



Directors' Report

To,
The Members of
Lakeshore Watersports Company Limited

1. Report

Your Directors are pleased to present the 2nd 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	72.62	6.63
Other Income	1.50	0.00
Profit/(Loss) before Depreciation & Tax	(112.78)	(60.96)
Depreciation	86.33	22.38
Profit / (Loss) for the year	(199.11)	(83.34)
Provision for Taxation	2.78	0.04
Profit / (Loss) after Taxation	(201.89)	(83.38)
Add: Balance of Profit / (Loss) brought forward from last year	(83.38)	0.00
Balance of Profit / (Loss) carried forward to next year.	(285.27)	(83.38)

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

Lakeshore Watersports Company Limited has set up Lakeshore Watersports. Lakeshore Watersports facility has been fully operational since December 2008 and receives a wide variety of visitors during the week and weekends. It offers activities like pontoon boat rides, personal water craft rides, bumper boats, trampoline and train rides. Lakeshore activities will be expanded to include the main lake. In keeping with this, the construction of the jetty and the boat club has been scheduled for 2010. The crew comprises of trained and certified boat operators and life guards.

...2...

Registered Office:

Lakeshore Watersports Company 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

5. Capital Structure

Your Company was incorporated with paid up capital of Rs.5,00,000/- consisting 50,000 fully paid equity shares of Rs.10/- each. During the period under review, your company has not issued any further shares.

6. Holding Company

Lavasa Corporation Limited owns the entire paid-up equity share capital of your Company aggregating to Rs.5,00,000/- and therefore is your Company's holding company.

7. Directors

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

8. Particulars of Employees and other additional information

Your Company has no employees requiring disclosure under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

9. 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. 9.35 lacs

10. 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 the loss of the Company for the period ended on that date;

...3...

- c) 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;
- d) the Annual Accounts have been prepared on a going concern basis.

11. 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.

12. Auditors' Report

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

13. 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/-

Rajgopal Nogja
Chairman

Place : Mumbai
Date : April 16, 2010.

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

Auditors' Report

To the Members of
Lakeshore Watersports Company 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 **LAKESHORE WATERSPORTS COMPANY LIMITED**, as at March 31, 2010, 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/-

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: April 16, 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 Lakeshore Watersports Company 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) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (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 is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- (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) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise-duty, cess and other statutory dues applicable to it.
- The Company has been regular in depositing Income Tax with the appropriate authority and there are no undisputed amounts payable there of which are outstanding, as at March 31, 2010 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) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank or debenture holder, and hence clause 4(xi) is not applicable to the Company.
- (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.

- (xvi) 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 Company has not raised any term loans during the year.
- (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/-

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: April 16, 2010

LAKESHORE WATERSPORTS COMPANY LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lakhs)
31st March
2009

Particulars	Schedules	31 st March 2010	31st March 2009
SOURCES OF FUNDS			
Share Capital	A	5.00	5.00
Reserves & Surplus			
Total Shareholders' Funds		5.00	5.00
Loan Funds			
(a) Unsecured Loans	B	747.66	440.23
Total Loans		747.66	440.23
Deferred Tax Liability (Net)		2.72	-
TOTAL		755.38	445.23
APPLICATION OF FUNDS			
Fixed Assets	C		
(a) Gross Block		549.25	347.54
(b) Less : Depreciation/ Amortisation		108.71	22.38
(c) Net Block		440.54	325.16
(d) Capital work In Progress		-	12.81
Current Assets, Loans & Advances			
A) Current Assets	D		
(a) Cash and Bank Balances		60.08	9.51
(b) Other Current Assets			
(i) Sundry Debtors		0.30	-
		60.38	9.51
B) Loans and Advances	E	7.77	20.05
Total Current Assets, Loans and Advances		68.15	29.56
Less: Current Liabilities & Provisions	F		
(a) Current Liabilities		37.34	5.68
(b) Provisions		1.22	-
		38.56	5.68
Net Current Assets		29.59	23.88
Profit & Loss Accounts		285.26	83.38
TOTAL		755.38	445.23

The annexed Notes (Schedule 'K') 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/-

Sachin A Negandhi
Partner
Membership No. 112888

Sd/-

Vithal P. Kulkarni
Director

Sd/-

Rajgopal Nogja
Director

Sd/-

Ambuj Jain
DirectorPlace : Mumbai
Date : 16th April 2010

LAKESHORE WATERSPORTS COMPANY LIMITED

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

		(Rs. in Lakhs)	
Particulars	Schedules	31 st March	31st March
		2010	2009
INCOME			
Income From Operations		72.62	6.63
Interest earned on Fixed Deposit		1.50	
(Tax Deducted at source Rs. 0.30 Previous year Rs. NIL/-)			
TOTAL		74.12	6.63
EXPENDITURE			
Operational Expenses	G	36.43	7.93
Employee's Remuneration And Benefits	H	31.29	8.44
Administrative Expenses	I	25.12	6.39
Finance Charges	J	94.06	44.82
Depreciation/Amortization		86.33	22.38
		273.22	89.96
Profit/(Loss) before Tax		(199.11)	(83.34)
Less: Provision for tax:			
Income Tax		-	-
Deferred Tax		2.72	-
Wealth Tax		0.06	-
Fringe Benefit Tax		-	0.04
Profit/(Loss) for the year		(201.89)	(83.38)
PROFIT / (LOSS) AFTER TAX		(201.89)	(83.38)
Add: Balance brought forward from last year		(83.38)	-
Balance carried to Balance Sheet		(285.27)	(83.38)
Basic & diluted earning per share (Rs.) + / (-)		(403.77)	

The annexed Notes (Schedule 'K') 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/-
Sachin N Negandhi
Partner
Membership No. 112888

For and on behalf of Board of Directors

Sd/-
Vithal P. Kulkarni
Director

Sd/-
Rajgopal Nogja
Director

Sd/-
Ambuj Jain
Director

Place : Mumbai
Date : 16th April 2010

Schedules forming part of Balance Sheet

SCHEDULE 'A' :

SHARE CAPITAL	(Rs. in Lakhs)	
	31 st March 2010	31st March 2009
AUTHORISED		
2,00,000 Equity Shares of Rs. 10/- each (Previous Year 2,00,000)	20.00	20.00
	<u>20.00</u>	<u>20.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
Equity Share Capital 50,000 (Previous Year 50,000) Equity Shares of Rs.10/- each fully paid up (All shares are held by Lavasa Corporation Limited and its nominees)	5.00	5.00
Total	<u>5.00</u>	<u>5.00</u>

SCHEDULE 'B' :

UNSECURED LOANS	(Rs. in Lakhs)	
	31 st March 2010	31st March 2009
Inter Corporate Deposit from Holding Company	634.87	395.71
Interest Accured & Due on above	112.80	44.52
Total	<u>747.66</u>	<u>440.23</u>

Schedules forming part of Balance Sheet

SCHEDULE C : FIXED ASSETS

Sr No	Particulars	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK			
		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 2010	As at 31st March 2009
1	Buildings & Sheds	-	44.57	-	44.57	-	1.48	-	1.48	43.09	-
2	Plant & Machinery, Office Equipments	-	100.56	-	100.56	-	8.80	-	8.80	91.76	-
3	Furniture & Fixtures	-	3.92	-	3.92	-	0.57	-	0.57	3.35	-
4	Computers	0.12	-	-	0.12	0.01	0.04	-	0.05	0.07	0.11
5	Vehicles	41.58	-	-	41.58	2.09	10.22	-	12.31	29.27	39.49
6	Boats	305.70	52.65	-	358.35	20.27	65.20	-	85.47	272.88	285.43
7	Intangible Assets - Trademarks & Designs	0.14	-	-	0.14	0.01	0.01	-	0.02	0.12	0.13
	Total Of This Year	347.54	201.71	-	549.25	22.38	86.33	-	108.71	440.54	325.16
	Total Of Previous year (Rs. Lakhs)	-	-	-	-	-	-	-	-	-	325.16
	Capital WORK IN PROGRESS (including Capital Advances)	-	-	-	-	-	-	-	-	-	12.81
	TOTAL	-	-	-	-	-	-	-	108.71	440.54	337.97

(Rs. in Lakhs)

Schedules forming part of Balance Sheet

SCHEDULE 'D' :

(Rs. in Lakhs)

Current Assets	31 st March 2010	31st March 2009
Cash and Bank Balance		
Cash in hand	0.54	0.95
Bank Balances		
With Scheduled Banks in Current Accounts (Including Cheques in Hand)	32.18	8.56
in Deposit Account	27.35	-
Total	60.08	9.51
Other Current Assets		
Sundry Debtors		
Unsecured, Considered Good:		
a. Outstanding Over Six months	0.30	-
b. Other	-	-
Total	0.30	-
SCHEDULE 'E' :		
Loans & Advances		
(Unsecured, Considered Good, unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received		
Advances to Suppliers	2.15	19.49
Advance Payments of Taxes	0.31	-
Deposits	4.97	-
Other	0.35	0.56
Total	7.77	20.05

Schedules forming part of Balance Sheet

SCHEDULE 'F' :

	(Rs. in Lakhs)	
CURRENT LIABILITIES & PROVISIONS	31 st March 2010	31st March 2009
Current Liabilities		
Sundry Creditors		
(i) Micro, small and medium Enterprises (Refer Note no 11 Schedule J)		-
(ii) Others	37.34	5.68
Total	37.34	5.68
Provisions		
Leave Encashment & Sick Leave	0.79	-
Gratuity	0.37	-
Wealth Tax	0.06	
Total	1.22	-

Schedules forming part of Balance Sheet

(Rs. in Lakhs)

	31 st March 2010	31st March 2009
SCHEDULE 'G' :		
Operational Expenses		
Fuel Consumption	24.07	3.24
Repairs & Maintenance	2.00	-
Spares Consumed	5.77	-
Others	4.59	4.69
	<u>36.43</u>	<u>7.93</u>
SCHEDULE 'H' :		
Employee's Remuneration And Benefits		
Salary, Wages, Bonus and Gratuity	29.39	8.17
Contribution / Provisions to and for provident and other funds	1.16	0.27
Staff Welfare	0.74	-
	<u>31.29</u>	<u>8.44</u>
SCHEDULE 'I' :		
Administrative Expenses		
Printing & Stationery	0.93	-
Electricity Charges	3.44	-
Travelling Expenses	1.11	-
Insurance Charges	0.66	-
Professional Charges	3.39	-
Rent Rates & Taxes	3.97	-
Auditors Remuneration	0.40	0.54
Security Services	2.61	-
Office & General Expenses	1.04	5.85
Exchange Difference	0.41	-
Housekeep Charges	6.31	-
Marketing Expenses	0.84	-
	<u>25.12</u>	<u>6.39</u>
SCHEDULE 'J' :		
Finance Charges		
Interest On Inter Corporate Deposit	93.59	44.82
Bank Guarantee & Other Charges	0.47	-
	<u>94.06</u>	<u>44.82</u>
	<u>94.06</u>	<u>44.82</u>

LAKESHORE WATERSPORTS COMPANY LIMITED

Cash Flow Statement for the period ended March 31, 2010

Particulars	(Rs. in Lakhs)	
	31 st March 2010	31st March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
- Net profit / (loss) before tax and Exceptional items	(201.89)	(83.34)
Adjustment for :		
- Depreciation	86.33	22.38
Operating Cash Flow before working Capital changes	(115.56)	(60.96)
- (Increase) / Decrease in Sundry Debtors	(0.30)	-
- (Increase) / Decrease in Loans and Advances	12.28	(20.05)
- Increase / (Decrease) in Current Liabilities and Provisions	32.88	5.68
CASH GENERATED FROM OPERATING ACTIVITIES		
Direct Taxes paid	(70.70)	(75.33)
NET CASH FLOW FROM OPERATING ACTIVITIES		
	(70.70)	(75.37)
B. CASH FLOW FROM INVESTING ACTIVITIES		
- (Purchase)/ Sale of fixed assets	(188.90)	(360.35)
NET CASH FROM INVESTING ACTIVITIES		
	(188.90)	(360.35)
B. CASH FLOW FROM FINANCING ACTIVITIES		
- Issue of shares	-	5.00
- Proceeds from / (Repayment of) short term Borrowings	307.43	440.23
NET CASH FROM FINANCING ACTIVITIES		
	307.43	445.23
Net increase / (decrease) in Cash and Cash Equivalents		
	47.84	9.51
Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of period	9.51	-
Cash and Cash Equivalents at end of period	57.36	9.51

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

Sdl-

Sachin N Negandhi
Partner
Membership No. 112888

Sdl-

Vithal P. Kulkarni
Director

Sdl-

Rajgopal Nogja
Director

Sdl-

Ambuj Jain
Director

Place : Mumbai
Date : 16th April 2010

Lakeshore Watersports Company Limited

Schedule :K

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 the 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 and other assumptions regarding the amounts of income and expenses, assets and 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. 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.

Intangible assets are valued at cost less accumulated amortisation and impairment loss if any. Cost comprises the acquisition cost including all taxes.

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

Intangible assets are amortised over the useful life or 10 years whichever is lower

All Assets having value less than Rs. 5,000 are fully depreciated in the year of purchase.

C) Inventories

Stock of consumables is valued at lower of cost or net realisable value. The cost is determined on First-In-First-Out (FIFO) basis.

D) Taxation

Tax on income for the current year 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

E) Revenue Recognition

Revenue is recognised as and when services are rendered

F) Employee Benefits

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

G) Foreign Currency Transactions

Foreign currency transactions during the year are accounted at the prevailing rate on the date of transaction. Current assets and current liabilities are translated at the exchange rate prevailing on the last day of the year. Gains or losses arising out of remittance/ translations at the year end are credited/ debited to the profit and loss account for the year.

H) Borrowing Costs:

Borrowing costs (less any income on the temporary investments of those borrowings) attributable to qualifying assets are capitalised. Other borrowing costs are expensed out.

I) Contingencies / 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

J) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit & loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares

3 Segmental Reporting

The Company is operating only in one significant business segment i.e. Water Sports, hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company cater's mainly to the need of the domestic market; as such there is no reportable Geographical Segments

4 Related Party Disclosure

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

A) Parent Company and Fellow Subsidiaries	
1	Lavasa Corporation Limited
2	Apollo Lavasa Health Corporation Limited
3	Lavasa Hotel Limited
4	Ecomotel Hotel 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) Ultimate Holding Company and its Subsidiaries	
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
C) Other Related Parties	
1	Bona Sera Hotels Limited
2	Paimetto 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 :

Nature of Transactions	Parent Company and Fellow Subsidiaries	
	31st March 2010	31st March 2009
Transactions during the year		
Inter corporate Deposit Received during the year		
Lavasa Corporation Limited	258.16	395.71
Bona Sera Hotels Ltd	-	0.50
Inter corporate Deposit repaid during the year		
Lavasa Corporation Limited	17.00	-
Bona Sera Hotels Ltd	-	0.50
Interest Paid on Inter corporate Deposit		
Lavasa Corporation Limited	93.59	44.82
Purchase of Fixed Assets		
Lavasa Corporation Limited	92.58	-
Project and Other Services Received		
Reasonable Housing Limited	0.36	-
Lavasa Corporation Limited	110.08	1,129.14
Income for Services Rendered		
Lavasa Corporation Limited	2.41	-
Bona Sera Hotels Ltd	0.35	-
Lavasa Hotel Limited	4.22	-
Inter corporate Deposit Outstanding		
Lavasa Corporation Limited	634.87	395.71
Included in debtors		
Bona Sera Hotels Ltd	0.11	-
Included in Sundry Creditors		
Reasonable Housing Limited	0.72	-
Equity Share Capital		
Lavasa Corporation Limited	5.00	5.00

5 Earnings Per Share

(Rs. In Lakhs)

Particulars	31st March 2010	31st March 2009
Profit/(Loss) after taxation as per Profit and Loss account	(199.71)	(83.03)
Weighted average number of Equity shares outstanding	50,000	50,000
Basic earnings per share (Weighted Average) in Rupees (face value-Rs.10 per share)	(398.42)	(166.06)

(There is no diluted equity shares and hence there is no working for diluted earning per share)

6 Employee Benefits

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

Sr. No	Particulars	Gratuity Unfunded	Leave Encashment Unfunded
		Rs. Lakhs	Rs. Lakhs
		31st March 2010	31st March 2010
I	Expenses recognized in the Statement of Profit & Loss		
1	Current Service Cost	0.32	0.52
	Total Expense	0.32	0.52
II	Net Asset / (Liability) recognized in the Balance Sheet as at March 31st, 2010	0	0
1	Present value of Defined Benefit Obligation as at March 31st, 2010	0.95	0.52
2	Fair value of plan assets as at 31st March, 2010	0	0
3	Net Asset / (Liability) as at 31st March, 2010	(0.95)	(0.52)
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-

Accounts recognized as an expense/(income) and included in the Schedule H- contribution/ provision to and for Provident and other funds" of Profit and Loss accounts- Rs.1.16 Lakhs (Previous Year - Rs. Nil)

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

- 8 Deferred Tax liability for the year ended 31st March 2010 has been provided on the estimated tax computation form

Major components of deferred tax assets and liabilities are :

Rs in Lakhs

Particulars	Current Year		Previous Year	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Depreciation	-	3.17	-	-
Others	0.45	-	-	-
Total	0.45	3.17	-	-

- 9 Contingent Liabilities & Capital Commitment Not Provided For

a) Contingent Liability

Sr. No.	Particulars	31st March 2010	31st March 2009
1	Indemnity, Guarantee /s given to Banks /Financial Institutions, Government Bodies and others	26.15	NIL

- b) Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)- Rs. 8.21 Laksh. (Previous period - Rs. Nil).

- 10 Details of Foreign Currency Expenditure

Sr No	Particulars	31st March 2010	31st March 2009
1	Water Sport Equipments/Accessories	9.35	-

- 11 Auditors Remuneration

Sr. No.	Particulars	31st March 2010	31st March 2009
1	Audit Fees	0.25	0.25
2	Review and Certification Fees	0.15	0.29

- 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 (II) 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 Operating Lease


a) Future Lease Rental payments	Rs. Lakhs
(i) Not later than one year	0.72
(ii) Later than one year and not later than five years	2.84
(iii) Later than five years	0.00
b) Lease payment recognised during the year	0.26
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.	

- 14 Other Additional Information Pursuant To The Provisions Of Paragraph 3 & 4 Of Part II Of Schedule VI To The Companies Act, 1956 is either Nil or not applicable to the Company

- 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



Sachin Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : 16th April 2010

For and on behalf of the Board of Directors


Vithal P Kulkarni
Director


Rajgopal Nogja
Director


Ambuj Jain
Director
Place : Mumbai
Date : 16th April 2010

LAKESHORE WATERSPORTS COMPANY LIMITED

Balance Sheet Abstract and Company's General Business Profile

I REGISTRATION DETAILS

Registration No.

			1	8	5	3	1	4
--	--	--	---	---	---	---	---	---

State Code

							1	1
--	--	--	--	--	--	--	---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
---	---	---	---	---	---	---	---

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

Public Issue
(Issue through the prospectus)

							N	I	L
--	--	--	--	--	--	--	---	---	---

Right Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Bonus Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Private Placement (Allotted to Holding Company)

							N	I	L
--	--	--	--	--	--	--	---	---	---

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

TOTAL LIABILITY

			7	9	3	9	4
--	--	--	---	---	---	---	---

TOTAL ASSETS

			7	9	3	9	4
--	--	--	---	---	---	---	---

SOURCES OF FUNDS

PAID-UP CAPITAL (Including share application money)

						5	0	0
--	--	--	--	--	--	---	---	---

RESERVES & SURPLUS

							N	I	L
--	--	--	--	--	--	--	---	---	---

SECURED LOAN

							N	I	L
--	--	--	--	--	--	--	---	---	---

UNSECURED LOAN

			7	4	7	6	6
--	--	--	---	---	---	---	---

DEFERRED TAX ASSETS (Liability)

						2	7	2
--	--	--	--	--	--	---	---	---

APPLICATION OF FUNDS

NET FIXED ASSETS

			4	4	0	5	3
--	--	--	---	---	---	---	---

INVESTMENTS

							N	I	L
--	--	--	--	--	--	--	---	---	---

DEFERRED TAX ASSETS (Net)

							N	I	L
--	--	--	--	--	--	--	---	---	---

NET CURRENT ASSETS

				2	9	5	9
--	--	--	--	---	---	---	---

MISC. EXPENDITURE

							N	I	L
--	--	--	--	--	--	--	---	---	---

ACCUMULATED LOSSES

			2	8	5	2	6
--	--	--	---	---	---	---	---

IV PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSAND)

TURN OVER

				7	4	1	2
--	--	--	--	---	---	---	---

TOTAL EXPENDITURE

			2	7	3	2	2
--	--	--	---	---	---	---	---

PROFIT / (LOSS) BEFORE TAX (1 9 9 1 1)

PROFIT / (LOSS) AFTER TAX (2 0 1 8 9)

EARNING PER SHARE Rs. (4 0 3 . 7 7)

DIVIDEND RATE

							N	I	L
--	--	--	--	--	--	--	---	---	---

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

Item code (ITC Code)

							N	I	L
--	--	--	--	--	--	--	---	---	---

Product Description Watersports & Games

LAKESHORE WATERSPORTS COMPANY 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 Friday, May 28, 2010 at 10.00 a.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.

LAKESHORE WATERSPORTS COMPANY 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 Friday, May 28, 2010 at 10:00 a.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.