depreciated over the life of the Asset.

iv) INVENTORIES

To value Inventories at cost except for Merchandising stock which are valued at cost or realisable market value, whichever is less. Work in Progress is valued at cost which includes all direct and indirect attributable expenses. Cost includes freight and other related incidental expenses.

v) RETIREMENT BENEFITS

To make regular contributions to Statutory Provident and Pension Funds which are charged to revenue. Gratuity and leave encashment is provided on actual liability to the Company.

vi) FOREIGN CURRENCY TRANSACTIONS

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

vii) REVENUE RECOGNITION

1. The revenue of account of sale of land and constructed apartments thereon is accounted for on the basis of percentage completion method on account of agreement to sell entered into with the customers and as certified by Technical Management / Architects of the Company. The profit/loss so derived is based on the total project cost which is inclusive of all estimated costs, contingencies and escalations.
2. i) Corporate membership fee is accounted for over the period of membership.
ii) Entrance fees is accounted for in the year of receipt.
3. Sale of merchandising items are recognised at the time of raising relevant invoices.

viii) INVESTMENTS

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

On behalf of the Board

Pradeep Jain Managing Director
M. Riaz Ahmed Director
Vibhor Verma Company Secretary

New Delhi, 22nd May, 2001

INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

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

Public Issue Rights Issue
Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds :

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds :

Net Fixed Assets* Investments

*including project expenditure pending for allocation

Net Current Assets Misc. Expenditure

Accumulated Losses

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

Turnover* Total Expenditure

*includes other income

Profit/Loss before Tax** Profit/Loss after Tax**

**Please tick the Appropriate box + Profit – Loss

Earning per Share in Rs. Dividend Rate %

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

Item Code No. (ITC Code)
Product Description