



HOTEL LEELAVENTURE LIMITED

Annual Report 2009-10

Serving new India



The Leela Palace, New Delhi at Chanakyapuri

REPORTS AND ACCOUNTS OF SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS OF THE WHOLLY OWNED SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2010

AMIN GROUP HOTEL LIMITED

Registered Office

The Leela, Sahar, Mumbai - 400 059

Directors

Capt. C. P. Krishnan Nair

Mr.Dinesh Nair

Mr.Venu Krishnan

Auditors

M/s.Picardo & Co.

Bankers

Oriental Bank of Commerce

HDFC Bank Limited

ISKON ESTATES PRIVATE LIMITED

Registered Office

A-1/51, Safdarjung Enclave, New Delhi-110029

Directors

Capt. C. P. Krishnan Nair

Mr.Vivek Nair

Mr.Dinesh Nair

Mr.Venu Krishnan

Mr.V.L.Ganesh

Mr. Sachin Shridhar

Auditors

M/s.Picardo & Co.

Bankers

Punjab National Bank

Bank of Baroda

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Members may please note that the Company has received the approval of Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956 vide its letter No.47/519/2010-CL-III dated 08.06.2010 exempting the Company from attaching the Balance Sheet, Profit and Loss Account and other documents of the wholly-owned Subsidiary Companies to its Annual Accounts for the financial year ended 31.3.2010.

The Company shall provide to any member on request the Annual Accounts of the subsidiaries and other related information at any point of time. Copies of the Annual Accounts of the subsidiaries shall be available for inspection by any member at the Registered Office of the Company and its subsidiaries on any working day. The audited accounts of the said subsidiaries have also been uploaded on the web-site of the Company.

DIRECTORS' REPORT

To the Members

AMIN GROUP HOTEL LIMITED

1. Your Directors have pleasure in presenting the Thirty First Annual Report and the audited statement of accounts for the year ended 31st March, 2010 together with the Report of the Auditors thereon.
2. **Accounts:**
The audited Profit & Loss Account and audited Balance Sheet is submitted for adoption by the members.
3. **Operations:**
The Company did not carry out any business operations during the period under review.
4. **Auditors :**
M/s. Picardo & Co. will retire as the Statutory Auditors of the Company at the ensuing Annual General Meeting and eligible for re-appointment for which they have given their consent.
5. **Directorate:**
In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr.Dinesh Nair retires by rotation and being eligible offers himself for re-appointment.
6. **Fixed Deposits:**
The Company not accepted any deposits from the public or from the shareholders.
7. **Conservation of Energy / Technology Absorption / Foreign Exchange Earnings and Outgo:**
As there being no business / commercial operation at present, the above provisions are not applicable to the Company.
8. **Particulars of Employees:**
The Company had no employees of the category specified under Section 217(2A) of the Companies Act, 1956.
9. **Directors' Responsibility Statement:**
Pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, the Directors hereby confirm that:
 - (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
 - (ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010;
 - (iii) The Directors had 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) The Directors had prepared the annual accounts on a going concern basis.
10. **Acknowledgements:**
The Board wish to place on record its appreciation for the continued support and co-operation received from the parent Company, Hotel Leelaventure Limited.

By order of the Board of Directors
For AMIN GROUP HOTEL LIMITED

Capt. C.P. Krishnan Nair
Chairman

Mumbai, 24th May, 2010



AUDITORS' REPORT

To the members of Amin Group Hotel Limited

AMIN GROUP HOTEL LIMITED

We have audited the attached Balance Sheet of AMIN GROUP HOTEL LIMITED, as at March 31, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date 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.

We conducted our audit in accordance with auditing assurance standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, (the Order) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - b. In the case of Profit and Loss Account, of the loss for the year ended on that date;
 - c. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Mumbai, 24th May, 2010

For Picardo & Co.
Chartered Accountants

K.V.Gopalakrishnayya
Partner
Membership No.: 21748

ANNEXURE TO THE AUDITOR'S REPORT

AMIN GROUP HOTEL LIMITED

of even date to the Members of Amin Group Hotel Limited

1. 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 interest free advance of Rs 20,01,245/- which is in the nature of loan from its holding Company. The year end outstanding of the same is Rs 20,01,245/- .
 - (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.
 - (d) 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, 2010 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;
 - (e) 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.
 - (f) 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.
5. As per the information and explanation given to us remaining sub clauses of the Companies (Auditor's Report) Order, 2003, (the Order) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, not applicable to Company for the year under review.

For Picardo & Co.
Chartered Accountants

K.V.Gopalakrishnayya
Partner
Membership No.: 21748

Mumbai, 24th May, 2010



BALANCE SHEET

As at 31st March, 2010

AMIN GROUP HOTEL LIMITED

		Rupees	
	Schedule	As at 31st March 2010	As at 31st March 2009
SOURCES OF FUNDS			
Share Holders Funds			
Share Capital	A	616,000	616,000
Reserves & Surplus - General Reserve (as per last Balance Sheet)	B	104,625	104,625
Total		720,625	720,625
APPLICATION OF FUNDS			
Investments - in Land (at cost)			
		82,932	82,932
Current Assets, Loans and Advances			
Cash at Bank- Current Account		1,481,322	1,481,653
		1,481,322	1,481,653
Less: Current Liabilities and Provisions	C	2,012,275	1,999,295
Net Current Assets		(530,953)	(517,642)
Profit & Loss Account		1,168,646	1,155,335
Total		720,625	720,625
Notes to Accounts	D		

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

Per our report of even date attached

For PICARDO & CO.

Chartered Accountants

K V Gopalakrishnayya

Partner

Membership Number 21748

For and on behalf of the Board of Directors

Capt. C.P. Krishnan Nair

Dinesh Nair

Venu Krishnan

Chairman

Director

Director

Mumbai, 24th May, 2010

PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2010

		Rupees	
	Schedule	Year ended 31st March 2010	Year ended 31st March 2009
INCOME			
Income			
		-	-
Total		-	
EXPENDITURE			
Audit Fees			
		11,030	5,515
Bank Charges		331	12,165
Rates and Taxes		1,950	750
Total		13,311	18,430
PROFIT/(LOSS) BEFORE TAXATION		(13,311)	(18,430)
Provision for Taxation		-	-
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		(13,311)	(18,430)
Balance of Profit/(Loss) carried forward		(1,155,335)	(1,136,905)
Balance of Profit/(Loss) carried forward to Balance Sheet		(1,168,646)	(1,155,335)
Basic and Diluted Earning per share of face value of Rs.10 each		(2.16)	(2.99)
Notes to Accounts	D		

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

Per our report of even date attached

For PICARDO & CO.

Chartered Accountants

K V Gopalakrishnayya

Partner

Membership Number 21748

For and on behalf of the Board of Directors

Capt. C.P. Krishnan Nair

Dinesh Nair

Venu Krishnan

Chairman

Director

Director

Mumbai, 24th May, 2010

CASH FLOW STATEMENT

For the year ended 31st March, 2010

AMIN GROUP HOTEL LIMITED

	Rupees	
	2009-10	2008-09
A CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before taxation and extraordinary items	(13,311)	(18,430)
Adjustments for :		
Loss on sale of Investment	-	-
rest	-	-
Bad Advances written off	-	-
Preliminary & Pre-Operative Expenses written off	-	-
Operating profit / (Loss) before working capital changes	(13,311)	(18,430)
Adjustments for working capital changes:		
Increase / (Decrease) in Other current Liabilities	12,980	6,265
Cash generated from operations	(331)	(12,165)
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	-	-
Purchase of Investments	-	-
Net Cash from / (used) in investing activities	-	-
C CASH FLOW FROM FINANCING ACTIVITIES		
Interest on loan	-	-
Net cash from / (used) in Financing activities	-	-
Summary		
Net cash from / (used) in Operating Activities	(331)	(12,165)
Net Cash from / (used) in investing activities	-	-
Net cash from / (used) in Financing activities	-	-
Net Increase / Decrease in Cash equivalents	(331)	(12,165)
Cash & cash equivalents at the beginning of the year	1,481,653	1,493,818
Cash & cash equivalents at the end of the year	1,481,322	1,481,653
Net Increase / Decrease in Cash equivalents during the year	(331)	(12,165)

Per our report of even date attached
For PICARDO & CO.
Chartered Accountants
K V Gopalakrishnayya
Partner
Membership Number 21748

For and on behalf of the Board of Directors

Capt. C.P. Krishnan Nair	} Chairman	
Dinesh Nair		Director
Venu Krishnan		Director

Mumbai, 24th May, 2010



SCHEDULES FORMING PART OF THE BALANCE SHEET

AMIN GROUP HOTEL LIMITED

Rupees

	Schedule	As at 31st March 2010	As at 31st March 2009
Schedule - A			
SHARE CAPITAL			
AUTHORISED:			
Equity Shares of Rs.100/- each		1,000,000	1,000,000
ISSUED:			
Equity Shares of Rs.100/- each		800,000	800,000
SUBSCRIBED AND PAID-UP:			
Equity Shares of Rs.100/- each (Out of above 6,120 (previous year 6,120))			
Shares are held by the Holding Company		616,000	616,000
Total		616,000	616,000
Schedule - B			
RESERVES & SURPLUS			
GENERAL RESERVE			
As per Last Balance Sheet		104,625	104,625
		104,625	104,625
Schedule - C			
Current Liabilities and Provisions			
Other Liabilities - Liabilities for expenses		11,030	11,133
Advances from Holding Company		2,001,245	1,988,162
Total		2,012,275	1,999,295

SCHEDULES FORMING PART OF THE ACCOUNTS

For the year ended 31st March, 2010

AMIN GROUP HOTEL LIMITED

Schedule - D

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) 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 relating to the unabsorbed losses have not been recognized in the accounts, as a measure of prudence, as per the requirement of the said Standard.

2. Computation of Earning Per Share (EPS) - Face value of Rs.100 Each

	C.Y.	P.Y.
Profit / (Loss) Before Taxation	(13,311)	(18,430)
Weighted Average no. of Equity Shares	6160	6160
EPS	(2.16)	(2.99)

3. The following are the significant transactions with related parties during the year:

Sr No	Description of relationship	Name of the Related Party
1	Key Management Personnel	1. Mr. C P Krishnan Nair
		2. Mr. Dinesh Nair
		3. Mr. Venu Krishnan
2	Enterprises in which the key managerial personnel exercises significant influence	1. Hotel Leelaventure Limited
		2. Leela Lace Holdings Pvt Ltd
3	Related Party having control	1. Hotel Leelaventure Limited (Holding Company)
		Related Party/Enterprises where key management personnel have got significant influence
	Advance received from Holding Company	Rs. 20.01 Lakhs (P.Y. Rs. 19.88 Lakhs)

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

Signatures to Schedule A to D

Per our report of even date attached
For PICARDO & CO.
Chartered Accountants
K V Gopalakrishnayya
Partner
Membership Number 21748

For and on behalf of the Board of Directors

Capt. C.P. Krishnan Nair } Chairman
Dinesh Nair } Director
Venu Krishnan } Director

Mumbai, 24th May, 2010



DIRECTORS' REPORT

To the Members

ISKON ESTATES PRIVATE LIMITED

Your Directors' submit herewith, the Fifth Annual Report with the audited statement of accounts for the financial year ended 31st March, 2010.

1. Financial Results:

During the period the Company has made a loss of Rs.19,036/- as compared to a loss of Rs.7,20,199/- during the previous year.

2. Dividend:

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

3. 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 2010 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 profit or 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 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, 2010 on a 'going concern' basis.

4. Auditors:

The 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.

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 being no business / 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, 2010 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.

Mumbai, 24th May, 2010

On behalf of the Board of Directors
Capt. C.P. Krishnan Nair
Chairman



CIN: U70101DL2005PTC134480

Nominal Capital Rs.100 Lakhs

The Members of
Iskon Estates Private Limited
A-1/51 Safdarjung Enclave
New Delhi-110029

We have examined the registers, records, books and papers of Iskon Estates Private 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 2010. 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, within the time prescribed under the Act and the rules made there under.
- 3) The Company being a Private Limited Company has the minimum prescribed paid up capital and its maximum number of members during the said financial year was 4(four) excluding its present and past employees. The company is a wholly owned subsidiary of Hotel Leelaventure Ltd. The Company during the year under review 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 5 times on 10/04/2009, 27/06/2009, 31/07/2009, 28/10/2009 and 25/01/2010 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.
- 6) The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 19th August 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes.
- 7) No Extra Ordinary General Meeting was held during the Financial Year.
- 8) The provisions of Section 295 of the Act are not applicable as the Company is a private Company.
- 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) During the year under review, no duplicate shares were issued.
- 13)
 - (i) There were no transfers of shares during the financial year.
 - (ii) The Company has not deposited any amount in a separate bank as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) The Company 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, during the financial year.
 - (v) The Company has duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and there was no appointment or resignation of any director during the year under review.
- 15) The provisions of Section 269 of the Act with regard to appointment of Managing Director/Whole-Time-Director/Manager are not applicable.
- 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/C. L. B/ Regional Director for any matter during the financial year under review.
- 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.
- 20) The Company has not bought back any shares during the financial year.
- 21) There was no redemption of preference shares or debentures during the financial year.

- 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 private company, the provisions of Section 293 of the Act is not attracted.
- 25) The Company being a private Company, the provisions of section 372 (A) of the Act is not applicable.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office the Company during the year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 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 not altered its Articles of Association during the financial year.
- 31) There were 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.

V. Sundaram
Practicing Company Secretary
COP-3373

Mumbai, 24th May, 2010

ANNEXURE - A

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

ANNEXURE - B

Forms and e>Returns as filed by the Company with the Registrar of Companies, New Delhi during the Financial Year ended 31/03/2010.

S No	Form No	Section	Purpose	Filing Date	Status
1.	23AC & 23ACA	220	B/S, and P and L A/c	03/09/2009	Approved
2.	20B	159	Annual Return	03/09/2009	Approved
3.	66	383A	Compliance Certificate	03/09/2009	Approved



AUDITORS' REPORT

To the members of Iskon Estates Private Limited

ISKON ESTATES PRIVATE LIMITED

We have audited the attached Balance Sheet of ISKON ESTATES PRIVATE LIMITED, as at March 31, 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date 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.

We conducted our audit in accordance with auditing assurance standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, (the Order) (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books;
- (iii) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - b. In the case of Profit and Loss Account, of the loss for the year ended on that date;
 - c. In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Mumbai, 24th May, 2010

For Picardo & Co.
Chartered Accountants

K.V.Gopalakrishnayya
Partner
Membership No.: 21748

ANNEXURE TO THE AUDITOR'S REPORT

ISKON ESTATES PRIVATE LIMITED

of even date to the Members of ISKON ESTATES PRIVATE LIMITED

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 according to a periodical phased program. 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 noticed have been properly dealt with in the books of account;
- (c) During the year, substantial part of the assets has not been disposed off by the Company.

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. 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 interest free advance of Rs 10 Crores which is in the nature of loan from its holding Company. The year end outstanding of the same is Rs 9,48,26,078/-.
- (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.

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, 2010 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.



ANNEXURE TO THE AUDITOR'S REPORT

ISKON ESTATES PRIVATE LIMITED

of even date to the Members of ISKON ESTATES PRIVATE LIMITED

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.

Mumbai, 24th May, 2010

For Picardo & Co.
Chartered Accountants

K.V.Gopalakrishnayya
Partner
Membership No.: 21748

BALANCE SHEET

As at 31st March, 2010

ISKON ESTATES PRIVATE LIMITED

Rupees

	Schedule	As at 31st March 2010	As at 31st March 2009
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	10,000,000	10,000,000
TOTAL		10,000,000	10,000,000
APPLICATION OF FUNDS			
Fixed Assets			
Net Block	B	88,271,004	79,271,336
Current Assets, Loans and advances			
Cash and Bank balances	C	8,075,703	7,777
Loans and Advances		2,712,864	2,412,864
		10,788,567	2,420,641
Less: Current Liabilities and Provisions	D	94,837,108	77,450,478
Net Current Assets		(84,048,541)	(75,029,837)
Profit and Loss Account		5,777,357	5,758,501
TOTAL		10,000,000	10,000,000
Notes to the Accounts	G		

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

Per our report of even date attached

For **PICARDO & CO.**

Chartered Accountants

K V Gopalakrishnayya

Partner

Membership Number 21748

For and on behalf of the Board of Directors

Vivek Nair } Director
Dinesh Nair } Director

Mumbai, 24th May, 2010

PROFIT AND LOSS ACCOUNT

For the year ended 31st March, 2010

Rupees

	Schedule	Year ended 31st March 2010	Year ended 31st March 2009
INCOME			
Sales/Services rendered and other Income	E	-	547,877
Total		-	547,877
EXPENDITURE			
Administrative and Other expenses	F	19,036	1,231,482
Total		19,036	1,231,482
Profit Before Depreciation		(19,036)	(683,606)
Depreciation		-	36,593
PROFIT BEFORE TAX		(19,036)	(720,199)
PROFIT AFTER TAX		(19,036)	(720,199)
Balance brought forward		(5,758,501)	(5,038,302)
Amount available for Appropriation		(5,777,537)	(5,758,501)
APPROPRIATIONS			
Balance carried forward to Balance Sheet		(5,777,537)	(5,758,501)
Basic and Diluted Earning per share of Rs.10 each		(0.02)	(0.72)
Notes to the Accounts	G		

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

Per our report of even date attached

For **PICARDO & CO.**

Chartered Accountants

K V Gopalakrishnayya

Partner

Membership Number 21748

For and on behalf of the Board of Directors

Vivek Nair } Director
Dinesh Nair } Director

Mumbai, 24th May, 2010



CASH FLOW STATEMENT

For the year ended 31st March 2010

ISKON ESTATES PRIVATE LIMITED

	Rupees	
	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after tax	(19,036)	(720,199)
Adjustments for :		
Interest Received	-	(547,877)
Depreciation	-	36,593
Preliminary expenses written off	-	2,024
Operating profit before working capital changes	(19,036)	(1,229,459)
Changes in :		
Other receivables	(300,000)	(1,412,864)
Trade and other payables	17,386,630	77,439,391
Taxes and Levies		(35,220)
Net Cash Flow from Operating Activities	17,067,594	74,761,848
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investments in Fixed Assets / in New Projects	(8,999,668)	(1,274,000)
Interest Received	-	547,877
Net Cash Flow from Operating Activities	8,067,926	74,035,725
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Unsecured Loans Received / (Paid)	-	(74,681,734)
Net Cash flow from financial activities	-	(74,681,734)
Net Change in Cash & Cash Equivalents	8,067,926	(646,009)
Cash & Cash Equivalents at the start of the year	7,777	653,786
Cash & Cash Equivalents at the end of the year	8,075,703	7,777

Per our report of even date attached
For PICARDO & CO.
Chartered Accountants
K V Gopalakrishnayya
Partner
Membership Number 21748

For and on behalf of the Board of Directors

Vivek Nair } Director
Dinesh Nair } Director

Mumbai, 24th May, 2010

SCHEDULE FORMING PART OF THE BALANCE SHEET

ISKON ESTATES PRIVATE LIMITED

Rupees

	As at 31st March 2010	As at 31st March 2009
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
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 (Entire shares are held by Holsing company)	10,000,000	10,000,000
Total	10,000,000	10,000,000

Schedule - B

FIXED ASSETS

Rupees

ASSETS	GROSS BLOCK - AT COST				DEPRECIATION				NET BLOCK	
	1st April, 2009	Additions during the year	Deductions during the year	As at 31st March, 2010	As on 1st April,2009	For the year	Deductions during the year	Up to 31st March, 2010	As at 31st March, 2010	As at 31st March, 2009
Land	79,271,336	8,999,668	-	88,271,004	-	-	-	-	88,271,004	79,271,336
Total	79,271,336	8,999,668	-	88,271,004	-	-	-	-	88,271,004	79,271,336
previous year	78,045,246	1,274,000	-	79,319,246	11,317	36,593	-	47,910	79,271,336	

Rupees

	As at 31st March 2010	As at 31st March 2009
Schedule- C		
CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Cash and Bank Balances		
Cash on Hand	-	-
Cash at Bank - Current Account	8,075,703	7,777
LOANS AND ADVANCES		
Advance against Land	2,600,000	2,300,000
TDS Receivable	112,864	112,864
Total	10,788,567	2,420,641
Schedule- D		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Due to Holding Company	94,826,078	77,439,448.00
Other Liabilities	11,030	11,030
Total	94,837,108	77,450,478
Schedule - E		
OTHER INCOME		
Interest from banks (Tax deducted at source current year Nil previous year Rs. 1,12,864)	-	547,877
Total	-	547,877



SCHEDULE FORMING PART OF THE ACCOUNTS

For the year ended 31st March, 2010

ISKON ESTATES PRIVATE LIMITED

	Rupees	
	As at	As at
	31st March 2010	31st March 2009
Schedule - F		
1. ADMINISTRATIVE AND OTHER EXPENSES:		
Accounting Charges	-	6,500
Bank Charges	5,406	45,739
Commission Expenses	-	937,550
Filing Fees	2,600	-
Miscellaneous Expenses	-	26,948
Preliminary Expenses written off	-	2,024
Professional Charges	-	174,000
Tour and Travelling Expenses	-	27,691
Auditor's Remuneration	11,030	11,030
Total	19,036	1,231,482

Schedule : G

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 relating 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	2009
Profit / (Loss) Before Taxation	(19,036)	(7,20,199)
Weighted Average no. of Equity Shares	10,00,000	10,00,000
EPS (Basic & Diluted)	(0.02)	(0.72)
Cash Profit attributable to Equity Shareholders	(19,036)	(6,83,606)
Cash EPS	(0.02)	(0.68)

SCHEDULE FORMING PART OF THE ACCOUNTS

For the year ended 31st March, 2010

ISKON ESTATES PRIVATE LIMITED

3. Related Parties disclosure:

Sr No	Description of relationship	Name of the Related Party
A	Key Management Personnel	1. Mr. C P Krishnan Nair
		1. Mr. Vivek Nair
		2. Mr. Dinesh Nair
		3. Mr. Venu Krishnan
		4. Mr. V. L. Ganesh
B	Enterprises in which the key managerial personnel exercises significant influence	1. Hotel Leelaventure Limited
		2. Leela Lace Holdings Pvt Ltd
		3. Amin Group Hotel Limed
		4. Leela Lace Software Soutions Pvt.Ltd.
		5. Rocfort 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 above.

Advance received from Holding Company Rs. 9.48 crores (P.Y. Rs. 7.74 crores)

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

Signatures to Schedule A to G
Per our report of even date attached
For **PICARDO & CO.**
Chartered Accountants
K V Gopalakrishnayya
Partner
Membership Number 21748

For and on behalf of the Board of Directors
Vivek Nair } Director
Dinesh Nair } Director

Mumbai, 24th May, 2010





Hon'ble President of India, Smt. Pratibha Patil conferring the Padma Bhushan to Capt. C. P. Krishnan Nair in New Delhi on 31st March 2010 in recognition for his contribution to the society.



Capt. C. P. Krishnan Nair receiving the prestigious Hotelier of the Century Award in Belgrade from Mr. Ghassan Aidi, President, International Hotel & Restaurant Association.



BOOK-POST

To,

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HOTEL LEEAVENTURE LIMITED

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