

# Ecomotel Hotel Limited

## Directors' Report

To,  
The Members of  
Ecomotel Hotel Limited

### 1. Report

Your Directors are pleased to present the 2<sup>nd</sup> Annual Report together with the Audited Accounts for the financial year ended March 31, 2010.

### 2. Financial Information

(Rs. In Lacs)

	Year Ended March 31, 2010	Period Ended March 31, 2009
Income from Operations	0.00	0.00
Profit/(Loss) before Depreciation & Tax	(149.88)	(2.16)
Depreciation	0.27	0.00
Profit / (Loss) for the year	(150.15)	(2.16)
Provision for Taxation	0.00	0.00
Profit / (Loss) after Taxation	(150.15)	(2.16)
Add: Balance of Profit / (Loss) brought forward from last year	(2.16)	0.00
Balance of Profit / (Loss) carried forward to next year.	(152.31)	(2.16)

### 3. Dividend

Your directors do not recommend any dividend on equity shares for the financial year ended March 31, 2010.

### 4. Operations and Future outlook

Ecomotel Hotel Limited is setting up the Mercure Hotel at Lavasa. This 133 room budget hotel will be operated by the Accor Group. The Mercure assures the traveller the comfort of a luxury hotel at an affordable cost. Each Mercure hotel has its own personality and the hospitality know-how of the group makes every guest's stay unique, warm and individual. Construction is ongoing and the hotel is slated to open in June 2010.

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Registered Office:

**Ecomotel Hotel Limited**

Hincon House, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.

Tel: +91 22 4025 6400 Fax: +91 22 4025 6889

[www.lavasa.com](http://www.lavasa.com)

## 5. Directors

Mr. Vithal P. Kulkarni, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## 6. Particulars of Employees and other additional information

As required by Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, a statement of information relating to the employees has been given in the Annexure I forming part of this Report.

## 7. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report on the Board of Directors) Rules, 1988 is not applicable to your Company.

Details of Foreign Exchange Earnings and Outgo is as follows :-

Income in Foreign Exchange	Nil
Expenditure in Foreign Exchange	Rs. 67.29 lacs

## 8. Directors' Responsibility Statement

The Board of Directors of your Company confirms that:

- in the preparation of your Accounts, the applicable accounting standards have been followed and there has been no material departure;
- the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of loss of the Company for the period ended on that date;
- that proper and sufficient care has been 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;
- the Annual Accounts have been prepared on a going concern basis.

#### 9. Auditors

The Auditors of your Company, M/s K.S. Aiyar & Co., Chartered Accountants, Mumbai, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with the limits specified under Section 224(1-B) of the Companies Act, 1956.

#### 10. Auditors' Report

The Auditors' Report to the shareholders does not contain any qualifications.

#### 11. Acknowledgements

Your Directors place on record their appreciation for the co-operation and assistance received from the bankers, Central and State Government authorities and members during the period under review.

For and on behalf of the Board of Directors

Sd/-

Sureshkumar P. Pendharkar  
Chairman

Place : Mumbai  
Date : April 21, 2010

Registered Office :  
Hincon House,  
Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai-400 083

### Annexure I to the Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of Directors' Report for the financial year ended March 31, 2010

A								
Employed in India through out the financial year under review and were in receipt of remuneration in aggregate of not less than Rs.2,00,000/-per month period from 01/04/2009 to 31/03/2010.								
Sr. No.	Name	Designation	Total Remuneration (in rupees)	Qualification	Experience (in years)	Date of Commencement of Employment	Age (Yrs.)	Last Employment Held
1	BANDISH MEHTA	GM	3,54,898.00	Dip(Hotel Mgmt.), Bachelor of Hospitality management)	20	9/6/2009	40	RESIDENT MANAGER, NOVOTEL HYDERABAD AIRPORT, HYDERABAD

1. Gross Remuneration includes Salary, Allowances, Commission, Company's Contribution to Provident and Superannuation funds. Leave Encashment, Leave Travel Allowances, Reimbursement of Medical Expenses and Monetary value of other perquisites evaluated in accordance with Income Tax Rules.
2. All appointments are contractual and are subject to the rules and regulations of the Company in force from time to time.
3. \*Employed for Part of the year.
4. None of these employees are relate to any Director of the company.

## **Auditors' Report**

**To the Members of  
Ecomotel Hotel Limited**

**Report on the Accounts for the year ended March 31, 2010 in compliance with Section 227(2) of the Companies Act, 1956.**

1. We have audited the attached Balance Sheet of ECOMOTEL HOTEL LIMITED, as at March 31, 2009, and also the Profit and Loss Account and the 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.
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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') 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.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
  - c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) 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;
- e) on the basis of the 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 of the Company is 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;
- f) 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:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
  - ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
  - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For K. S. Aiyar & Co,**  
**Chartered Accountants**  
Registration No: 100186W

Sd/-

**Raghuvir M. Aiyar**  
**Partner**  
Membership No.: 38128

**Place: Mumbai**  
**Date: April 21, 2010**

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended on March 31, 2010, of Ecomotel Hotel Limited)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) A substantial portion of the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No fixed assets are disposed off during the year. Accordingly there is no effect on the going concern status of the Company.
- (ii) Since the Company has not started any commercial operations and in absence of any inventories clause 4 (ii) is not applicable for the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (b), (c) and (d) are not applicable.
- (e) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, sub-clause (f) and (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of this area.
- (v) (a) Based upon the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, sub-clause (b) is not applicable.

- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 apply.
- (vii) The Company does not have paid-up capital and reserves exceeding Rs. 50 lakhs as at the commencement of the financial year, and hence the directions in respect of internal audit are not applicable to the Company.
- (viii) We have been informed that the Company is not required to maintain cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, which has been relied upon.
- (ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years hence clause (4) (x) of Companies (Auditor's Report) Order, 2003 is not applicable.
- (xi) Based on our audit procedure and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution / bank.
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable

to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they were raised
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating to Rs. 718.07 Lakhs have been partially utilised for long-term investment in fixed assets / capital work-in-progress and towards expenses of the Company.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, no debentures were issued during the year.
- (xx) The Company has not raised any money by way of public issue during the year. Therefore, the provision of clause (xx) of the order is not applicable to the Company.
- (xxi) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds on or by the Company noticed or reported during the course of our audit.

**For K. S. Aiyar & Co,**  
**Chartered Accountants**  
Registration No: 100186W

Sd/-

**Raghuvir M. Aiyar**  
**Partner**  
Membership No.: 38128

Place: Mumbai  
Date: April 21, 2010

ECOMOTEL HOTEL LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	SCHEDULE	31 st March		(Rs. in Lakhs)
		2010		31st March 2009
<b>SOURCES OF FUNDS</b>				
Share Capital	A	9.39		5.00
Share Application Money		538.84		439.19
Reserves & Surplus	B	434.80		
Total Shareholders' Funds			983.03	444.19
Loan Funds				
(a) Secured Loans	C	1,318.12		-
(a) Unsecured Loans	D	188.93		290.43
Total Loans			1,507.05	290.43
<b>TOTAL</b>			<b>2,490.08</b>	<b>734.62</b>
<b>APPLICATION OF FUNDS</b>				
Fixed Assets	E			
(a) Gross Block		226.92		225.59
(b) Less : Depreciation/ Amortisation		0.27		-
(c) Net Block		226.65		225.59
(d) Capital work In Progress		2,341.55	2,568.20	516.34
Total Fixed Assets				741.93
Current Assets, Loans & Advances				
A) Current Assets	F			
(a) Cash and Bank Balances		201.82		1.79
		201.82		1.79
B) Loans and Advances	G	182.62		46.67
Total Current Assets, Loans and Advances		384.45		48.46
Less: Current Liabilities & Provisions	H			
(a) Current Liabilities		613.04		57.94
(b) Provisions		1.85		-
		614.89		57.94
Net Current Assets			(230.44)	(9.48)
Profit & Loss Accounts			152.31	2.16
<b>TOTAL</b>			<b>2,490.08</b>	<b>734.62</b>

The annexed Notes (Schedule 'L') form an integral part of the accounts.

As per our Report of even date

For and on behalf of Board of Directors

For K. S. Aiyar & Co.  
Chartered Accountants  
Registration No. 100186W

*Sd/-*

Raghuvir M Aiyar  
Partner  
Membership No. 38128

*Sd/-*  
Arun Karambelkar  
Director

*Sd/-*  
S P Pendharkar  
Director

*Sd/-*  
Vithal Kulkarni  
Director

Place : Mumbai  
Date : 21st April 2010

ECOMOTEL HOTEL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

(Rs. in Lakhs)

Particulars	SCHEDULE	31 st March 2010	31st March 2009
<b>INCOME</b>		-	-
<b>TOTAL</b>		-	-
<b>EXPENDITURE</b>			
Employee's Remuneration And Benefits	I	87.55	-
Administrative Expenses	J	23.27	2.16
Finance Charges	K	39.06	-
Depreciation/Amortization		0.27	-
		150.15	2.16
Profit/(Loss) before Tax		(150.15)	(2.16)
Less: Provision for tax:		-	-
Profit / (Loss) After Tax		(150.15)	(2.16)
Add: Balance brought forward from last year		(2.16)	-
Balance carried to Balance Sheet		(152.31)	(2.16)
Basic & diluted earning per share (Rs.) + / (-)		(319.35)	(4.33)

The annexed Notes (Schedule 'L') form an integral part of the accounts.

As per our Report of even date

For K. S. Aiyar & Co.  
Chartered Accountants  
Registration No. 100186W

*Sd/-*  
Raghuvir M Aiyar  
Partner  
Membership No. 38128

For and on behalf of Board of Directors

*Sd/-*  
Arun Karambelkar  
Director

*Sd/-*  
S P Pendharkar  
Director

*Sd/-*  
Vithal Kulkarni  
Director

Place : Mumbai  
Date : 21st April 2010

## Schedules forming part of Balance Sheet

## SCHEDULE 'A' :

	31 st March 2010	(Rs. in Lakh) 31st March 2009
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,000 Equity Shares of Rs. 10/- each (Previous Year 200,000 )	20.00	20.00
	<u>20.00</u>	<u>20.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
<b>Equity Share Capital</b>		
93,919 Equity Shares of Rs.10/- each fully paid-up (Previous Year 50,000 Equity Shares of Rs.10/- each) (Of the above 61419. Shares (Previous year 50,000 Shares ) are held by Lavasa Corporation Limited, the Holding company, and its nominees)	9.39	5.00
	<u>9.39</u>	<u>5.00</u>

## SCHEDULE 'B' :

	31 st March 2010	(Rs. in Lakh) 31st March 2009
<b>RESERVE &amp; SURPLUS</b>		
Share Premium	434.80	-
<b>Total</b>	<u>434.80</u>	<u>-</u>

## SCHEDULE 'C' :

	31 st March 2010	(Rs. in Lakh) 31st March 2009
<b>SECURED LOANS</b>		
<b>Secured Loans</b>		
Term Loan From Banks (Secured by mortgage of Lease Hold rights of Land admeasuring 5163.3 sq.mtrs. and premises, Building Constructed on paripassu basis)	1,306.00	-
Interest Accrued and due on above	12.12	-
<b>Total</b>	<u>1,318.12</u>	<u>-</u>

## SCHEDULE 'D' :

	31 st March 2009	(Rs. in Lakhs) 31st March 2009
<b>UNSECURED LOANS</b>		
Inter Corporate Deposit from Holding Company	128.09	279.70
Interest Accrued & Due on above	60.84	10.73
<b>Total</b>	<u>188.93</u>	<u>290.43</u>

SCHEDULE III: FIXED ASSETS

Sr. No	Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK		(Rs. in Lakhs)		
		As at 1st April 2009	Addition during Year	Deletions during Year	As at 31st March 2010	Upto 1st April 2009	For the Year	On Deletions during Year	Upto 31st March 2010		As at 31st March 2009	As at 31st March 2010
1	Land	225.59	-	-	225.59	-	-	-	0.23	-	225.36	225.59
2	Furniture & Fixtures	-	0.91	-	0.91	-	-	-	0.01	-	0.89	-
3	Office Equipments	-	0.28	-	0.28	-	-	-	0.02	-	0.26	-
4	Computer	-	0.14	-	0.14	-	-	-	0.02	-	0.13	-
	Total Of This Year	225.59	1.33	-	226.92	-	-	-	0.27	-	226.65	225.59
	Total Of Previous year (Rs. Lakhs)	-	225.59	-	225.59	-	-	-	-	-	225.59	-
	Capital Work In Progress (Including Capital Advances)	-	-	-	-	-	-	-	-	-	2,347.55	516.34
	TOTAL	-	-	-	-	-	-	-	-	-	2,568.20	516.34

## Schedules forming part of Balance Sheet

## SCHEDULE 'F' :

(Rs. in Lakhs)

Current Assets	31 st March 2010	31st March 2009
<b>Cash and Bank Balance</b>		
Cash in hand	0.29	0.06
<b>Bank Balances</b>		
With Scheduled Banks in Current Accounts	201.53	1.73
<b>Total</b>	<b>201.82</b>	<b>1.79</b>

## SCHEDULE 'G' :

**Loans & Advances**

(Unsecured, Considered Good, unless otherwise stated)

Advances recoverable in cash or kind or for value to be received

Advances to Suppliers	132.52	46.67
Advance Payments of Taxes	-	-
Deposits	3.67	-
Other amounts recoverable	46.43	-
<b>Total</b>	<b>182.62</b>	<b>46.67</b>

## SCHEDULE 'H' :

(Rs. in Lakhs)

CURRENT LIABILITIES & PROVISIONS	31 st March 2010	31st March 2009
<b>Current Liabilities</b>		
Sundry Creditors	-	-
(i) Micro, small and medium Enterprises	-	-
(ii) Others	613.04	57.94
<b>Total</b>	<b>613.04</b>	<b>57.94</b>
<b>Provisions</b>		
Leave Encashment & Sick Leave	1.01	-
Gratuity	0.84	-
<b>Total</b>	<b>1.85</b>	<b>-</b>

	(Rs. in Lakhs)	
	31 st March 2010	31st March 2009
<b>SCHEDULE 'I' :</b>		
<b>Employee's Remuneration And Benefits</b>		
Salary, Wages, Bonus and Gratuity	74.10	-
Contribution / Provisions to and for provident and other funds	4.36	-
Staff Welfare	9.09	-
	87.55	-
<b>SCHEDULE 'J' :</b>		
<b>Administrative Expenses</b>		
Travelling & Conveyance	9.23	-
Professional Charges	4.69	-
Rent Rates & Taxes	2.59	-
Auditors Remuneration	0.35	0.35
Office & General Expenses	5.76	1.81
Conversion / Translation Difference	0.24	-
Selling & Marketing Expenses	0.40	-
	23.27	2.16
<b>SCHEDULE 'K' :</b>		
<b>Finance Charges</b>		
Interest On Inter Corporate Deposit	50.11	-
Bank Interest	32.87	-
Bank commission & Other Charges	5.00	-
	87.98	-
Less : Transfer to Capital Work In Progress	48.92	-
	48.92	-
	39.06	-

**ECOMOTEL HOTEL LIMITED**

Cash Flow Statement for the period ended March 31, 2010

(Rs. in Lakhs)

Particulars	31 st March 2010	31st March 2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
- Net profit / (loss) before tax and Exceptional items	(150.15)	(2.17)
Adjustment for :		
- Depreciation	0.27	-
Operating Cash Flow before working Capital changes	(149.88)	(2.17)
- (Increase) / Decrease in Loans and Advances	(135.95)	(46.67)
- Increase / ( Decrease ) in Current Liabilities and Provisions	556.95	57.94
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>271.12</b>	<b>9.10</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
- (Purchase)/ Sale of fixed assets	(1,826.55)	(741.93)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,826.55)</b>	<b>(741.93)</b>
<b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Issue of shares	4.39	5.00
Share Application Money	99.65	439.19
Share premium	434.80	-
- Proceeds from / (Repayment of) short term Borrowings	1,216.62	290.43
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>1,755.46</b>	<b>734.62</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>200.03</b>	<b>1.79</b>
Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of period	1.79	-
Cash and Cash Equivalents at end of period	201.82	1.79

As per our Report of even date

For and on behalf of Board of Directors

For K. S. Aiyar & Co.  
Chartered Accountants  
Registration No. 100186W

Sd/-

Raghuvir M Aiyar  
Partner  
Membership No. 38128

Sd/-  
Arun Karambelkar  
Director

Sd/-  
S P Pendharkar  
Director

Sd/-  
Vithal Kulkarni  
Director

Place : Mumbai  
Date : 21st April 2010

**SCHEDULE :**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS AS AT 31st March 2010.**

1 The Company maintains its accounts on accrual basis following historical cost convention, in compliance with Accounting Standards issued by the Institute of Chartered Accountants of India, relevant provisions of the Companies Act, 1956 and the Rules. Management makes estimates and technical & other assumptions regarding the amount of income and expenses, assets & liabilities, and disclosure of contingencies, in accordance with Generally Accepted Accounting Principles in India in the preparation of the financial statements. Difference between the actual results and estimates are recognized in the period in which determined

**2 SIGNIFICANT ACCOUNTING POLICIES:**

**A) Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use including all taxes. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

**B) Depreciation:**

Depreciation on Fixed Assets other than Intangible Assets has been provided on written down value method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rata basis.

**C) Taxation :**

Tax on income for the current period is computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax Assets are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**D)**

**Foreign currency transactions**

a. Current Assets & Current Liabilities are translated at the exchange rate prevailing on the last day of the year

b. Foreign exchange transactions are accounted at the prevailing rate on the date of transaction.

c. Gains or Losses arising out of remittance/ transactions at the year end are credited/ debited to the profit and loss account for the year

**E) i) Defined Contribution Plans**

Contribution to provident fund and superannuation fund is accounted on accrual basis

ii) Defined Benefit Plan

Gratuity is charged to revenue on the basis of actuarial valuation.

iii) Other benefits

Short term and long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

**F) Contingent Liabilities, Contingent Assets & Provisions**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the Company exists as at the Balance Sheet date. Contingent assets are neither recognised nor disclosed in the financial statements.

**G) Borrowing Costs:**

Borrowing costs (less any income on the temporary investments of those borrowings) attributable to qualifying assets are capitalised. Other borrowing costs are charged to Profit and Loss Account.

**4 Related Party Disclosure**

i) Particulars of Related Parties, which control or are under common control with the Company :

<b>A) Parent Company and Fellow Subsidiaries</b>	
1	Lavasa Corporation Limited
2	Apollo Lavasa Health Corporation Limited
3	Lavasa Hotel Limited
4	Lakeshore Watersports Company Limited
5	Dasve Convention Center Limited
6	Dasve Business Hotel Limited
7	Lakeview Clubs Limited
8	Dasve Hospitality Institutes Limited
9	Dasve Retail Limited
10	Full Spectrum Adventure Limited
11	Warasgaon Lake View Hotels Limited
12	Lavasa Bamboocrafts Limited
13	Knowledge Vistas Limited
14	Spotless Laundry Services Limited
15	Reasonable Housing Limited
16	My City Technology Limited
17	Minfur Interior Technologies Limited
18	Verzon Hospitality Limited
19	Rhapsody Hospitality Limited
20	Valley View Entertainment Limited
21	Andromeda Hotels Limited
22	Sirrah Palace Hotels Limited
23	Whistling Thrush Facilities Services Limited
24	Green Hills Residences Limited
25	Warasgaon Tourism Limited
26	Warasgaon Power Supply Limited
27	Sahyadri City Management Limited
28	Our Home Service Apartments Limited

29	Hill City Service Apartments Limited
<b>B) Ultimate Holding Company and its Subsidiaries</b>	
1	Hindustan Construction Company Limited (HCC)
2	HCC Real Estate Limited (HREL)
3	Hincon Technoconsult Limited
4	Western Securities Limited
5	Pune Paud Toll Road Company Limited
6	Nirmal BOT Limited
7	HCC Singapore Enterprises PTE. Limited
8	HCC Mauritius Enterprises PTE. Limited
9	HCC Infrastructure Limited
10	HCC Aviation Limited
11	Badrapur Faridabad Tollways Limited
12	HCC Construction Limited
13	Highbar Technologies Limited
14	Baharampore-Farakka Highways Limited
15	Farakka-Raiganj Highways Limited
16	Raiganj-Dalkhola Highways Limited
17	HREL (Thane) Real Estate Limited
18	HREL Township Developers Limited
19	Panchkutti Developers Limited
20	Maan Township Developers Limited
21	Charosa Wineries Limited
22	Nashik Township Developers Limited
23	Powai Real Estate Developers Limited
24	HCC Realty Limited
<b>C) Other Related Parties</b>	
1	Bona Sera Hotels Limited
2	Palmetto Hospitality Limited
3	Vikhroli Corporate Park (Firm)
4	Hincon Holdings Limited
5	Hincon Finance Limited
6	SOL Hospitality Limited

ii) Transactions with Related Parties during the year :

Description of Transaction	(Rs. in Lakhs)	
	31st March, 2010	31st March, 2009
<b>Transactions during the year</b>		
a) Inter Corporate deposits received		
Lavasa Corporation Limited	897.00	359.70
b) Intercorporate deposits repaid		
Lavasa Corporation Limited	1,157.48	80.01
c) Interest paid on Inter corporate Deposit		
Lavasa Corporation Limited	50.11	5.79
d) Project & other services received		
Lavasa Corporation Limited	97.12	53.46
Reasonable Housing Limited	0.41	-
e) Deposit given		
Reasonable Housing Limited	1.92	-
Purchase of Land	-	225.59
Transfer of Fixed assets/capital work in		214.10
Share Application Money received from Lavasa Corporation Ltd	49.65	114.19
Share Premium received from Lavasa Corporation Ltd	375.00	-
Investment in the Share Capital of the		
Lavasa Corporation Limited	1.15	5.00
<b>Outstanding at the end of year</b>		
a) Investment in the Share Capital of the Company		
Lavasa Corporation Limited	6.15	5.00
b) Inter Corporate deposits		
Lavasa Corporation Limited	128.10	359.70
c) Deposit given		
Reasonable Housing Limited	1.92	-
d) Included in Sundry creditors		
Lavasa Corporation Limited	178.87	-

4 Earnings Per Share:

Particulars	(Rs. in Lakhs)	
	31st March, 2010	31st March, 2009
Profit/(Loss) after taxation as per Profit and Loss account	(150.16)	(2.16)
Weighted average number of Equity shares outstanding	93,919	50,000
Basic earnings per share (Weighted Average) in Rupees (face value-Rs. 10 per share)	(319.39)	(4.33)

6 Employee Benefits

a) Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuation on March 31, 2010

Sr. No	Particulars	Gratuity	Leave Encashment
		Unfunded	Unfunded
		Rs. Lakhs	Rs. Lakhs
		31st March, 2010	31st March, 2010
I	Expenses recognized in the Statement of Profit & Loss		
1	Current Service Cost	0.84	0.94
	Total Expense	0.84	0.94
II	Net Asset / (Liability) recognized in the		
1	Present value of Defined Benefit Obligation	0.84	0.94
2	Fair value of plan assets as at 31st March, 2010	-	-
3	Net Asset / (Liability) as at 31st March, 2010	(0.84)	(0.94)
III	Actuarial Assumptions:	As at 31/03/2010	
1	Discounted Rate	7.5% p.a.	
2	Mortality Table	LIC (1994-96) (ultimate)	

b) Defined Contribution Plans-

Amount recognized as an expenses and included in the schedule G - contribution/ provision to and for provident and other funds\* of Profit and Loss account- Rs.4.36 Lakhs ( Previous Year Rs. Nil )

6 Company is going to operate only in one significant business segment i.e. Hotel; hence segment information as per Accounting Standard 17 is not required to be disclosed. The The company is going to cater mainly to the need of the domestic market; as such there is no reportable Geographical Segments.

7 Particulars of unhedged foreign currency exposure as at balance sheet date - Rs.NIL ( Previous year Rs. Nil)

8 No provision for current and deferred tax are considered necessary in view of the loss for the Year

9 Operating Lease

a) Future Lease Rental payments	Rs. Lakhs
(i) Not later than one year	0.24
(ii) Later than one year and not later than five years	1.00
(iii) Later than five years	-
b) Lease payment recognised during the year	0.04
c) General description of the leasing arrangement:	
i) Leased Assets : Employee Accomodation	
ii) Future lease rental payments are determined on the basis of lease payable as per the agreement.	

10 Contingent Liabilities & Capital Commitment Not Provided For

a) Contingent Liability Rs.Nil (Previous period Rs.Nil)

b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- Rs. 704.05 Lakhs. (Previous period – Rs. Nil).

11 Details of Foreign Currency Expenditure

Sr No	Particulars	31st March, 2010	31st March, 2009
1	Professional Fees & Design Charges	24.35	-
2	Capital Items	42.94	-

12 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act,2006 following information is disclosed:

Sr No	Particulars	31st March, 2010	31st March, 2009
I	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
II	Interest due on (I) above remaining unpaid	Nil	Nil
III	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
IV	Interest paid on (III) above	Nil	Nil
V	Interest due and payable on (III) above	Nil	Nil
VI	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
VIII	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

13 Auditors Remuneration

Sr. No.	Particulars	31st March, 2010	31st March, 2009
1	Audit fees	0.20	0.20
2	Review & Certification Fees	0.15	0.15

- 14 Additional Information Pursuant To The Provisions Of Paragraph 3 & 4 Of Part II Of Schedule VI To The Companies Act, 1956. This is not applicable since the Company has yet to start its commercial operations.
- 15 Previous year figures have been regrouped / re-classified wherever necessary.

As per our Report of even date

**For K. S. Aiyar & Co.**  
Chartered Accountants  
Registration No. 100186W

*Sai-*  
**Raghuvir M. Aiyar**  
Partner  
Membership No. 38128

Place : Mumbai  
Date : 21st April 2010

For and on behalf of the Board of Directors

*Sai-*  
**Arun Karambelkar**  
Director

*Sai-*  
**S P Pendharkar**  
Director

*Sai-*  
**Vithal Kulkarni**  
Director

ECOMOTEL HOTEL LIMITED

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.

State Code

Balance Sheet Date

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue  
(Issue through the prospectus)

Right Issue

Bonus Issue

Private Placement (Allotted to Holding Company)

III POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

TOTAL LIABILITY

TOTAL ASSETS

SOURCES OF FUNDS

PAID-UP CAPITAL (Including share application money)

RESERVES & SURPLUS

SECURED LOAN

UNSECURED LOAN

DEFERRED TAX ASSETS (Liability)

APPLICATION OF FUNDS

NET FIXED ASSETS

INVESTMENTS

DEFERRED TAX ASSETS (Net)

NET CURRENT ASSETS

MISC. EXPENDITURE

ACCUMULATED LOSSES

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

TURN OVER

TOTAL EXPENDITURE

PROFIT / (LOSS) BEFORE TAX

PROFIT / (LOSS) AF

PRIOR PERIOD EXPENSES

EARNING PER SHARE Rs.

DIVIDEND RATE

V GENERIC NAME OF PRINCIPAL PRODUCT OF COMPANY (As per Monetary Terms)

Item code (ITC Code)

Product Description HOTEL

**ECOMOTEL HOTEL LIMITED**

Registered Office: Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083.

**Attendance Slip**

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Shares held \_\_\_\_\_

Regd. Folio No: \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

(Name in BLOCK letters) \_\_\_\_\_

I/We hereby record my/our presence at the Second Annual General Meeting of the Company at Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083 on Wednesday, June 2, 2010 at 3.30 p.m.

\_\_\_\_\_  
Member's/Proxy's Signature

Note: Members/Proxy holders are requested to bring their copy of the Annual Report with them at the Meeting.

**ECOMOTEL HOTEL LIMITED**

Registered Office: Hincon House, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083.

**Proxy Form**

Shares held \_\_\_\_\_

Regd. Folio No: \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

(Name in BLOCK letters) \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member / Members of the above name Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held on Wednesday, June 2, 2010 at 3:30 p.m. or at any adjournment/s thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Signature \_\_\_\_\_

Affix Rs.1  
Revenue  
Stamp

Note: The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.