

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Seventh Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	For the year ended 31 <sup>st</sup> March, 2014	(Amount in ₹) For the year ended 31 <sup>st</sup> March, 2013
Total Income.....	-	-
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(46,064)	(134,269)
Less: Depreciation.....	17,803	17,330
Profit/(Loss) Before Interest and Taxation .....	(63,867)	(151,599)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation .....	(63,867)	(151,599)
Less: Provision for Taxation .....	-	-
Profit/(Loss) for the year after Taxation.....	(63,867)	(151,599)
Add: Balance of Profit/(Loss) for earlier years .....	(4,352,031)	(4,200,432)
Balance carried forward to the Balance Sheet .....	(4,415,898)	(4,352,031)

### Operations

Your Company has started acquisition of land to set up an Integrated Township in Maharashtra. During the year, your Company continued its land acquisition process in the targeted area.

### Dividend

In view of losses, your Directors have not recommended any dividend for the year under review.

### Capital

The Authorised Equity Share Capital of your Company is ₹ 50 crore and the paid-up equity capital of your Company is ₹ 21 crore.

Your Company is a wholly owned subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited.

### Directors

Mr. Arun Nanda (DIN: 00010029) retire by rotation and being eligible offers himself for re-appointment.

Ms. Sangeeta Prasad (DIN: 02791944) was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 2013. Ms. Sangeeta Prasad holds office only upto the date of the 7<sup>th</sup> Annual General Meeting of the Company.

The Company has received a notice from a member signifying its intention to propose Ms. Sangeeta Prasad as candidate for the office of Director.

During the year, Ms. Beroz Gazdar (DIN: 00390861) resigned as a Director of the Company w.e.f. 31<sup>st</sup> July, 2013. Your Board placed on record its appreciation of the services rendered by Ms. Beroz Gazdar during her tenure as a Director of the Company.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;

- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- 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.

### Audit Committee

On 17<sup>th</sup> April, 2014, the terms of the Audit Committee were enhanced in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.

The Audit Committee of the Company comprises of three members viz; Ms. Anita Arjundas, Ms. Beroz Gazdar and Mr. Brij Mohan Kataria. Subsequent to the resignation of Ms. Beroz Gazdar as a Director of the Company, the Committee was re-constituted on 31<sup>st</sup> July, 2013. The present members of the Committee are Ms. Anita Arjundas, Ms. Sangeeta Prasad and Mr. Brij Mohan Kataria. Ms. Anita Arjundas is the Chairperson of the Audit Committee.

Audit Committee met four times during the year under review.

### Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Code from the Board Members and

Employees of the Company affirming compliance with the respective Codes.

#### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint Auditors in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 8<sup>th</sup> Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

#### Public Deposits and Loans / Advances

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreement of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

#### Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

#### Acknowledgment

The Directors are thankful to all consultants, associates and employees of your Company for the support received from them during the year.

For and on behalf of the Board,

**Arun Nanda**

Chairman

DIN: 00010029

Mumbai, 17<sup>th</sup> April, 2014

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

#### A. CONSERVATION OF ENERGY

- |  |   |  |
|--|---|--|
| (a) Energy conservation measures taken   | : | The operations of your Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time. |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy   | : | Nil  |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods             | : | The above measures, when implemented at an appropriate time are expected to result in reduction of energy consumption.                                     |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : | Not Applicable   |

#### B. TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

- |  |   |  |
|--|---|--|
| 1. Areas in which R & D is carried out               | : | The Company has not carried out any R&D activities during the year                   |
| 2. Benefits derived as a result of the above efforts | : | Not Applicable   |
| 3. Future Plan of action                             | : | The Company intends to initiate quality improvement measures at an appropriate time. |
| 4. Expenditure on R & D                              | : | Nil  |
| 5. Technology absorption, adaptation and innovation  | : | Nil  |
| 6. Imported Technology for the last 5 years          | : | Nil  |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board,

**Arun Nanda**

Chairman

DIN: 00010029

Mumbai, 17<sup>th</sup> April, 2014

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Knowledge Township Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. K. Khare and Co.**

*Chartered Accountants*

*Firm's Registration Number 105102W*

**Padmini Khare Kaicker**

*Partner*

*Membership Number 44784*

*Place: Mumbai*

*Dated: 17<sup>th</sup> April, 2014*



## ANNEXURE TO THE AUDITORS' REPORT

**Referred to in Paragraph (7) of our report of even date on the accounts of Knowledge Township Limited for the year ended 31<sup>st</sup> March, 2014.**

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) The Company has not disposed off any of its fixed asset during the year under consideration.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. 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, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
  - b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax,

wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31<sup>st</sup> March, 2014, for a period more than six months from the date they became payable.

- (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31<sup>st</sup> March 2014. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31<sup>st</sup> March, 2014.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. 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 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of  
**B. K. Khare and Co.**  
 Chartered Accountants  
 Firm Registration No. 105102W

**Padmini Khare Kaicker**  
 Partner  
 M. No. 44784

Place: Mumbai  
 Dated: 17<sup>th</sup> April, 2014



**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	<b>Note Ref</b>	<b>Current Year ₹</b>	<b>Previous Year ₹</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders Funds			
Share capital.....	<b>3</b>	<b>210,000,000</b>	210,000,000
Reserves & Surplus .....	<b>4</b>	<b>(4,415,899)</b>	(4,352,032)
		<b>205,584,101</b>	205,647,968
Current Liabilities			
Short term Borrowings .....	<b>5</b>	<b>189,500,000</b>	186,000,000
Other current liabilities.....	<b>6</b>	<b>51,974,196</b>	51,942,818
Short term provisions .....	<b>7</b>	<b>515,470</b>	523,582
		<b>241,989,666</b>	238,466,400
<b>TOTAL .....</b>		<b>447,573,767</b>	444,114,368
<b>ASSETS</b>			
Non Current Assets			
Fixed Assets			
Tangible assets .....	<b>8</b>	<b>43,362</b>	61,165
		<b>43,362</b>	61,165
Long Term Loans and advances .....	<b>9</b>	<b>1,298</b>	1,298
Current Assets			
Inventories.....	<b>10</b>	<b>222,686,966</b>	219,810,376
Cash and cash equivalents.....	<b>11</b>	<b>175,737</b>	145,831
Short term loans and advances.....	<b>12</b>	<b>224,666,404</b>	224,095,698
		<b>447,529,107</b>	444,051,905
<b>TOTAL .....</b>		<b>447,573,767</b>	444,114,368

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **B.K.Khare & Co.**  
Chartered Accountants

For and on behalf of the Board of Directors

**Arun Nanda** *Chairman***Padmini Khare Kaicker**  
*Partner***Sejal Shah**  
*Company Secretary***Anita Arjundas  
Brij Mohan Kataria  
Sangeeta Prasad** } *Directors**Place : Mumbai  
Date : 17<sup>th</sup> April, 2014**Place : Mumbai  
Date : 17<sup>th</sup> April, 2014**Place : Mumbai  
Date : 17<sup>th</sup> April, 2014*

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	Note Ref	Current Year ₹	Previous Year ₹
<b>EXPENDITURE</b>			
Operating Expenses .....	13	—	—
Employee benefit expense .....	14	—	—
Finance Cost .....	15	—	—
Depreciation and amortization expense .....		17,803	17,330
Other expenses .....	16	46,064	134,269
<b>TOTAL EXPENDITURE</b>		<b>63,867</b>	<b>151,599</b>
Profit/(Loss) before tax .....		(63,867)	(151,599)
Less: Tax expense .....		—	—
Profit/(Loss) after tax .....		<b>(63,867)</b>	<b>(151,599)</b>
<b>Earning per equity share:</b>			
Basic and Diluted .....		<b>(0.00)</b>	<b>(0.01)</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **B.K.Khare & Co.**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

**Sejal Shah**  
Company Secretary

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Arun Nanda** Chairman

**Anita Arjundas**  
**Brij Mohan Kataria**  
**Sangeeta Prasad** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	Current Year ₹	Previous Year ₹
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax.....	(63,867)	(151,599)
<b>Adjustments for:</b>		
Depreciation.....	17,803	17,330
Operating loss before working capital changes .....	(46,064)	(134,269)
<b>Changes in working capital:</b>		
Adjustment for (increase)/decrease in operating assets		
(Increase)/decrease in short term loans and advances	(570,706)	(22,472)
(Increase)/decrease in inventories.....	(2,876,590)	(26,280,682)
Adjustment for increase/(decrease) in operating liabilities		
Increase/(decrease) in other current liabilities .....	23,266	21,124,397
	(3,424,030)	(5,178,757)
Cash (used in) operations .....	(3,470,094)	(5,313,026)
Taxes paid.....		
Net cash (used in) operating activities.....	(3,470,094)	(5,313,026)
<b>B. Cash flow from investing activities:</b>		
Purchase of Fixed Assets .....	-	(62,703)
Net cash from investing activities.....	-	(62,703)
<b>C. Cash flow from financing activities:</b>		
Proceeds from borrowings .....	3,500,000	5,400,000
Net cash from financing activities.....	3,500,000	5,400,000
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>29,906</b>	<b>24,271</b>
<b>Cash &amp; cash equivalents</b>		
Opening balance .....	145,831	121,560
Closing balance.....	175,737	145,831
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>29,906</b>	<b>24,271</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **B.K.Khare & Co.**  
Chartered Accountants**Padmini Khare Kaicker**  
Partner**Sejal Shah**  
Company SecretaryPlace : Mumbai  
Date : 17<sup>th</sup> April, 2014Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Arun Nanda**

Chairman

**Anita Arjundas  
Brij Mohan Kataria  
Sangeeta Prasad**

Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

### 1 Corporate information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra.

### 2 Significant Accounting Policies

#### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### 2.3 Inventories

Cost of inventory represents expenses attributable to lands acquired, related expenses for a long term project including interest.

#### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### 2.6 Depreciation and amortization

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956.

Accordingly Computers are depreciated at 20% which is higher than the rates specified in schedule XIV to the Companies Act, 1956.

#### 2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive it is established.

#### 2.8 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### 2.9 Employee benefits

Employee benefits include gratuity and compensated absences

#### 2.10 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) and after reducing the dividend obligation (including Dividend Distribution Tax) on Preference Shares by the weighted average number of equity shares outstanding during the year.

### 2.11 Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

### 2.12 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

### 2.13 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

### 3 Share Capital

#### Authorised

50,000,000 equity shares of ₹ 10 each .....

#### Issued, subscribed and fully paid up.

	Current Year ₹	Previous Year ₹
21,000,000 equity shares fully paid up of ₹10 each .....	210,000,000	210,000,000
	<b>210,000,000</b>	<b>210,000,000</b>

3a. The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.

There has been no movement in the equity share capital during the year.

3b. Terms/ Rights attached to Equity Shares

The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

Repayment of the capital on liquidation will be in proportion to the number of equity shares held.

3c. Details of shares held by each shareholder including Holding Company, holding more than 5% of the aggregate shares in the Company:

	Current Year		Previous Year	
	No. of Shares	Value of Shares (₹)	No. of Shares	Value of Shares (₹)
<b>Holding Company (100%)</b>				
Mahindra Lifespace Developers Limited				
Equity	21,000,000	210,000,000	21,000,000	210,000,000

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
<b>4 Reserves &amp; Surplus</b>			<b>6 Other Current Liabilities</b>		
Deficit in the Statement of Profit and Loss.....			Interest Accrued but not due on Intercompany Deposits (from Holding Company repayable on demand) .....	51,825,298	51,825,298
Opening balance.....	(4,352,031)	(4,200,432)	Other liabilities .....	148,898	117,520
Add: Loss for the Current Year .....	(63,867)	(151,599)	Statutory remittances		
Closing Balance .....	<u>(4,415,898)</u>	<u>(4,352,031)</u>	Withholding Taxes .....	6,297	—
			Profession Taxes .....	600	800
<b>5 Short Term Borrowings</b>			Other .....	142,001	116,720
Intercompany deposits from Holding company repayable on demand .....	189,500,000	186,000,000		<u>51,974,196</u>	<u>51,942,818</u>
	<u>189,500,000</u>	<u>186,000,000</u>			
			<b>7 Short Term Provisions</b>		
			Compensated absences.....	211,432	203,214
			Provision for bonus.....	304,038	320,368
				<u>515,470</u>	<u>523,582</u>

8 Fixed Assets <span style="float: right;">Amount in ₹</span>									
Description of Assets	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2013	Addition	Deduction during the year	As at March 31, 2014	As at April 1, 2013	For the year	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>									
Computers	51,683	—	—	51,683	46,418	5,262	51,680	3	5,265
Furniture & Fixture	62,703	—	—	62,703	6,803	12,541	19,344	43,359	55,900
<b>TOTAL</b>	114,386	—	—	114,386	53,221	17,803	71,024	43,362	—
Previous Year	114,386	—	—	114,386	25,367	17,330	53,221	—	61,165

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
<b>9 Long Term Loans And Advances</b>			<b>13 Operating Expenses</b>		
Income Tax Payment.....	1,298	1,298	Opening Work In Progress 01.04.2013.....	219,810,376	193,529,694
	<u>1,298</u>	<u>1,298</u>	Add : CONSUMPTION DURING 2013-14.....		
<b>10 Inventories</b>			Employee Remuneration.....	2,691,075	2,729,228
(at lower of cost and Net realisable value)			Staff Welfare .....	2,285	14,148
Work in progress.....	222,686,966	219,810,376	Interest On Intercompany Loan.....	—	23,317,362
(represents land and other related expenses)			Repairs & Maintenance Others.....	—	14,000
	<u>222,686,966</u>	<u>219,810,376</u>	Telephone Expenses - Mobile.....	28,245	26,093
			Telephone Expenses-Leased Lines/Internet/VSAT.....	—	4,382
<b>11 Cash and Cash Equivalents</b>			Travelling Expenses Domestic - Fare.....	53,882	55,840
Cash on hand .....	18,089	12,432	Travelling Expenses Domestic - Lodging/Boarding.....	12,573	29,288
Balances with Banks			Conveyance.....	16,809	31,079
in current accounts.....	157,648	133,399	Printing & Stationery .....	5,688	43,547
	<u>175,737</u>	<u>145,831</u>	Professional Fees .....	56,180	—
			Liaisoning /Statutory Fees.....	—	1,750
<b>12 Short Term Loans and Advances (Unsecured, considered good)</b>			Bank Charges - Others.....	353	2,808
Advance for purchase of land.....	222,813,226	222,813,226	News papers, Books & Periodicals .....	—	6,916
Advance given to employees.....	—	10,000	Gen & Misc Exp - Sundries/Others .....	9,500	4,241
TDS Receivable.....	580,706	—	TOTAL CONSUMPTION IN FY 2013-14.....	2,876,590	26,280,682
Claims recoverable .....	1,272,472	1,272,472	LESS : CLOSING WIP 28.02.2014 .....	222,686,966	219,810,376
	<u>224,666,404</u>	<u>224,095,698</u>		<u>—</u>	<u>—</u>

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	Current Year ₹	Previous Year ₹
<b>14 Employee Benefit Expense</b>		
Salaries, wages and bonus .....	2,691,075	2,729,228
Staff welfare.....	2,285	14,148
	<u>2,693,360</u>	<u>2,743,376</u>
Less: Allocated to Projects .....	(2,693,360)	(2,743,376)
	<u>-</u>	<u>-</u>
<b>15 Finance Costs</b>		
Interest on Inter Corporate deposits ....	-	23,317,362
Less: Allocated to Projects .....	-	(23,317,362)
	<u>-</u>	<u>-</u>
<b>16 Other Expenses</b>		
Legal and Professional Charges .....	14,606	19,849
Auditors' remuneration	-	-
Audit Fee.....	28,090	114,420
Other Expenses.....	3,368	-
Insurance Expenses- Other .....	674	-
Miscellaneous.....	2,694	-
	<u>46,064</u>	<u>134,269</u>
<b>17</b>	The particulars regarding dues to micro enterprises and small enterprises have 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. There are no dues to such parties.	

### 18 Related Party Transactions

#### a List of Related Parties

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited

#### b Related Party Transactions

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31<sup>st</sup> March, 2014 and balances outstanding as at 31<sup>st</sup> March, 2014:

Particulars	Current Year ₹	Previous Year ₹
<b>Mahindra Lifespace Developers Ltd.</b>		
Inter Corporate Deposit taken	3,500,000	5,400,000
Interest on Inter Corporate Deposit.....	-	23,317,362
Outstanding Payables as at the year end .....	241,325,298	237,825,298

### 19 Earnings per share

Particulars	Current Year	Previous Year
Basic and Diluted:		
Net loss for the year (₹).....	(63,867)	(151,599)
Weighted average number of equity shares (Nos.) .....	21,000,000	21,000,000
Par value per share (₹) .....	10	10
Earnings per share (₹) .....	(0.00)	(0.01)

**20** In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

**21** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached hereto

For and on behalf of the  
Board of Directors

For **B.K.Khare & Co.**  
Chartered Accountants

**Arun Nanda** Chairman

**Padmini Khare Kaicker** Partner  
**Sejal Shah** Company Secretary

**Anita Arjundas**  
**Brij Mohan Kataria**  
**Sangeeta Prasad** } Directors

Place : Mumbai      Place : Mumbai      Place : Mumbai  
Date : 17<sup>th</sup> April, 2014      Date : 17<sup>th</sup> April, 2014      Date : 17<sup>th</sup> April, 2014



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Sixth Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Total Income.....	-	-
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(43,158)	(133,769)
Less: Depreciation.....	-	-
Profit/(Loss) Before Interest and Taxation .....	(43,158)	(133,769)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation .....	(43,158)	(133,769)
Less: Provision for Taxation .....	-	-
Profit/(Loss) for the year after Taxation.....	(43,158)	(133,769)
Add: Balance of Profit/(Loss) for earlier years .....	(1,335,493)	(1,201,724)
Balance carried forward to the Balance Sheet .....	(1,378,651)	(1,335,493)

### Operations

As no further progress on land acquisition in the target area was happening for more than 2 years, the Company cancelled its proposed project at Roha, Maharashtra. Out of total 91.56 acres acquired by the Company, the Company in compliance with the conditions of the approval obtained by it, re-conveyed 64.74 acres to the land owners from whom the Company had acquired land. The Company is in process of completing the process of re-conveyance of balance 26.82 acres during the current year.

Company will keep on looking out for suitable Business opportunities for large format development and residential developments.

### Dividend

In view of the losses, your Directors have not recommended any dividend for the year under review.

### Capital

The Authorised Equity Share Capital of your Company is ₹ 10 crore and the paid-up equity capital of your Company is ₹ 5 crore.

Your Company is a wholly owned subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited.

### Directors

Ms. Anita Arjundas (DIN: 00243215) retires by rotation and being eligible offers herself for re-appointment.

### Audit Committee

On 17<sup>th</sup> April, 2014, the terms of the Audit Committee were enhanced in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.

The Audit Committee of the Company comprises of Ms. Anita Arjundas, Mr. Rajan Narayan and Mr. Suhas Kulkarni. Ms. Anita Arjundas is the Chairperson of the Audit Committee.

Audit Committee met four times during the year under review.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from

the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- 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.

### Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members of the Company affirming compliance with the Code.

### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at the 6<sup>th</sup> Annual General Meeting. Pursuant to Section 139(1) of the Companies Act, 2013, the members are requested to appoint auditors for a term of five consecutive years to hold office from the conclusion of the ensuing 6<sup>th</sup> Annual General Meeting till the conclusion of the 11<sup>th</sup> Annual General Meeting and thereafter till the conclusion of every sixth Annual General Meeting of the Company, provided that the Company shall place the matter relating to such appointment for

ratification by members at every Annual General Meeting. The members are requested to fix the remuneration of the Auditors.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in accordance with the conditions as specified in the said section.

#### Public Deposits and Loans/Advances

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read

with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

#### Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made there under

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

#### Acknowledgment

The Directors are thankful to all consultants and associates of your Company for the support received from them during the year under review.

For and on behalf of the Board,

**Anita Arjundas**

Chairperson

DIN: 00243215

Mumbai, 17<sup>th</sup> April, 2014

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

#### A. CONSERVATION OF ENERGY

- |  |   |  |
|--|---|--|
| (a) Energy conservation measures taken   | : | The operations of your Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time. |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy   | : | Nil  |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods             | : | The above measures, when implemented at an appropriate time are expected to result in reduction of energy consumption.                                     |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : | Not Applicable   |

#### B. TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

- |  |   |  |
|--|---|--|
| 1. Areas in which R & D is carried out               | : | The Company has not carried out any R&D activities during the year                   |
| 2. Benefits derived as a result of the above efforts | : | Not Applicable   |
| 3. Future Plan of action                             | : | The Company intends to initiate quality improvement measures at an appropriate time. |
| 4. Expenditure on R & D                              | : | Nil  |
| 5. Technology absorption, adaptation and innovation  | : | Nil  |
| 6. Imported Technology for the last 5 years          | : | Nil  |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board,

**Anita Arjundas**

Chairperson

DIN: 00243215

Mumbai, 17<sup>th</sup> April, 2014

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Industrial Township (Maharashtra) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For B. K. Khare & Co.  
Chartered Accountants  
Firm's Registration Number 105102W

**Padmini Khare Kaicker**

Partner

Place: Mumbai

Dated: 17<sup>th</sup> April 2014

Membership Number 44784



**Annexure to the auditors' report referred to in paragraph (7) of our report of even date on the accounts of Industrial Township (Maharashtra) Limited year ended 31<sup>st</sup> March, 2014.**

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
  - b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31<sup>st</sup> March, 2014, for a period more than six months from the date they became payable.
- (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March, 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31<sup>st</sup> March, 2014. The Company has incurred cash losses in the financial year ended 31<sup>st</sup> March, 2014 and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31<sup>st</sup> March, 2014.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. 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 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of  
**B. K. Khare and Co.**  
*Chartered Accountants*  
 Firm Registration No. 105102W

**Padmini Khare Kaicker**  
*Partner*  
 M. No. 44784

Place: Mumbai  
 Dated: 17<sup>th</sup> April 2014

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Note Ref	Current Year ₹	Previous Year ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital.....	3	50,000,000	50,000,000
Reserves and Surplus .....	4	(1,378,651)	(1,335,493)
		<u>48,621,349</u>	<u>48,664,507</u>
<b>Current Liabilities</b>			
Short term Borrowings .....	5	–	88,200,000
Other Current liabilities.....	6	3,241,312	19,339,144
		<u>3,241,312</u>	<u>107,539,144</u>
<b>TOTAL</b> .....		<u><b>51,862,662</b></u>	<u><b>156,203,651</b></u>
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories.....	7	48,988,635	90,597,219
Cash and cash equivalents.....	8	2,599,130	379,452
Short term loans and advances.....	9	274,897	65,226,980
		<u>51,862,662</u>	<u>156,203,651</u>
<b>TOTAL</b> .....		<u><b>51,862,662</b></u>	<u><b>156,203,651</b></u>

See accompanying notes forming part of Financial Statements

In terms of our report attached

For **B.K.Khare & Co**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

Place: Mumbai  
Date: 17<sup>th</sup> April 2014

For and on behalf of the Board of Directors  
**Anita Arjundas** Chairperson

**Suhas Kulkarni**  
**Rajan Narayan** } Directors

Place: Mumbai  
Date: 17<sup>th</sup> April 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Note Ref	Current Year ₹	Previous Year ₹
<b>EXPENDITURE</b>			
Operating Expenses .....	10	-	-
Finance Cost .....	11	-	-
Other expenses.....	12	43,158	133,769
		<u>43,158</u>	<u>133,769</u>
Profit before exceptional and extraordinary items and tax.....		(43,158)	(133,769)
Exceptional Items		-	-
Profit before extraordinary items and tax .....		(43,158)	(133,769)
Extraordinary Items.....		-	-
		<u>(43,158)</u>	<u>(133,769)</u>
Loss before tax		(43,158)	(133,769)
Less: Tax expense .....		-	-
		<u>(43,158)</u>	<u>(133,769)</u>
<b>Earning per equity share:</b>			
Basic and Diluted .....	15	(0.01)	(0.03)

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See accompanying notes forming part of Financial Statements

In terms of our report attached

For **B.K.Khare & Co**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

Place: Mumbai  
Date: 17<sup>th</sup> April 2014

For and on behalf of the Board of Directors  
**Anita Arjundas** Chairperson

**Suhas Kulkarni**  
**Rajan Narayan** } Directors

Place: Mumbai  
Date: 17<sup>th</sup> April 2014



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Current Year ₹	Previous Year ₹
<b>A. Cash flow from operating activities</b>		
Loss before tax.....	(43,158)	(133,769)
<i>Adjustments for:</i>		
Dividend and Gain on Redemption.....	-	-
Finance Charges.....	-	-
Operating loss before working capital changes.....	(43,158)	(133,769)
 <b>Changes in Working capital:</b>		
<i>Adjustments for (increase)/ decrease in operating assets</i>		
(Increase)/decrease in short term loans and advances.....	64,952,083	500,000
(Increase)/decrease in inventories .....	41,608,584	(12,414,280)
<i>Adjustments for (increase)/ decrease in operating liabilities</i>		
Increase/(decrease) other in current liabilities.....	(16,097,832)	10,011,406
	90,462,835	(1,902,874)
Cash used in operations.....	90,419,678	(2,036,643)
Taxes paid.....	-	-
Net cash used in operating activities .....	90,419,678	(2,036,643)
 <b>B. Cash flow from investing activities:</b>		
Proceeds from sale of investments.....	-	-
Dividend Received.....	-	-
Net cash flow from investing activities .....	-	-
 <b>C. Cash flow from financing activities:</b>		
Proceeds from short term borrowings .....	(88,200,000)	1,700,000
Interest on Inter corporate Deposit payable .....	-	-
Net cash from financing activities.....	(88,200,000)	1,700,000
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,219,678</b>	<b>(336,643)</b>
 <b>Cash &amp; cash equivalents</b>		
Opening balance .....	379,452	716,095
Closing balance.....	2,599,130	379,452
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>2,219,678</b>	<b>(336,643)</b>

See accompanying notes forming part of Financial Statements

In terms of our report attached

For **B.K.Khare & Co**  
Chartered Accountants**Padmini Khare Kaicker**  
PartnerPlace: Mumbai  
Date: 17<sup>th</sup> April 2014For and on behalf of the Board of Directors  
**Anita Arjundas** Chairperson**Suhas Kulkarni**  
**Rajan Narayan** } DirectorsPlace: Mumbai  
Date: 17<sup>th</sup> April 2014

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014****1 Corporate information**

The Company was incorporated on 2<sup>nd</sup> July, 2008 and is engaged in the business of development of Industrial Park in Roha, Raigad District, Maharashtra. The Company is currently acquiring lands and carrying out preliminary surveys.

**2 Significant Accounting Policies**

2.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

**2.3 Inventories**

Inventories are valued at lower of cost and net realizable value. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

**2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**2.5 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.6 Earnings per share**

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) and after reducing the dividend obligation (including Dividend Distribution Tax) on Preference Shares by the weighted average number of equity shares outstanding during the year.

**2.7 Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income available to realize such assets.

**2.8 Impairment of assets**

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists,

the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

**2.9 Provisions and contingencies**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**3 Share Capital**

	Current Year ₹	Previous Year ₹
Authorised 10,000,000 equity shares of ₹ 10 each.....	100,000,000	100,000,000
Issued, subscribed and fully paid up. 5,000,000 equity shares of ₹ 10 each.....	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>

3a The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees

3b Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

Repayment of capital on liquidation will be in proportion to the number of equity shares held.

3c Details of shares held by each shareholder including Holding Company, holding more than 5% of the aggregate shares in the Company :

	Current Year		Previous Year	
	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)
Holding Company (100%) Mahindra Lifespace Developers Limited Equity	5,000,000	50,000,000	5,000,000	50,000,000

**4 Reserves & Surplus**

	Current Year ₹	Previous Year ₹
Deficit from the statement of Profit and loss		
Opening balance	(1,335,493)	(1,201,724)
Add: Loss for the Current Year	(43,158)	(133,769)
Closing Balance of Profit and Loss Account	<u>(1,378,651)</u>	<u>(1,335,493)</u>

**5 Short Term Borrowings**

	Current Year ₹	Previous Year ₹
Intercompany deposits from Holding Company repayable on demand	—	88,200,000
	<u>—</u>	<u>88,200,000</u>

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Current Year ₹	Previous Year ₹
<b>6 Other Current Liabilities</b>		
Interest Accrued But not Due on Intercompany deposits	–	19,226,731
Others	140,503	112,413
Received from Land Aggregator	3,100,809	–
	<u>3,241,312</u>	<u>19,339,144</u>
<b>7 Inventories</b> (at lower of Cost and Net Realisable Value)		
Work In Progress (represents Land and related expenses)	48,988,635	90,597,219
	<u>48,988,635</u>	<u>90,597,219</u>
<b>8 Cash and Cash Equivalents</b>		
Cash on hand	20,000	20,000
Balances with Bank		
In current accounts	2,579,130	359,452
	<u>2,599,130</u>	<u>379,452</u>
<b>9 Short Term Loans and Advances</b> (Unsecured, considered good)		
Advance towards purchase of land	–	65,226,980
TDS Receivable	274,897	–
	<u>274,897</u>	<u>65,226,980</u>
<b>10 Operating Expenses</b>		
Opening Work In Progress 01.04.2013	90,597,219	78,182,939
Add : Consumption during 2013-14		
Land	(41,672,211)	–
Interest On Intercompany Loan	–	11,121,510
Travelling Expenses Domestic – Fare	6,952	850
Travelling Expenses Domestic – Lodging/Boarding	–	2,767
Printing & Stationery	–	2,265
Professional Fees	56,180	1,280,748
Bank Charges	494	6,140
Total Consumption in FY 2013-14	<u>(41,608,585)</u>	<u>12,414,280</u>
Less : Closing WIP 31.03.2014	<u>48,988,635</u>	<u>90,597,219</u>
	<u>–</u>	<u>–</u>

	Current Year ₹	Previous Year ₹
<b>11 Finance Costs</b>		
Interest on Inter Corporate Deposit	–	11,121,510
Less: Allocated to Projects	–	(11,121,510)
	<u>–</u>	<u>–</u>
<b>12 Other Expenses</b>		
Legal and Professional Charges	14,045	19,349
Auditors' remuneration		
Audit fees	28,090	114,420
Other Expenses	1,023	–
	<u>43,158</u>	<u>133,769</u>
<b>13</b>	The particulars regarding dues to micro enterprises and small enterprises have 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.	

**14 Related Party Transaction****(a) List of Related Parties**

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited

**(b) Related Party Transactions**

Particulars	Current Year ₹	Previous Year ₹
Inter-Corporate Deposit taken/(repaid) Net	(88,200,000)	1,700,000
Interest on Inter Corporate Deposit taken	–	11,121,510
Outstanding balance	–	107,426,731

**15 Earnings Per Share**

Particulars	Current Year	Previous Year
Net Profit/(Loss) after tax (₹)	(43,158)	(133,769)
Weighted average number of equity shares (Nos.)	5,000,000	5,000,000
Par value per share (₹)	10	10
Earnings per share – Basic and diluted (₹)	(0.01)	(0.03)

**16** In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

**17** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For <b>B. K. Khare &amp; Co</b> Chartered Accountants	For and on behalf of the Board of Directors <b>Anita Arjundas</b> Chairperson
<b>Padmini Khare Kaicker</b> Partner	<b>Suhas Kulkarni</b> <b>Rajan Narayan</b> } Directors
Place: Mumbai Date: 17 <sup>th</sup> April, 2014	Place: Mumbai Date: 17 <sup>th</sup> April, 2014

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Sixth Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Total Income.....	526,149,250	248,251,194
Profit/(Loss) Before Depreciation, Interest and Taxation.....	15,850,789	(33,934,755)
Less: Depreciation .....	1,418,640	550,455
Profit/(Loss) Before Interest and Taxation .....	14,432,149	(34,485,210)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation .....	14,432,149	(34,485,210)
Less: Provision for Taxation	3,000,000	-
Deferred Tax.....	-	10,706,080
Profit/(Loss) for the year after Taxation.....	11,432,149	(45,191,291)
Add: Balance of Profit/(Loss) for earlier years .....	(67,482,837)	(22,291,546)
Balance carried forward .....	(56,050,688)*	(67,482,837)

\* This is the balance of total Reserves and Surplus. For only P&L Account the balance carried forward is same as that of earlier year ie : (₹ 67,482,837) because the entire PAT of F-14 has been transferred to the Debenture Redemption Reserve (DRR)

### Operations

'Bloomdale', is the Company's first venture, located in Nagpur, Maharashtra. This project is conceived as a gated community spanning around 25 acres and offering a choice of midrise apartments, row houses and duplex homes. During the year, phase two of the project was launched with 97 units having a total saleable area of 0.14 million square feet. This was in addition to the 330 units of Phase one with a total saleable area of 0.41 million square feet. The Construction of both Phase one and two is progressing as per schedule.

### Dividend

In view of carried forward losses, your Directors have not recommended any dividend for the year under review.

### Capital

The Authorised and paid-up Equity Share Capital of the Company is ₹ 5 Lac which is presently held by Mahindra Lifespace Developers Limited (MLDL) and B.E. Billimoria & Co. Limited (BEBL) in the ratio of 70:30 respectively. Your Company is a subsidiary of MLDL and consequently a subsidiary of its ultimate holding company, Mahindra & Mahindra Limited.

### Non-convertible Debentures

On 11<sup>th</sup> March, 2013, the Company had issued and allotted 40 – Secured Redeemable 11.60% Coupon, Non-Convertible Debentures with a face value of ₹ 1 crore, aggregating ₹ 40 Crore on a Private Placement Basis.

### Directors

Mr. Rajendra Joshi (DIN: 01336172) retires by rotation and being eligible, has offered himself for re-appointment.

Mr. Jeet Kapadia (DIN: 02633453) was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 18<sup>th</sup> July, 2013. Mr. Jeet Kapadia holds office only upto the date of the 6<sup>th</sup> Annual General Meeting of the Company.

The Company has received a notice from a member signifying its intention to propose Mr. Jeet Kapadia as candidate for the office of Director.

During the year, Mr. Monesh Bhansali (DIN: 01091458) resigned as a Director of the Company w.e.f. 30<sup>th</sup> May, 2013. Your Board placed on record its appreciation of the services rendered by Mr. Monesh Bhansali during his tenure as a Director of the Company.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the profit of the Company for the year ended on that date;
- 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.

### Audit Committee

On 17<sup>th</sup> April, 2014, the Audit Committee of the Company was constituted pursuant to Section 177 of the Companies Act, 2013 and Rules made thereunder. The Committee comprises of Mr. Jayant Manmadkar, Mr. Digant Kapadia and Mr. Rajendra Joshi. Mr. Jayant Manmadkar is the Chairman of the Committee.

### **Nomination and Remuneration Committee**

On 17<sup>th</sup> April, 2014, the Nomination and Remuneration Committee of the Company was constituted pursuant to Section 178 of the Companies Act, 2013 and Rules made thereunder. The Committee comprises of Mr. Rajendra Joshi, Ms. Anita Arjundas and Mr. Digant Kapadia. Mr. Rajendra Joshi is the Chairman of the Committee.

### **Code of Conduct**

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members and Senior Management Personnel and Employees of the Company affirming compliance with the respective Codes.

### **Auditors**

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at this 6<sup>th</sup> Annual General Meeting. Pursuant to Section 139(1) of the Companies Act, 2013, the members are requested to appoint Auditors for a term of five consecutive years to hold office from the conclusion of the ensuing 6<sup>th</sup> Annual General Meeting till the conclusion of the 11<sup>th</sup> Annual General Meeting and thereafter till the conclusion of every sixth Annual General Meeting of the Company, provided that the Company shall place the matter relating to such appointment for ratification by members at every Annual General Meeting. The members are requested to fix the remuneration of the Auditors.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in accordance with the conditions as specified in the said section.

### **Public Deposits and Loans/Advances**

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts

pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

### **Sustainability**

'Bloomdale' is designed as a Green Building addressing certain priorities, which includes water conservation, reduction & reutilization of waste, energy conservation, reduction in CO2 emissions, conservation of resources like wood and lesser dependence on usage of virgin materials. In August, 2012, Bloomdale has received "GOLD rating" in Precertification from IGBC under IGBC Green Homes Rating System. Bloomdale' has also been included under the scope of GRI Sustainability reporting of Mahindra Lifespace Developers Limited.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

### **Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made there under**

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

### **Acknowledgments**

The Directors are thankful to all consultants, associates and employees of your Company for the support received from them during the year under review.

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 17<sup>th</sup> April, 2014



**ANNEXURE TO THE DIRECTORS' REPORT****PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.****A. CONSERVATION OF ENERGY**

- (a) Energy Conservation measures taken : As a part of sustainable development adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Buildings.  
Green Building increases the resource efficiency (energy, water, and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and removal i.e. the complete building life cycle.
- (b) Additional investments and proposals, if any, are being implemented for reduction of consumption of energy : Nil  
Energy consumption is being minimized through the following in green buildings:
- Energy efficient building envelopes for walls and roofs assembly
  - Energy efficient electronic ballast & all lighting system
  - Adoption of high efficiency light fittings
  - Adoption of high efficiency pumps, motors
  - Group control mechanism for lifts
- (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not Applicable
- (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule : Not Applicable

**B. TECHNOLOGY ABSORPTION**

## Research &amp; Development (R&amp;D)

1. Areas in which Research & Development is carried out : The Company has carried out one site laboratory based R&D activity during the year on a nano-technology based 360 degree curing and waterproofing system. The Company has also carried out field research and testing for innovative building materials and methods like pervious concrete, perlite concrete, High volume flyash concrete at Bloomdale.
2. Benefits derived as a result of the above efforts : Used 40% of flyash in the High volume Flyash concrete mix designs trials which has resulted in improved workable concrete, good surface finishes and strength.
3. Future plan of action : More experiments and testing on alternative sustainable building materials to improve quality and reduce time of construction are planned.
4. Expenditure on R&D : Nil
5. Technology absorption, adaptation and innovation : Since last year, Company is using Aluminium formwork system for construction in Bloomdale Project, Nagpur.
6. Imported technology : In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:  
Technology imported – Aluminium formwork system  
Year of import – FY-13  
Has technology been fully absorbed? - Yes  
If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. - N. A.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of foreign exchange earnings and outgo during the year under review are furnished in the Notes to Accounts.

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 17<sup>th</sup> April, 2014

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF

### MAHINDRA BEBANCO DEVELOPERS LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **MAHINDRA BEBANCO DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 31<sup>st</sup> March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **B. K. Khare and Co.**

*Chartered Accountants*  
*Firm's Registration Number 105102W*

**Padmini Khare Kaicker**

*Partner*

*Mumbai, Dated: 17<sup>th</sup> April 2014*

*Membership Number 44784*

## ANNEXURE TO THE AUDITORS' REPORT

**Referred to in Paragraph (7) our report of even date on the financial statements of Mahindra Bebanco Developers Limited ended 31<sup>st</sup> March, 2014.**

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) The Management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order is not applicable.
- 4) 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, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- 5) (i) In our opinion and according to the information and explanations given to us, there were no transactions with any party that needed to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
- (ii) As there are no transactions exceeding the value of ₹ Five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price of which such transactions have been entered is not applicable.
- 6) On our verification and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- 7) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
8. As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company. On our verification and as per information and explanation given to us such accounts and records have been made and maintained.
9. (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including 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 with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March, 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
- 10) The accumulated losses at the end of the financial year is more than fifty percent of its net worth. The Company has not incurred cash losses in the financial year under consideration but has incurred cash losses in immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks or debenture holders.
- 12) 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 and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) The company has applied term loans for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term purposes.
- 18) There is no preferential allotment of shares during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not made any public issue of its shares during the year.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of  
**B. K. Khare and Co.**  
 Chartered Accountants

**Padmini Khare Kaicker**  
 Partner  
 M. No. 44784

Mumbai, Dated: 17<sup>th</sup> April 2014

Firm Registration No. 105102W

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	Note	As on 31 <sup>st</sup> March, 2014 ₹	As on 31 <sup>st</sup> March, 2013 ₹
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital.....	3	500,000	500,000
Reserves and surplus.....	4	(56,050,688)	(67,482,837)
		<u>(55,550,688)</u>	<u>(66,982,837)</u>
<b>Non-Current liabilities</b>			
Long term borrowings.....	5	252,141,835	652,141,835
		<u>252,141,835</u>	<u>652,141,835</u>
<b>Current Liabilities</b>			
Short term Borrowings.....	6	46,388,395	35,988,777
Trade Payables.....	7	396,129,151	470,100,945
Other current liabilities.....	8	573,819,910	92,475,047
Short term provisions.....	9	2,215,755	1,631,466
		<u>1,018,553,211</u>	<u>600,196,235</u>
<b>Total</b> .....		<u><u>1,215,144,358</u></u>	<u><u>1,185,355,232</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets.....	10	19,380,734	1,079,930
		<u>19,380,734</u>	<u>1,079,930</u>
Other Non Current Assets.....	11	24,492,800	23,200,000
		<u>43,873,534</u>	<u>24,279,930</u>
<b>Current assets</b>			
Current Investments.....	12	–	27,566,809
Inventories.....	13	880,015,069	883,718,259
Trade receivables.....	14	153,539,757	44,609,209
Cash and Cash Equivalents.....	15	15,427,734	10,914,997
Short term loans and advances.....	16	104,956,636	102,161,436
Other current assets.....	17	17,331,629	92,104,595
		<u>1,171,270,824</u>	<u>1,161,075,304</u>
<b>Total</b> .....		<u><u>1,215,144,358</u></u>	<u><u>1,185,355,232</u></u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **B.K.Khare & Co**  
Chartered Accountants**Padmini Khare Kaicker**  
PartnerPlace : Mumbai  
Date : 17<sup>th</sup> April 2014

For and on behalf of the Board of Directors

**Anita Arjundas** Chairperson

<b>Rajan Narayan</b> <b>Digant Kapadia</b> <b>Jeet Kapadia</b> <b>Rajendra Joshi</b> <b>Jayant Manmadkar</b>	} Directors
--	-------------

Place : Mumbai  
Date : 17<sup>th</sup> April 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	Note	Year Ended 31 <sup>st</sup> March, 2014 ₹	Year Ended 31 <sup>st</sup> March, 2013 ₹
<b>REVENUE</b>			
Income from Operations .....		<b>525,698,191</b>	248,117,589
Other Income .....	<b>18</b>	<b>451,059</b>	133,605
<b>EXPENDITURE</b>			
Operating Expenses .....	<b>19</b>	<b>440,049,642</b>	218,898,087
Employee benefits .....	<b>20</b>	<b>4,554,054</b>	3,665,061
Finance costs .....	<b>21</b>	<b>–</b>	–
Depreciation .....	<b>10</b>	<b>1,418,640</b>	550,455
Administrative & Other expenses .....	<b>22</b>	<b>62,694,765</b>	59,622,801
Other Operating Expenses .....	<b>23</b>	<b>3,000,000</b>	–
		<b>511,717,101</b>	282,736,404
<b>Profit/(Loss) before tax .....</b>		<b>14,432,149</b>	(34,485,210)
<b>Less: Tax expense .....</b>		<b>–</b>	–
– Current tax .....		<b>3,000,000</b>	–
– Deferred tax .....		<b>–</b>	10,706,080
<b>Profit/(Loss) for the year .....</b>		<b>11,432,149</b>	(45,191,291)
<b>Earnings per equity share:</b>			
Basic and diluted .....		<b>228.64</b>	(903.83)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **B.K.Khare & Co**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

Place : Mumbai

Date : 17<sup>th</sup> April 2014

For and on behalf of the Board of Directors

**Anita Arjundas** Chairperson

**Rajan Narayan**  
**Digant Kapadia**  
**Jeet Kapadia**  
**Rajendra Joshi**  
**Jayant Manmadkar** } Directors

Place : Mumbai

Date : 17<sup>th</sup> April 2014



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

	Year Ended 31 <sup>st</sup> March, 2014 ₹	Year Ended 31 <sup>st</sup> March, 2013 ₹
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) before tax .....	14,432,149	(34,485,210)
<b>Adjustments for:</b>		
Depreciation.....	1,418,640	550,455
Finance Costs.....	32,148,094	52,581,308
Income from Mutual Fund.....	(499,283)	(322,143)
Interest from Fixed Deposits.....	(209,752)	(225,821)
Operating loss before working capital changes .....	47,289,848	18,098,589
<b>Changes in working capital:</b>		
<i>Adjustments in operating assets</i>		
(Increase)/decrease in short term loans and advances.....	(2,299,958)	(47,186,002)
(Increase)/decrease in inventories .....	3,703,191	(449,575,199)
(Increase)/decrease in trade receivable.....	(108,930,548)	(44,609,209)
(Increase)/decrease in long term loans and advances.....	(1,292,800)	(15,000)
(Increase)/decrease in other current assets .....	74,772,966	(92,104,595)
<i>Adjustments in operating liabilities</i>		
Increase/(decrease) in Long Term Borrowings.....	(400,000,000)	(16,785)
Increase/(decrease) in other current liabilities.....	446,781,058	(92,416,124)
Increase/(decrease) in trade payables.....	(73,971,794)	416,263,449
	(61,237,886)	(309,659,465)
Cash (used in) operations.....	(13,948,038)	(291,560,876)
Taxes paid.....	213,793	(5,244)
Net cash (used in) operating activities .....	(13,734,245)	(291,566,120)
<b>B. Cash flow from investing activities:</b>		
(Purchase)/Sale of fixed assets .....	(19,719,444)	(434,067)
(Purchase)/Sale of investments .....	27,566,809	(24,759,218)
Net cash from investing activities .....	7,847,365	(25,193,284)
<b>C. Cash flow from financing activities:</b>		
Proceeds from borrowings.....	10,399,619	400,000,000
Repayment of borrowings.....	–	(75,511,223)
Net cash from financing activities.....	10,399,619	324,488,777
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>4,512,737</b>	<b>7,729,373</b>
<b>Cash &amp; cash equivalents</b>		
Opening balance .....	10,914,997	3,185,624
Closing balance .....	15,427,734	10,914,997
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>4,512,737</b>	<b>7,729,373</b>
<b>Cash &amp; Cash equivalents comprise of:</b>		
Cash on Hand.....	30,165	19,299
Balance with Banks .....	15,397,569	10,895,698
<b>TOTAL.....</b>	<b>15,427,734</b>	<b>10,914,997</b>

For **B.K.Khare & Co**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

Place : Mumbai  
Date : 17<sup>th</sup> April 2014

For and on behalf of the Board of Directors

**Anita Arjundas** Chairperson

**Rajan Narayan**  
**Digant Kapadia**  
**Jeet Kapadia**  
**Rajendra Joshi**  
**Jayant Manmadkar** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April 2014

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014****1 CORPORATE INFORMATION**

The company is engaged in the business of development of residential complexes in MIHAN at Nagpur. Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current - Non Current classification of assets & liabilities.

**2 SIGNIFICANT ACCOUNTING POLICIES****2.1 Accounting Convention**

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

**2.2 Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

**2.3 Inventories**

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company.

**2.4 Fixed Assets**

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case of construction.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Depreciation on fixed assets is provided, on prorata basis, on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for:

1. Furniture & Fixtures, Plant & Machinery and Computers, individually costing more than ₹ 5,000, which are depreciated over their estimated useful lives of 5 years, and
2. Leasehold improvements are amortised over the period of lease.

**2.5 Revenue**

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Revenues from real estate projects are recognised only when the actual construction and development costs incurred is at least 25 % of the total estimated construction and development costs excluding land and when at least 10% of the sales consideration is realised and atleast 25% of total area is sold.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which

are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Interest income is accounted on accrual basis of contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

**2.6 Investments**

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

**2.7 Employee benefits**

In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

**2.8 Provision for Taxation**

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax is reviewed at each balance sheet date.

**2.9 Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

**2.10 Provisions and Contingent Liabilities**

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

**2.11 Borrowing Costs**

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 3 SHARE CAPITAL

	As on 31 <sup>st</sup> March, 2014 ₹	As on 31 <sup>st</sup> March, 2013 ₹
<b>Authorised</b>		
50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up	500,000	500,000
<b>Issued, subscribed and paid up.</b>		
50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up	500,000	500,000
	500,000	500,000

- a. 35,000 equity shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.  
There has been no movement in the equity share capital during the year.

### b. Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

Repayment of capital on liquidation will be in proportion to the number of equity shares held.

- c. Details of shares held by each shareholder including Holding Company, holding more than 5% of the aggregate shares in the Company:

	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
	No of Shares	Value of Shares ₹	No of Shares	Value of Shares ₹
<b>Holding Company (70%)</b>				
Mahindra Lifespace Developers Limited				
Equity	35,000	350,000	35,000	350,000
<b>B. E. Billimoria &amp; Co Limited (30%)</b>				
Equity	15,000	150,000	15,000	150,000

## 4 RESERVES & SURPLUS

### A. Surplus/(Deficit) in the Statement of Profit & Loss:

	As on 31 <sup>st</sup> March, 2014 ₹	As on 31 <sup>st</sup> March, 2013 ₹
Opening balance	(67,482,837)	(22,291,546)
Add: (Loss) for the Current Year	11,432,149	(45,191,291)
	(56,050,688)	(67,482,837)

Less: Transfer to Debenture Redemption Reserve (Refer Note 4a)

	(11,432,149)	—
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### Net Statement of Profit & Loss Surplus/(Deficit)

### B. Debenture Redemption Reserve:

Opening balance	—	—
Add: Transfer from Statement of Profit and Loss	11,432,149	—
<b>Net Balance in Debenture Redemption Reserve</b>	11,432,149	—
Closing Balance (A+B)	(56,050,688)	(67,482,837)

- a. Debenture Redemption Reserve has been created to the extent of profits available for appropriation for the current Financial Year only.

	As on 31 <sup>st</sup> March, 2014 ₹	As on 31 <sup>st</sup> March, 2013 ₹
--	--	--

## 5 Long Term Borrowings

### Secured

40 Secured Non Convertible Debentures of face Value of ₹ 1,00,00,000/- each	—	400,000,000
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### Unsecured

Inter Corporate Deposit	252,141,835	252,141,835
	252,141,835	652,141,835

## 6 Short Term Borrowings

### Secured

Loans repayable on demand from bank

Cash Credit Facility	46,388,395	35,988,777
----------------------	------------	------------

(The above facility is secured by First pari passu charge by way of mortgage on the Property/Project and second charge over escrow of receivables from Project)

Rate of interest is 13.25% p.a

	46,388,395	35,988,777
--	------------	------------

## 7 Trade Payables

Trade Payables – Others	396,129,151	470,100,945
	396,129,151	470,100,945

Based on the information available with the Company there are no outstandings in respect of Micro, Small and Medium Enterprises as of Balance Sheet date

## 8 Other current Liabilities

Advances from customers	120,525,803	71,649,501
Interest accrued but not due	44,045,530	15,112,245
Long Term Borrowing (Debenture) due within 12 months	400,000,000	—
Provision for Current Tax	2,474,753	—
Other liabilities	6,773,823	5,713,301
	573,819,910	92,475,047

- (a) The debentures are repayable in 24 months in three equal installment starting from the last day of the 15th month, last day of the 18th month and on the date of redemption.

- (b) RATE OF INTEREST : Coupon Rate is 11.60% per annum, compounded semi-annually. Interest payment is semi-annually.

- (c) SECURITY : The above Non Convertible Debentures are secured by First pari passu charge by way of mortgage on the Property/Project and second charge over escrow of receivables from the project.

- (d) The company has not defaulted in repayment of interest and principal.

## 9 Short Term Provisions

Provision for Employee Benefits		
Compensated absences	630,013	403,751
Others	1,585,742	1,227,715
	2,215,755	1,631,466

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

## 10 Fixed Assets

₹

Description of Assets	Gross Block			Depreciation			Net Block	
	As at April 1, 2013	Additions	As at Mar 31, 2014	As at April 1, 2013	For the year	As at Mar 31, 2014	As at Mar 31, 2014	As at March 31, 2013
<b>Tangible Assets</b>								
Lease Hold Improvement	543,540	–	543,540	407,903	135,636	543,539	1	135,637
Computers	927,983	122,942	1,050,925	277,736	185,988	463,724	587,201	650,247
Plant & Equipments	206,994	748,255	955,249	87,896	84,891	172,787	782,462	119,098
Furniture & Fixture	150,450	18,751,501	18,901,951	100,296	973,535	1,073,831	17,828,120	50,154
Office Equipment	172,752	96,746	269,498	47,958	38,590	86,548	182,950	124,794
<b>Total</b>	2,001,718	19,719,444	21,721,162	921,789	1,418,640	2,340,429	19,380,734	1,079,930
Previous year	1,569,252	432,467	2,001,718	372,934	550,455	921,789	1,079,930	1,196,318

## 11 Other Non Current Assets

	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013
	₹	₹
<b>Security Deposits</b>	21,537,800	20,245,000
Bank Balances		
Long term deposits with banks having maturity more than 12 months	2,955,000	2,955,000
	<u>24,492,800</u>	<u>23,200,000</u>

**Trade Receivables outstanding for more than six months**

Secured, considered good	30,852,954	–
Unsecured, considered good		
(B)	<u>30,852,954</u>	<u>–</u>
(A+B)	<u>153,539,757</u>	<u>44,609,209</u>

12 Current Investments  
Unquoted, Non Trade (At lower of cost and face value):

	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
	Units	Units
JP Morgan India Treasury Fund	–	2,754,230
	<u>–</u>	<u>27,566,809</u>
	<u>–</u>	<u>27,566,809</u>

## 15 Cash and Cash Equivalents

<b>Cash on Hand</b>	30,165	19,299
Balances with banks		
On Current Accounts	15,397,569	10,895,698
	<u>15,427,734</u>	<u>10,914,997</u>

## 16 Short Term Loans and advances

<b>Loans &amp; Advances</b>		
– Considered good	104,956,636	101,947,643
– Considered doubtful	–	–
	<u>104,956,636</u>	<u>101,947,643</u>
<b>Less : Provision for doubtful loans &amp; advances</b>	–	–
	<u>104,956,636</u>	<u>101,947,643</u>
Advance Payment of Income Tax	–	213,793
	<u>104,956,636</u>	<u>102,161,436</u>

## 13 Inventories (valued at lower of cost and net realisable value)

Construction Work in progress	880,015,069	883,718,259
	<u>880,015,069</u>	<u>883,718,259</u>

Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

## 14 Trade Receivable

**Trade Receivables outstanding for less than six months**

Secured, considered good	122,686,803	44,609,209
Unsecured, considered good	–	–
	<u>122,686,803</u>	<u>44,609,209</u>
Less: Provision for doubtful debts	–	–
(A)	<u>122,686,803</u>	<u>44,609,209</u>

## 17 Other Current Assets

Unbilled Revenue	17,331,629	92,104,595
	<u>17,331,629</u>	<u>92,104,595</u>

## 18 Other Income

Transfer Fees received from Customers	451,059	133,605
	<u>451,059</u>	<u>133,605</u>

# NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

	Year Ended 31 <sup>st</sup> March, 2014 ₹	Year Ended 31 <sup>st</sup> March, 2013 ₹
<b>19 Operating Expenses</b>		
Opening Work In Progress 01.04.2013	883,718,259	434,143,060
Add: CONSUMPTION DURING 01.04.2013 - 31.03.2014		
Architect Fees	2,242,972	7,024,915
Consultant Fees	—	757,306
Interest on ICD	32,148,094	52,581,308
Interest on Debentures	46,400,000	2,669,590
Interest on Cash Credit	12,016,868	91,228
Employee, Remuneration & Staff Welfare Expenses	7,106,028	6,021,012
Civil Work	365,664,214	222,342,275
Service Tax Cenvat Credit	(29,105,449)	(8,974,183)
Royalty Expenses	—	385,580,000
Professional Charges	—	104,495
Miscellaneous Expenses	582,759	823,303
Interest on FD	(209,752)	(225,821)
Dividend Income - Mutual Fund	(499,283)	(322,143)
TOTAL CONSUMPTION 01.04.2013 - 31.03.2014	436,346,451	668,473,286
LESS : CLOSING WIP 31.03.2014	880,015,069	883,718,259
	440,049,642	218,898,087
<b>20 Employee Benefits Expenses</b>		
Salaries, allowances & Bonus	10,979,003	9,073,267
Staff welfare expenses	627,938	612,806
	11,606,941	9,686,073
Less: Allocated to Projects	(7,052,887)	(6,021,012)
	4,554,054	3,665,061
<b>21 Finance Cost</b>		
Interest on Intercompany deposits	32,148,094	52,581,308
Interest on Debentures	46,400,000	2,669,590
Interest on Cash Credit	12,016,868	91,228
Less: Allocated to Projects	(90,564,962)	(55,342,126)
	—	—
<b>22 Administration &amp; Other Expenses</b>		
Rent, Rates and taxes	395,300	608,740
Repairs and Maintenance		
- Others	1,264,134	523,190
Legal and Professional Fee	41,990,874	41,988,124
Advertisement and Marketing Expenses	9,516,038	11,025,780
Brokerage	4,291,415	2,094,053
Remuneration to auditors		
Audit Fees	561,800	337,080
Tax Audit Fees	112,360	—
Other Services	449,440	—
Miscellaneous expenses	4,113,404	3,045,834
	62,694,765	59,622,801
<b>23 Other Operating Expenses</b>		
Defect Liability Expenses	3,000,000	—
	3,000,000	—
<b>24</b>		
In respect of real estate projects under long term contracts, determination of profits/losses and realisability of the construction work in progress & project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects/activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.		

## 25 Related party transactions

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Associate Company	B.E. Billimoria & Co. Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions and balances outstanding as at 31<sup>st</sup> March, 2014:

## 25b Nature of transactions:

	Holding company		Associate Company	
	2013-14	2012-13	2013-14	2012-13
Purchase of services	39,828,475	38,949,145	377,403,642	207,633,498
Inter corporate deposit taken	—	93,450,000	—	40,050,000
Interest on inter corporate deposit	22,498,176	36,806,264	9,649,918	15,775,045
Inter corporate deposit repaid	—	(171,500,000)	—	(73,500,000)
Net Payable	233,271,143	211,510,465	8,199,466	75,685,600

## 26 Earnings Per share

	2013-14	2012-13
Net (loss) after tax (₹)	11,432,149	(45,191,291)
Weighted average number of Equity shares (Nos.)	50,000	50,000
Nominal value of shares (₹)	10	10
Basic and Diluted Earnings/(loss) per share (₹)	228.64	(903.83)

27 The Company operates in one segment namely Project and development activity.

## 28 Leases:

- There is no lease income
- Lease expenditure for operating leases is recognised on a straight line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	2013-14	2012-13
<b>Future minimum lease payments under non-cancellable operating leases</b>		
Not later than 1 year	—	16,500
Later than 1 year and not later than 5 years	—	—
Later than 5 years	—	—

29 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report attached hereto For and on behalf of the Board of Directors

**B.K.Khare & Co**  
Chartered Accountants

**Padmini Khare Kaicker**  
Partner

**Anita Arjundas** Chairperson

**Rajan Narayan**  
**Digant Kapadia**  
**Jeet Kapadia**  
**Rajendra Joshi**  
**Jayant Manmadkar** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April 2014

Place : Mumbai  
Date : 17<sup>th</sup> April 2014



## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Fifth Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Total Income.....	-	-
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(49,850)	(49,969)
Less : Depreciation.....	-	-
Profit/(Loss) Before Interest and Taxation .....	(49,850)	(49,969)
Less : Interest .....	-	-
Profit/(Loss) Before Taxation .....	(49,850)	(49,969)
Profit/(Loss) for the year after Taxation.....	(49,850)	(49,969)
Add : Balance of Profit/(Loss) for earlier years .....	(909,587)	(859,618)
Balance carried forward to the Balance Sheet .....	(959,437)	(909,587)

### Operations

During the year, your Company reviewed various proposals to undertake large format developments and residential developments. Your Company is looking out for suitable business opportunities in this area.

### Dividend

In view of the losses, your Directors have not recommended any dividend for the year under review.

### Capital

The Authorised Equity Share Capital of your Company is ₹ 5 crore. During the year, the paid-up equity capital of your Company was increased from ₹ 5 lakh to ₹ 11 lakhs. The increase in Equity Share Capital is due to allotment of 60,000 equity shares of ₹ 10 each in rights issue.

Your Company is a wholly owned subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited.

### Directors

Mr. Rajan Narayan (DIN: 00213953) retires by rotation and being eligible offers himself for re-appointment.

Mr. Jayantt Manmadkar (DIN: 03044559) was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 2013. Mr. Jayantt Manmadkar holds office only upto the date of the 5<sup>th</sup> Annual General Meeting of the Company.

The Company has received a notice from a member signifying its intention to propose Mr. Jayantt Manmadkar as candidate for the office of Director.

During the year, Ms. Anita Arjundas (DIN: 00243215) resigned as a Director of the Company w.e.f. 31<sup>st</sup> July, 2013. Your Board placed on record its appreciation of the services rendered by Ms. Anita Arjundas during her tenure as a Director of the Company.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- 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.

### Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Code from the Board Members of the Company affirming compliance with the Code.

### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at the 5<sup>th</sup> Annual General Meeting. Pursuant to

Section 139(1) of the Companies Act, 2013, the members are requested to appoint Auditors for a term of five consecutive years to hold office from the conclusion of the ensuing 5<sup>th</sup> Annual General Meeting till the conclusion of the 10<sup>th</sup> Annual General Meeting and thereafter till the conclusion of every sixth Annual General Meeting of the Company, provided that the Company shall place the matter relating to such appointment for ratification by members at every Annual General Meeting. The members are requested to fix the remuneration of the Auditors.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in accordance with the conditions as specified in the said section.

#### Public Deposits and Loans/Advances

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

#### Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made there under

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

#### Acknowledgment

The Directors are thankful to all the consultants and associates of your Company for the support received from them during the year under review.

For and on behalf of the Board,

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.

#### A. CONSERVATION OF ENERGY

- |  |  |
|--|--|
| (a) Energy conservation measures taken   | : The Company is looking out for suitable opportunity in large format development and residential development and adequate energy conservation measures will be taken at an appropriate time |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy   | : Nil  |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods             | : The above measures, when implemented at an appropriate time are expected to result in reduction of energy consumption.   |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : Not Applicable   |

#### B. TECHNOLOGY ABSORPTION

Research & Development (R & D)

- |  |  |
|--|--|
| 1. Areas in which R & D is carried out               | : The Company has not carried out any R&D activities during the year.                  |
| 2. Benefits derived as a result of the above efforts | : Not Applicable   |
| 3. Future Plan of action                             | : The Company intends to initiate quality improvement measures at an appropriate time. |
| 4. Expenditure on R & D                              | : Nil  |
| 5. Technology absorption, adaptation and innovation  | : Nil  |
| 6. Imported Technology for the last 5 years          | : Nil  |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board,

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RAIGAD INDUSTRIAL & BUSINESS PARK LIMITED

#### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Raigad Industrial and Business Park Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

**Padmini Khare Kaicker**

Partner

Membership No. 44784

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (7) of our report of even date on the accounts of **Raigad Industrial and Business Park Limited** for the year ended 31<sup>st</sup> March, 2014.

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
  - b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on March 31, 2014, for a period more than six months from the date they became payable.
  - (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. *The accumulated losses of the Company exceeds fifty percent of its net worth as at 31<sup>st</sup> March 2014. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.*
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31<sup>st</sup> March 2014.
17. In our opinion and according to information and explanations given to us and on an overall examination



of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.

18. 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 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with

the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

**Padmini Khare Kaicker**

Partner

Membership No. 44784

Place: Mumbai

Date: 17<sup>th</sup> April 2014



# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Note Ref	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital.....	3	1,100,000	500,000
Reserves and surplus.....	4	(959,437)	(909,587)
		140,563	(409,587)
<b>Current liabilities</b>			
Other current liabilities.....	5	515,323	487,233
Total.....		655,886	77,646
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Cash equivalents.....	6	655,886	77,646
Total.....		655,886	77,646

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar**

Chairman

**Rajan Narayan**

**Suhas Kulkarni**

Directors

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Note Ref	Year ended 31 <sup>st</sup> March, 2014 ₹	Year ended 31 <sup>st</sup> March, 2013 ₹
<b>EXPENDITURE</b>			
Other expenses.....	7	49,850	49,969
		<u>49,850</u>	<u>49,969</u>
Loss before tax .....		(49,850)	(49,969)
Less : Tax expense .....		-	-
Loss for the year.....		<u>(49,850)</u>	<u>(49,969)</u>
<b>Earnings per equity share:</b>			
Basic & diluted.....		(0.90)	(1.00)

---

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar**

Chairman

**Rajan Narayan**

**Suhas Kulkarni**

}

Directors

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
	₹	₹
<b>A. Cash flow from operating activities</b>		
(Loss) before tax .....	(49,850)	(49,969)
<b>Adjustments for:</b>		
Operating (loss) before working capital changes.....	(49,850)	(49,969)
Increase/(decrease) in current liabilities.....	28,090	(82,210)
<b>Cash (used in) operations .....</b>	<b>(21,760)</b>	<b>(132,179)</b>
<b>B. Cash flow from financing activities:</b>		
Proceeds from issue of shares	600,000	–
<b>Net cash from financing activities</b>	<b>600,000</b>	<b>–</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B).....</b>	<b>578,240</b>	<b>(132,179)</b>
<b>Cash &amp; cash equivalents</b>		
Opening balance .....	77,646	209,825
Closing balance.....	655,886	77,646
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>578,240</b>	<b>(132,179)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No.: 44784

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar**

Chairman

**Rajan Narayan**

**Suhas Kulkarni**

Directors

Place : Mumbai

Date : 17<sup>th</sup> April, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## 1. Corporate Information:

The Company was incorporated on 18<sup>th</sup> June, 2009 and is engaged in the business of development of Industrial Parks in Maharashtra and is in the process of identifying the lands for acquisition. Since the Holding Company is committed to extending financial support to the Company for its future projects the accounts have been prepared on a "Going Concern" basis.

## 2. Significant Accounting Policies:

## a. Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## b. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## c. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in notes contingent Assets are neither recognised nor disclosed in the financial statements.

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>3. Share Capital:</b>		
Authorised	₹	₹
5,000,000 Equity shares of ₹ 10 each....	50,000,000	50,000,000
Issued, subscribed and paid up.		
1,10,000 equity shares of ₹ 10 each fully paid up		
(50,000 equity shares of ₹ 10 each fully paid up as on March'13 .....	1,100,000	500,000
	1,100,000	500,000

3a. The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares	Value of Shares (₹)	No. of Shares	Value of Shares (₹)
Equity Shares				
At the beginning of the period	50,000	500,000	50,000	500,000
Issued during the period	60,000	600,000	—	—
Outstanding at the end of the period .....	110,000	1,100,000	50,000	500,000

## 3b. Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹. 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>4. Reserves &amp; Surplus:</b>		
Surplus in Statement of Profit and Loss		
Opening balance of Profit & Loss Account...	(909,587)	(859,618)
Add: (Loss) for the Current Year .....	(49,850)	(49,969)
Closing Balance.....	(959,437)	(909,587)
<b>5. Other Current Liabilities:</b>		
Expenses reimbursable to Holding Company ...	459,143	459,143
Other payables .....	56,180	28,090
	515,323	487,233

## 6. Cash &amp; cash equivalents:

Bank Balances		
On current account.....	655,886	77,646
	655,886	77,646

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
<b>7. Other Expenses:</b>		
Rates and taxes .....	9,401	8,119
Legal and Professional Charges.....	12,359	11,236
Miscellaneous expenses .....	—	464
Audit Fee .....	28,090	28,090
Reimbursement of expenses/levies .....	—	2,060
	49,850	49,969

## 8. List of related parties:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Holding Company

Related parties are as identified by the management

Mahindra Lifespace Developers Limited	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Payable as at the year end (₹) .....	459,143	459,143
Shares issued (₹) .....	600,000	—

## 9. Earnings per Share:

	2013-14	2012-13
Net (loss) after tax (₹) .....	(49,850)	(49,969)
Weighted average number of equity shares (Nos.) .....	55,425	50,000
Basic and Diluted Earnings per share (not annualised) (₹) .....	(0.90)	(1.00)
Nominal value of shares (₹) .....	10	10

10. In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

11. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

**For B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors  
**Jayant Manmadkar** Chairman

**Rajan Narayan**  
**Suhas Kulkarni** } Director

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Fourth Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2014	For the year ended 31 <sup>st</sup> March, 2013
Total Income	-	-
Profit/(Loss) Before Depreciation, Interest and Taxation	(51,029)	(47,031)
Less: Depreciation	-	-
Profit/(Loss) Before Interest and Taxation	(51,029)	(47,031)
Less: Interest	-	-
Profit/(Loss) Before Taxation	(51,029)	(47,031)
Less: Provision for Taxation	-	-
Profit/(Loss) for the year after Taxation	(51,029)	(47,031)
Add: Balance of Profit/(Loss) for earlier years	(195,655)	(148,624)
Balance carried forward to the Balance Sheet	(246,684)	(195,655)

### Operations

During the year, your Company reviewed various proposals to undertake residential developments. Your Company is looking out for suitable business opportunities in this area.

### Dividend

In view of losses, your Directors have not recommended any dividend for the year under review.

### Capital

The Authorised Equity Share Capital of your Company is ₹ 10 lakh and the paid-up equity share capital of your Company is ₹ 5 lakh.

Your Company is a wholly-owned subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited.

### Directors

Mr. Rajan Narayan (DIN: 00213953) retires by rotation and being eligible offers himself for re-appointment.

Mr. Jayantt Manmadkar (DIN: 03044559) was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 2013. Mr. Jayantt Manmadkar holds office only upto the date of the 4<sup>th</sup> Annual General Meeting of the Company.

The Company has received a notice from a member signifying its intention to propose Mr. Jayantt Manmadkar as candidate for the office of Director.

During the year, Ms. Anita Arjundas (DIN: 00243215) resigned as a Director of the Company w.e.f. 31<sup>st</sup> July, 2013. Your Board placed on record its appreciation of the services rendered by Ms. Anita Arjundas during her tenure as Director of the Company.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from

the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the year ended on that date;
- 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.

### Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Code from the Board Members of the Company affirming compliance with the Code.

### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at 4<sup>th</sup> Annual General Meeting. Pursuant to Section 139(1) of the Companies Act, 2013, the members are requested to appoint Auditors for a term of five consecutive years to hold office from the conclusion of the ensuing 4<sup>th</sup> Annual General Meeting till the conclusion of the 9<sup>th</sup> Annual General Meeting and thereafter till the conclusion of every sixth Annual General Meeting of the Company, provided that the Company shall



place the matter relating to such appointment for ratification by members at every Annual General Meeting. The members are requested to fix the remuneration of the Auditors.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

#### **Public Deposits and Loans/Advances**

The Company has not accepted deposits from the public or employees during the year under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required

under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

#### **Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made there under**

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

#### **Acknowledgment**

The Directors are thankful to all consultants and associates of your Company for the support received from them during the year under review.

For and on behalf of the Board,

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

#### **A. CONSERVATION OF ENERGY**

- |  |   |
|--|---|
| (a) Energy conservation measures taken   | : The Company is looking out for suitable opportunity in residential development and adequate energy conservation measures will be taken at an appropriate time |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy   | : Nil   |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods             | : The above measures, when implemented at an appropriate time are expected to result in reduction of energy consumption.  |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : Not Applicable  |

#### **B. TECHNOLOGY ABSORPTION**

##### **Research & Development (R&D)**

- |  |  |
|--|--|
| 1. Areas in which R & D is carried out               | : The Company has not carried out any R&D activities during the year                   |
| 2. Benefits derived as a result of the above efforts | : Not Applicable   |
| 3. Future Plan of action                             | : The Company intends to initiate quality improvement measures at an appropriate time. |
| 4. Expenditure on R & D                              | : Nil  |
| 5. Technology absorption, adaptation and innovation  | : Nil  |
| 6. Imported Technology for the last 5 years          | : Nil  |

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board,

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ANTHURIUM DEVELOPERS LIMITED

#### Report on the financial statements

1. We have audited the accompanying financial statements of **Anthurium Developers Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's responsibility for the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. K. Khare and Co.**

*Chartered Accountants*

*Firm's Registration Number 105102W*

**Padmini Khare Kaicker**

*Partner*

*Membership Number 44784*

*Place: Mumbai*

*Dated: 17<sup>th</sup> April, 2014*

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (7) of our report of even date on the accounts of **Anthurium Developers Limited** for the year ended 31<sup>st</sup> March, 2014.

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
  - b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31<sup>st</sup> March, 2014, for a period more than six months from the date they became payable.
  - (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March, 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31<sup>st</sup> March, 2014.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.

18. 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 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- For **B. K. Khare and Co.**  
*Chartered Accountants*  
*Firm's Registration No. 105102W*
- Padmini Khare Kaicker**  
*Partner*  
*Membership No. 44784*
- Place: Mumbai*  
*Dated: 17<sup>th</sup> April, 2014*

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Note Ref	As at 31 <sup>st</sup> March, 2014 ₹	As at 31 <sup>st</sup> March, 2013 ₹
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital .....	3	500,000	500,000
Reserves and surplus .....	4	(246,684)	(195,655)
		<b>253,316</b>	304,345
<b>Current liabilities</b>			
Short term Borrowings .....	5	20,000,000	–
Other current liabilities.....	6	72,725	44,635
Total .....		<b>20,326,041</b>	348,980
<b>ASSETS</b>			
<b>Non-current Investments .....</b>			
	7	–	196,150
		–	196,150
<b>Current assets</b>			
Cash and Cash equivalents .....	8	290,424	152,830
Short term loans and advances.....		20,035,617	–
		<b>20,326,041</b>	152,830
Total.....		<b>20,326,041</b>	348,980

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar** Chairman

**Rajan Narayan**  
**Ramesh Ranganathan** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Note Ref	Year ended 31 <sup>st</sup> March, 2014 ₹	Year ended 31 <sup>st</sup> March, 2013 ₹
<b>EXPENDITURE</b>			
Other expenses .....	9	51,029	47,031
		51,029	47,031
Loss before tax .....		(51,029)	(47,031)
Less : Tax expense .....		—	—
Loss for the year.....		(51,029)	(47,031)
<b>Earnings per equity share:</b>			
Basic & Diluted .....		(1.02)	(0.94)

---

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar** Chairman

**Rajan Narayan**  
**Ramesh Ranganathan** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Year ended 31 <sup>st</sup> March, 2014 ₹	Year ended 31 <sup>st</sup> March, 2013 ₹
<b>A. Cash flow from operating activities</b>		
(Loss) before tax .....	(51,029)	(47,031)
Operating (loss) before working capital changes.....	(51,029)	(47,031)
(Increase)/decrease in current assets .....	(20,035,617)	–
Increase/(decrease) in current liabilities.....	28,090	11,545
	(20,007,527)	11,545
Cash (used in) operations .....	(20,058,556)	(35,486)
Net cash (used in) operating activities.....	(20,058,556)	(35,486)
<b>B. Cash flow from investing activities:</b>		
Purchase of investments.....	–	(196,150)
Proceeds from sale of investments .....	196,150	–
Net cash from investing activities.....	196,150	(196,150)
<b>C. Cash flow from financing activities:</b>		
Proceeds from borrowings .....	20,000,000	–
Net cash from financing activities.....	20,000,000	–
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C) .....</b>	<b>137,594</b>	<b>(231,636)</b>
<b>Cash &amp; cash equivalents</b>		
Opening balance .....	152,830	384,466
Closing balance.....	290,424	152,830
<b>Net increase / (decrease) in cash and cash equivalents .....</b>	<b>137,594</b>	<b>(231,636)</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B K Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar** Chairman

**Rajan Narayan**  
**Ramesh Ranganathan** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

## 1 Corporate Information

The Company was incorporated on 2nd June, 2010 and is engaged in the business of development of Residential complexes and is in the process of identifying lands for acquisition for its projects.

## 2 Significant Accounting Policies

### a Basis of Accounting

The financial statements have been prepared under the historical cost convention in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards notified by the Central Government of India under The Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956. Assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956.

### b Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carried forward losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

### c Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## 3. Share Capital

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
Authorised		
100,000 Equity shares of ₹ 10 each.....	1,000,000	1,000,000
Issued, subscribed and paid up.		
50,000 equity shares of ₹ 10 each fully paid up.....	500,000	500,000
	500,000	500,000

- (a) The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No of Shares	Value of Shares ₹	No of Shares	Value of Shares ₹
Equity Shares				
At the beginning of the period .....	50,000	500,000	50,000	500,000
Issued during the period...	—	—	—	—
Outstanding at the end of the period .....	50,000	500,000	50,000	500,000

- (b) Terms/Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>4. Reserves &amp; Surplus</b>		
Surplus in Statement of Profit and Loss		
Opening balance of Profit & Loss Account...	(195,655)	(148,624)
Add: (Loss) for the Current Year.....	(51,029)	(47,031)
Closing Balance .....	(246,684)	(195,655)
<b>5. Short-term borrowings</b>		
Loans repayable on demand		
– from other parties .....	20,000,000	—
	20,000,000	—
<b>6. Other Current Liabilities</b>		
Other payables .....	72,725	44,635
	72,725	44,635
<b>7. Investment</b>	Non Current	Non Current
Shares (Non-trade and fully paid-up unless otherwise specified) :		
Preference Shares.....	—	196,150
(7% Non-Cumulative Preference Share)	—	196,150
<b>8. Cash &amp; cash equivalents</b>		
<b>Bank Balances</b>		
In current accounts.....	290,424	152,830
	290,424	152,830

## 9. Other Expenses:

	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Legal and Professional Charges.....	22,883	18,539
Miscellaneous expenses .....	56	402
Audit Fee.....	28,090	28,090
	51,029	47,031

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

### 10. List of related parties:

Mahindra & Mahindra Limited	<b>Ultimate Holding Company</b>
Mahindra Lifespace Developers Limited	<b>Holding Company</b>

Related parties are as identified by the management

<b>Mahindra Lifespace Developers Limited:</b>	<b>As at 31<sup>st</sup> March, 2014</b>	<b>As at 31<sup>st</sup> March, 2013</b>
Payable as at the period end.....	<b>NIL</b>	<b>NIL</b>

### 11. Earnings per Share

	<b>2013-14</b>	<b>2012-13</b>
Net (loss) after tax (₹).....	<b>(51,029)</b>	(47,031)
Weighted average number of equity shares (Nos.).....	<b>50,000</b>	50,000
Basic and Diluted Earnings per share (not annualised) (₹).....	<b>(1.02)</b>	(0.94)
Nominal value of shares (₹) .....	<b>10</b>	10

For **B K Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

For and on behalf of the Board of Directors

**Jayant Manmadkar** Chairman

**Rajan Narayan**  
**Ramesh Ranganathan** } Directors

Place : Mumbai  
Date : 17<sup>th</sup> April, 2014

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their First Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

### Incorporation

Your Company was incorporated on 29<sup>th</sup> March, 2013

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹) For the period ended 29 <sup>th</sup> March, 2013 to 31 <sup>st</sup> March, 2014
Total Income.....	-
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(62,699)
Less: Depreciation .....	-
Profit/(Loss) Before Interest and Taxation .....	(62,699)
Less: Interest.....	-
Profit/(Loss) Before Taxation .....	(62,699)
Less: Provision for Taxation .....	-
Current Tax .....	-
Deferred Tax .....	-
Profit/(Loss) for the period after Taxation .....	(62,699)
Balance carried forward to the Balance Sheet .....	(62,699)

### Operations

During the year, your Company reviewed various proposals to undertake large format developments including residential developments. Your Company is looking out for suitable business opportunities in this area.

### Dividend

In view of the losses, your Directors have not recommended any dividend for the period under review.

### Capital

The Authorised Equity Share Capital of your Company is ₹ 10 lakh and the paid-up equity share capital of your Company is ₹ 5 lakh.

Your Company is a wholly-owned subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited.

### Directors

Mr. Jayantt Manmadkar (DIN: 03044559) being the first Director of the Company holds office upto the date of 1<sup>st</sup> Annual General Meeting of the Company.

Mr. Suhas Kulkarni (DIN: 00003936) was appointed as an additional Director at the meeting of the Board of Directors of the Company held on 31<sup>st</sup> July, 2013. Mr. Suhas Kulkarni hold office only upto the date of the 1<sup>st</sup> Annual General Meeting of the Company.

The Company has received notices from a member signifying its intention to propose Mr. Jayantt Manmadkar and Mr. Suhas Kulkarni as candidates for the office of Director.

During the year, Ms. Anita Arjundas (DIN: 00243215), first director of the Company resigned as a Director of the Company w.e.f. 31<sup>st</sup> July, 2013. Your Board placed on record its appreciation of the services rendered by Ms. Anita Arjundas during her tenure as a Director of the Company.

### Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- they have, in the selection of the accounting policies, consulted the Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2014 and of the loss of the Company for the period ended on that date;
- 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.

### Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the period under review, received declarations under the Code from the Board Members of the Company affirming compliance with the Code.

### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, the first Auditors of the Company, who were appointed by the Board of Directors, retires as Auditors of the Company at the 1<sup>st</sup> Annual General Meeting. Pursuant to section 139(1) of the



Companies Act, 2013, the members are requested to appoint Auditors for a term of five consecutive years to hold office from the conclusion of the ensuing 1<sup>st</sup> Annual General Meeting till the conclusion of the 6<sup>th</sup> Annual General Meeting and thereafter till the conclusion of every sixth Annual General Meeting of the Company, provided that the Company shall place the matter relating to such appointment for ratification by members at every Annual General Meeting. The members are requested to fix the remuneration of the Auditors.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above Auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in accordance with the conditions as specified in the said section.

#### Public Deposits and Loans/Advances

The Company has not accepted deposits from the public or employees during the period under review.

The Company has not made any loans/advances of the nature, which are required to be disclosed in the annual accounts pursuant to Clause 32 of the Listing Agreements of the parent companies Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited with the Stock Exchanges.

## ANNEXURE TO THE DIRECTORS' REPORT

### PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2014.

#### A. CONSERVATION OF ENERGY

- |  |   |   |
|--|---|---|
| (a) Energy conservation measures taken   | : | The Company is looking out for suitable opportunity in residential development and adequate energy conservation measures will be taken at an appropriate time |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy   | : | Nil   |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods             | : | The above measures, when implemented at an appropriate time are expected to result in reduction of energy consumption.  |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : | Not Applicable  |

#### B. TECHNOLOGY ABSORPTION

##### Research & Development (R&D)

- |  |   |  |
|--|---|--|
| 1. Areas in which R & D is carried out               | : | The Company has not carried out any R&D activities during the period                 |
| 2. Benefits derived as a result of the above efforts | : | Not Applicable   |
| 3. Future Plan of action                             | : | The Company intends to initiate quality improvement measures at an appropriate time. |
| 4. Expenditure on R & D                              | : | Nil  |
| 5. Technology absorption, adaptation and innovation  | : | Nil  |
| 6. Imported Technology for the last 5 years          | : | Nil  |

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the period under review.

For and on behalf of the Board,

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

#### Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made there under

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 per annum during the year ended 31<sup>st</sup> March, 2014 or was employed for a part of the Financial Year and was in receipt of remuneration of not less than ₹ 500,000 per month during any part of the year.

#### Acknowledgment

The Directors are thankful to all consultants and associates of your Company for the support received from them during the period under review.

For and on behalf of the Board

**Jayant Manmadkar**

Chairman

DIN: 03044559

Mumbai, 17<sup>th</sup> April, 2014

## INDEPENDENT AUDITORS' REPORT

**To the Members of  
Mahindra Housing Private Limited**

### Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Housing Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956. ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act 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 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 purpose 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 those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow 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 written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

**Padmini Khare Kaicker**

(Partner)

Membership Number 44784

MUMBAI, 17<sup>th</sup> April, 2014

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (7) of our report of even date on the accounts of **Mahindra Housing Private Limited** for the year ended 31<sup>st</sup> March, 2014.

1. The company did not own any fixed assets at the beginning or at the end of the year. Also it has not purchased or sold any fixed assets during the year. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (i) of para 4 of the Order are not applicable.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. Since the company has not dealt in purchase and sale of any finished goods, stores, spares and raw materials. Also neither it owned any fixed assets at the beginning or at the end of the year nor has purchased or sold any fixed assets during the year. Therefore provisions of sub-para (iv) of para 4 of the Order are not applicable.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
  - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
  - b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31<sup>st</sup> March, 2014, for a period more than six months from the date they became payable.
  - (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March 2014 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31<sup>st</sup> March 2014.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. 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 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of

**B. K. Khare and Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
M. No. 44784

MUMBAI, 17<sup>th</sup> April, 2014

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2014**

	<b>Note Ref</b>	<b>As at 31<sup>st</sup> March, 2014</b>
		₹
<b>EQUITY &amp; LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital.....	3	500,000
Reserves and surplus.....	4	(62,699)
		<u>437,301</u>
<b>Current liabilities</b>		
Other current liabilities .....	5	62,699
		<u>62,699</u>
<b>TOTAL.....</b>		<u><u>500,000</u></u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and Cash equivalents.....	6	500,000
<b>TOTAL.....</b>		<u><u>500,000</u></u>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

**For and on behalf of the Board of Directors**

**Jayant Manmadkar**

Chairman

**Suhas Kulkarni**

Director

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED FROM 29<sup>th</sup> MARCH, 2013 TO 31<sup>st</sup> MARCH, 2014**

	<b>Note Ref</b>	<b>29<sup>th</sup> March, 2013 To 31<sup>st</sup> March, 2014</b>
		₹
<b>EXPENDITURE</b>		
Other expenses.....	7	62,699
		<b>62,699</b>
<b>Loss before tax .....</b>		<b>(62,699)</b>
<b>Less: Tax expense .....</b>		<b>-</b>
<b>Loss for the year.....</b>		<b>(62,699)</b>
<b>Earnings per equity share:</b>		
Basic & diluted.....		(1.25)

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

**For and on behalf of the Board of Directors**

**Jayant Manmadkar**

Chairman

**Suhas Kulkarni**

Director

Place: Mumbai

Date: 17<sup>th</sup> April, 2014



# CASH FLOW STATEMENT FOR THE PERIOD ENDED FROM 29<sup>th</sup> MARCH, 2013 TO 31<sup>st</sup> MARCH, 2014

29<sup>th</sup> March, 2013 To  
31<sup>st</sup> March, 2014

₹

## A. Cash flow from operating activities

(Loss) before tax.....	(62,699)
<i>Adjustments for:</i>	
Operating (loss) before working capital changes.....	(62,699)
Increase / (decrease) in current liabilities .....	62,699
Cash (used in) operations.....	—

## B. Cash flow from financing activities:

Proceeds from issue of shares .....	500,000
<b>Net cash from financing activities.....</b>	<b>500,000</b>

<b>Net increase/(decrease) in cash and cash equivalents (A+B) .....</b>	<b>500,000</b>
---	----------------

## Cash & cash equivalents

Opening balance .....	
Closing balance .....	500,000
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>500,000</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For B K Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

**For and on behalf of the Board of Directors**

**Jayant Manmadkar**

Chairman

**Suhas Kulkarni**

Director

Place: Mumbai

Date: 17<sup>th</sup> April, 2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2014

## 1 CORPORATE INFORMATION

The Company was incorporated on 29<sup>th</sup> March, 2013 and is engaged in the business of establishing, acquiring, developing and maintaining Industrial Parks, Technology Parks, Bio-tech Parks, Software Parks, Special Economic zones, Export Processing Zones, Industrial Areas, Industrial estates, Integrated Townships, Residential and/or Commercial Complexes, Housing Facility in India and outside India. Since the Holding Company is committed to extending financial support to the Company for its future projects the accounts have been prepared on a "Going Concern" basis.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### a Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

### c Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in notes contingent Assets are neither recognised nor disclosed in the financial statements.

### 3. Share Capital

	As at 31 <sup>st</sup> March, 2014
Authorised	
1,00,000 Equity shares of ₹. 10 each	1,00,000
Issued, subscribed and paid up.	
50,000 equity shares of ₹.10 each fully paid up	500,000
	<u>500,000</u>

3a The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

As at 31<sup>st</sup> March, 2014

No of Shares Value of Shares

Equity Shares		
At the beginning of the period	—	—
Issued during the period	50,000	500,000
Outstanding at the end of the period	<u>50,000</u>	<u>500,000</u>

3b Terms/ Rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

3c Shares held by holding Company

Particulars	No.of Share/S	%
Mahindra Lifespace Developers Ltd	50,000	100.00%
<b>Total</b>	<b>50,000</b>	<b>100.00%</b>

₹

As at 31<sup>st</sup> March,  
2014

### 4 Reserves & Surplus

Surplus in Statement of Profit and Loss

Opening balance of Profit & Loss Account	—
Add: (Loss) for the Current Year	(62,699)
Closing Balance of Profit and Loss Account	<u>(62,699)</u>

### 5 Other Current Liabilities

Other payables	62,699
	<u>62,699</u>

The particulars regarding dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.

### 6 Cash & cash equivalents

#### Bank Balances

On current account	500,000
	<u>500,000</u>

### 7 Other Expenses

₹

29<sup>th</sup> March, 2013 To  
31<sup>st</sup> March, 2014

Rates and taxes	32,923
Legal and Professional Charges	1,686
Audit Fee	28,090
	<u>62,699</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2014

### 8 List of related parties:

Mahindra & Mahindra Limited	<b>Ultimate Holding Company</b>
Mahindra Lifespace Developers Limited	<b>Holding Company</b>

Related parties are as identified by the management

	<b>As at 31<sup>st</sup> March, 2014</b>
<b>Mahindra Lifespace Developers Limited:</b>	
Issue of Shares (₹)	500,000

### 9 Earnings per Share

	<b>2013-14</b>
Net (loss) after tax (₹)	(62,699)
Weighted average number of equity shares (Nos.)	50,000
Basic and Diluted Earnings per share (not annualised) (₹)	(1.25)
Nominal value of shares (₹)	10

10 In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.

11 The Company was incorporated on 29<sup>th</sup> March 2013 and this is the first year of operation hence previous year figures are not applicable.

### For B K Khare & Co.

Chartered Accountants  
Firm Registration No. 105102W

### Padmini Khare Kaicker

Partner  
Membership No. : 44784  
Place: Mumbai  
Date: 17<sup>th</sup> April, 2014

### For and on behalf of the Board of Directors

**Jayant Manmadkar** Chairman

**Suhas Kulkarni** Director

Place: Mumbai  
Date: 17<sup>th</sup> April, 2014