

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their seventh report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income.....	81,13,15,705	52,61,49,250
Profit/(Loss) Before Depreciation, Interest and Taxation.....	15,76,49,671	1,58,50,789
Less: Depreciation.....	56,71,831	14,18,640
Profit/(Loss) Before Interest and Taxation	15,19,77,840	1,44,32,149
Less: Interest.....	—	—
Profit/(Loss) Before Taxation	15,19,77,840	1,44,32,149
Less: Provision for Taxation	3,30,00,000	30,00,000
Deferred Tax.....	(8,44,071)	—
Profit/(Loss) for the year after Taxation.....	11,98,21,911	1,14,32,149
Add: Balance of Profit/(Loss) for earlier years	(6,74,82,837)	(6,74,82,837)
Less: Transfer to Debenture Redemption Reserve	(5,10,67,851)	(1,14,32,149)
Balance carried forward	12,71,223	(6,74,82,837)

Dividend

In view of the carried forward lossess, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

Profit for the year has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations

'Bloomdale', is the Company's first venture, located in Nagpur, Maharashtra. This project is conceived as a gated community spanning around 25.2 acres and offering a choice of midrise apartments, row houses and duplex homes. During the year, the Company launched three new phases of the project (IIB1, IIB2 and IIIC1), taking the total saleable area launched to 0.84 million square feet. Construction is nearing completion for the first phase of the project (IA, IB and IC), and progressing as per schedule for the remaining phases and the club house. 80 per cent of the total units launched in this projects have been sold upto March 2015.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share 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.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

On 11th 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.

On 10th September, 2014, the Company had issued and allotted 25 – Secured Redeemable 11.25 % Coupon, Non-Convertible Debentures with a face value of ₹ 1 crore, aggregating ₹ 25 Crore on a Private Placement Basis.

The proceeds from both the aforesaid issues of Non-Convertible Debentures have been fully utilised for the purposes of the issues.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ (5,55,50,688) and ₹ 6,42,71,223 respectively.

Holding Company

Your Company is a 70:30 joint venture Company with B.E. Billimoria & Co. Limited, one of the leading construction companies in India.

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

During the year, no company became / ceased to be subsidiary/ associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 for the financial year 2014-15, the provisions with respect to CSR were not applicable to the Company.

Directors

During the year, Mr. Raghunath Murti (DIN: 00082761) and Mr. Vijay Khetan (DIN: 00465161) were appointed as Independent Directors not liable to retire by rotation, to hold the office for a term up to 5 (five) consecutive years commencing from 25th March, 2015. Mr. Murti and Mr. Khetan have given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayant Manmadkar (DIN: 03044559) a Non-executive and Non-independent Director retires by rotation at the 7th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Manmadkar is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Rajan Narayan (DIN : 00213953) resigned as a Director of the Company with effect from 25th March, 2015. The Board places on record its deep appreciation of the valuable services rendered by Mr. Narayan during his tenure as a Director of the Company.

During the year, the Nomination and Remuneration Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. Vijay Khetan, Mr. Raghunath Murti and two non-independent Directors, namely Mr. Rajendra Joshi and Mr. Digant Kapadia.

Mr. Raghunath Murti is the Chairman of the Committee.

Pursuant to the provisions of the Companies Act, 2013 evaluation of every Director's performance was done by Nomination and Remuneration Committee.

The following policies of the Company are attached herewith and marked as **Annexure 1**, **Annexure 2A** and **Annexure 2B** to this report.

1. Policy on appointment of Directors and Senior Management (**Annexure -1**)
2. Policy on remuneration of Directors (**Annexure -2A**)
3. Policy on remuneration of Key Managerial Personnel & Employees (**Annexure -2B**)

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013

with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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, Independent Directors and employees of the Company affirming compliance with the respective Codes.

Meetings

During the year six Board Meetings were convened and held on following dates:

17th April, 2014, 18th July, 2014, 9th September, 2014, 13th October, 2014, 20th January, 2015 and 25th March, 2015.

During the year five Audit Committee meetings were convened and held on the following dates :

17th April, 2014, 18th July, 2014, 9th September, 2014, 13th October, 2014 and 20th January, 2015.

During the year one Nomination & Remuneration Committee meeting was convened and held on 25th March, 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board /Committees are given below:

Sr. No.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1.	Ms. Anita Arjundas	5	–	1
2.	Mr. Rajendra Joshi	6	5	1
3.	Mr. Jayant Manmadkar	6	5	–
4.	Mr. Rajan Narayan (Resigned w.e.f. 25 th March, 2015)	6	–	–
5.	Mr. Digant Kapadia	6	5	1
6.	Mr. Jeet Kapadia	5	–	–
7.	Mr. Raghunath Murti (appointed on 25 th March, 2015)	1	–	1
8	Mr. Vijay Khetan (appointed on 25 th March, 2015)	1	–	1

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management and auditors.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. Vijay Khetan, Mr. Raghunath Murti and one Non-Executive Non-Independent Director, Mr. Jayant Manmadkar. Mr. Vijay Khetan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Operating Officer and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely

monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of 6th Annual General Meeting held on 15th July, 2014. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from conclusion of 7th AGM till the conclusion of 11th AGM.

As required under the provisions of Section 139 (1) 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 whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of contract / arrangement / transaction with related parties which could be considered material are given in **Annexure 3** in the form AOC-2. Your Directors draw attention to Note no. 26 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

The details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review are given at **Annexure 4** to this report.

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 5** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed / reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board,

Anita Arjundas

Chairperson

DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

I. APPOINTMENT OF DIRECTORS

- The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed :
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,
Anita Arjundas
 Chairperson
 DIN : 00243215

Mumbai, 16th April, 2015

ANNEXURE 2A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY FOR REMUNERATION OF THE DIRECTORS

Purpose

This Policy sets out the approach to Compensation of Directors in Mahindra Bebanco Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other

factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually / half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 16th April, 2015

ANNEXURE 2B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance

as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 16th April, 2015

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:
NIL
2. Details of material contracts or arrangement or transactions at arm's length basis
 - (a) Name(s) of the related party and nature of relationship:- B.E. Billimoria & Co Ltd – Mr. Digant Kapadia is a common Director on the Boards of the Company and of B.E. Billimoria & Co Ltd. Also the Company is an Associate Company of B.E. Billimoria & Co Ltd.
 - (b) Nature of contracts/arrangements/transactions:- Principal Construction Contractor for Company's Residential Development project at MIHAN, Nagpur.
 - (c) Duration of the contracts/arrangements/transactions and Salient terms of the contracts or arrangements

or transactions including the value, if any:- The commencement date for the construction works is 18th October, 2011 and the completion date shall be 10th January 2017. The total cost of contract is ₹ 242 Crs. Estimated salable area of the contract is 15, 31,478 sqft.

(d) Date(s) of approval by the Board, if any:- 17th October, 2011

(f) Amount paid as advances, if any:

		Amount in ₹
Total Mobilization advance given against Bank Guarantee	Total Mobilization advance deducted	Total Mobilization advance outstanding
148,229,494	77,548,308	70,681,186

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 16th April, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	: 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 Building. 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 Steps taken for energy conservation: 1. Energy efficient building envelopes for walls and roofs 2. Energy efficient electronic ballast & all lighting system 3. Heat Reflective paint 4. Adoption of high efficient light fittings 5. Adoption of high efficient pumps, motors 6. Group control mechanism for lifts 7. CFL/LED lamps for common areas & pathways
(ii)	the steps taken by the company for utilising alternate sources of energy	: None
(iii)	the capital investment on energy conservation equipments	: It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/ green investments. During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself. These expenditures are mainly for 1. use of energy efficient building envelopes 2. heat reflective paint, 3. low flow fixtures, 4. sewage treatment plant, 5. rain water harvesting system, 6. organic waste converter, 7. energy efficient equipments such as pumps and motors, etc.

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	: Around 25 technologies were studied, Out of those Two technologies viz. Aluminium Formwork (Mivan) and High Volume Fly ash Concrete for internal roads were used.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Major benefits of the technologies are – Increase in work speed, better finish Quality, better durability due to monolithic structures & less manpower requirement. Hence, reduction in cost.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	(a) The details of technology imported – Aluminium Formwork (Mivan)
		(b) The year of import – FY13-14 & FY15 (Aluminum Formwork - Mivan)
		(c) Whether the technology been fully absorbed – Yes
		(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – NA
(iv)	the expenditure incurred on Research and Development	: NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 16th April, 2015

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015

(PURSUANT TO SECTION 92(3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45203MH2008PLC183107
2.	Registration Date	03/06/2008
3.	Name of the Company	Mahindra Bebanco Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018. Tel No: 022-67478600/8601, Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1	Construction of Buildings	410	100

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

on the basis of Gross Turnover.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	70	2(87)(ii)
	B.E. Billimoria & Co. Ltd.	U45200MH1962PLC012268	Associate	30	2(6)

The Company does not have any Subsidiary Company.

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individuals/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	—	50,000	50,000	100	—	50,000	50,000	100	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e. Banks/FI	—	—	—	—	—	—	—	—	—
f. Any Other...	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	—	50,000	50,000	100	—	50,000	50,000	100	—
2. Foreign									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Body Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any Others...	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	—	50,000	50,000	100	—	50,000	50,000	100	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Bank/FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt (s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Fund	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (Non Resident Individuals)	—	—	—	—	—	—	—	—	—
d) Others Trust	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B) = (B)(1) + (B)(2)	—	—	—	—	—	—	—	—	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A + B + C)	—	50,000	50,000	100	—	50,000	50,000	100	—

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	34,950	69.90	—	34,950	69.90	—	—
2	B.E. Billimoria & Co.Ltd.	15,000	30	—	15,000	30	—	—
3	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.02	—	10	0.02	—	—
4	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.02	—	10	0.02	—	—
5	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.02	—	10	0.02	—	—
6	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.02	—	10	0.02	—	—
7	Mahindra Lifespace Developers Ltd Mr. Jayant Manmadkar	10	0.02	—	10	0.02	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil.

(v) Shareholding of Directors and Key Managerial Personnel: No Directors or Key Managerial Personnel hold any shares in the Company.

5. INDEBTNESS

Indebtness of the Company including outstanding/accrued but not due for payment

(₹ in Crs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40.00	25.21	—	65.21
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	0.26	4.14	—	4.40
Total (i + ii + iii)	40.26	29.35	—	69.61
Change in Indebtedness during the financial year				
• Addition	30.00	—	—	30.00
• Reduction	40.00	—	—	40.00
Net Change	10.00	—	—	10.00
Indebtedness at the end of the financial year				
i) Principal Amount	30.00	25.21	—	55.21
ii) Interest due but not paid	0	—	—	—
iii) Interest accrued but not due	0.18	7.03	—	7.21
Total (i + ii + iii)	30.18	32.24	—	62.42

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable****B. Remuneration of other directors:**

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amt.
		Mr. Rajendra Joshi	Mr. Jeet Kapadia	Mr. Jayant Manmadkar	Mr. Raghunath Murti	Ms. Anita Arjundas	Mr. Vijay Khetan	Mr. Digant Kapadia	
1.	Independent Directors								
	• Fee for attending board/committee meetings *	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-
2.	Other Non-Executive Directors								
	• Fee for attending board/committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	-	-	-	-	-	-	-	-
	Total (A)	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	1,00,000	-	1,00,000	-	-

* The Board at its meeting held on 16th April, 2015 had approved payment of sitting fees to Independent Directors as under :

Meetings	Fees	Effective from
For attending each Board meeting	Rs. 20,000	For all meetings held on 16 th April, 2015 and thereafter
For attending each Committee meeting	Rs. 10,000	Next meeting
For attending meeting of CSR Committee, if any	Nil	Not Applicable

None of the Directors other than Independent Directors receive any sitting fees from the Company.

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTM: Not Applicable**I) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act.	Brief description	Details of penalty/Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
Penalty	NONE				
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT	NONE				
Penalty					
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 16th April, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MAHINDRA BEBANCO DEVELOPERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **MAHINDRA BEBANCO DEVELOPERS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March, 2015, and the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on 31st March, 2015 taken on record by the

Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Chartered Accountants
Firm's Registration Number 105102W

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 16th April, 2015

Membership Number: 44784

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra Bebanco Developers Limited ended 31st March, 2015

- 1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- 2) The Company's inventory comprises only construction work in progress. The Company does not have any inventory of raw material, finished goods, stores, and spares. Hence para 3(ii) of the Order is not applicable to the Company.
- 3) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, 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 system.
- 5) In our opinion 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 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- 6) As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 7) (i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident

Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it. The provisions of Excise Duty are not applicable to the operations of the Company.

- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year end for a period of more than six months from the date they became payable.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The Company does not have any accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
9. 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.
- 10) 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.
- 11) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 12) Based on the audit procedures performed and as per the information and explanations given to us by management, no fraud on or by the Company has been noticed or reported during the year.

For B. K. Khare and Co.

*Chartered Accountants
Firm's Registration Number 105102W*

Padmini Khare Kaicker
Partner

Place: Mumbai

Dated: 16th April, 2015

Membership Number: 44784

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	Current Year ₹	Previous Year ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	5,00,000	5,00,000
Reserves and surplus.....	4	6,37,71,223	(5,60,50,688)
		<u>6,42,71,223</u>	<u>(5,55,50,688)</u>
Non-Current liabilities			
Long term borrowings.....	5	50,21,41,835	25,21,41,835
		<u>50,21,41,835</u>	<u>25,21,41,835</u>
Current Liabilities			
Short term Borrowings.....	6	12,90,19,653	46,388,395
Trade Payables.....	7	36,99,99,846	39,61,29,151
Other current liabilities.....	8	22,18,57,789	57,41,49,718
Short term provisions.....	9	32,57,566	22,15,755
		<u>72,41,34,854</u>	<u>1,01,88,83,020</u>
Total		<u>1,29,05,47,911</u>	<u>1,21,54,74,167</u>
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets.....	10	2,46,68,824	1,93,80,734
		<u>2,46,68,824</u>	<u>1,93,80,734</u>
Other Non Current Assets.....	11	2,54,77,800	2,44,92,800
Deferred Tax Assets (Net)	12	8,44,071	–
		<u>5,09,90,694</u>	<u>4,38,73,534</u>
Current assets			
Inventories	13	75,06,94,749	88,00,15,069
Trade receivables	14	9,19,24,205	15,35,39,757
Cash and Cash Equivalents	15	1,29,12,617	1,54,27,734
Short term loans and advances	16	14,23,18,927	10,52,86,445
Other current assets.....	17	24,17,06,719	1,73,31,629
		<u>1,23,95,57,217</u>	<u>1,17,16,00,633</u>
Total		<u>1,29,05,47,911</u>	<u>1,21,54,74,167</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.: 044784

Place : Mumbai
Date : 16th April, 2015

For and on behalf of the Board of Directors

Anita Arjundas
Rajendra Joshi
Raghunath Murti
Vijay Khetan
Digant Kapadia
Jeet Kapadia
Jayant Manmadkar

Chairperson
Directors

Place : Mumbai
Date : 16th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note	Current Year ₹	Previous Year ₹
REVENUE			
Income from Operations		80,95,26,062	52,56,98,191
Other Income	18	17,89,643	4,51,059
		81,13,15,705	52,61,49,250
EXPENDITURE			
Operating Expenses	19	58,04,35,211	44,00,49,642
Employee benefits	20	70,51,193	45,54,054
Finance costs	21	—	—
Depreciation	10	56,71,831	14,18,640
Administrative & Other expenses	22	6,19,79,631	6,26,94,765
Other Operating Expenses	23	42,00,000	30,00,000
		65,93,37,865	51,17,17,101
Profit/(Loss) before tax		15,19,77,840	1,44,32,149
Less: Tax expense			
— Current tax		3,30,00,000	30,00,000
— Deferred tax		(8,44,071)	—
Profit/(Loss) after tax		11,98,21,911	1,14,32,149
Earnings per equity share:			
Basic and diluted		2,396.44	228.64

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.: 044784

Place : Mumbai

Date : 16th April, 2015

For and on behalf of the Board of Directors

Anita Arjundas	}	Chairperson
Rajendra Joshi		
Raghunath Murti	}	Directors
Vijay Khetan		
Digant Kapadia		
Jeet Kapadia		
Jayant Manmadkar		

Place : Mumbai

Date : 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit/(Loss) before tax	15,19,77,840	1,44,32,149
Adjustments for:		
Depreciation.....	56,71,831	14,18,640
Operating Profit/(loss) before working capital changes	15,76,49,670	1,58,50,789
Changes in working capital:		
<i>Adjustments in operating assets</i>		
(Increase)/decrease in short term loans and advances	(3,70,32,480)	(30,08,996)
(Increase)/decrease in inventories	12,93,20,320	37,03,191
(Increase)/decrease in trade receivable	6,16,15,552	(10,89,30,548)
(Increase)/decrease in long term loans and advances	(9,85,000)	(12,92,800)
(Increase)/decrease in other current assets	(22,43,75,090)	7,47,72,966
<i>Adjustments in operating liabilities</i>		
Increase/(decrease) in Long Term Borrowings	-	-
Increase/(decrease) in other current liabilities	(5,85,29,542)	7,89,29,152
Increase/(decrease) in trade payables	(2,61,29,305)	(7,39,71,794)
	(15,61,15,546)	(2,97,98,830)
Cash (used in) operations	15,34,125	(1,39,48,040)
Taxes paid	2,42,79,424	2,13,793
Net cash (used in) operating activities	2,58,13,548	(1,37,34,247)
B. Cash flow from investing activities:		
(Purchase)/Sale of fixed assets	(1,09,59,921)	(1,97,19,444)
(Purchase)/Sale of investments	-	2,75,66,809
Net cash from investing activities	(1,09,59,921)	78,47,365
C. Cash flow from financing activities:		
Proceeds from borrowings	38,26,31,256	1,03,99,619
Repayment of borrowings	(40,00,00,000)	-
Net cash from financing activities	(1,73,68,744)	1,03,99,619
Net increase/(decrease) in cash and cash equivalents	(25,15,117)	45,12,737
Cash & cash equivalents		
Opening balance	1,54,27,734	1,09,14,997
Closing balance	1,29,12,617	1,54,27,734
Net increase/(decrease) in cash and cash equivalents	(25,15,117)	45,12,737
Cash & Cash equivalents comprise of:		
Cash on Hand	157	30,165
Balance with Banks	1,29,12,460	1,53,97,569
TOTAL	1,29,12,617	1,54,27,734

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 : 16th April, 2015

For and on behalf of the Board of Directors

Anita Arjundas	} Directors	Chairperson
Rajendra Joshi		
Raghunath Murti		
Vijay Khetan		
Digant Kapadia		
Jeet Kapadia		
Jayant Manmadkar		

Place : Mumbai
Date : 16th April, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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 Basis of preparation

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 specified under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

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 tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower.

Lease hold improvements are amortised over the period of lease/ estimated 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 at least 25% of total area is sold.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1st April 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1st April 2012, revenues will be recognized from these real estate projects only when

- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- when at least 10% of the sales consideration is realised and
- where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

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.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**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.

3 Share Capital**Authorised**

50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up

	Current Year ₹	Previous Year ₹
	5,00,000	5,00,000

Issued, subscribed and paid up.

50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up

	Current Year ₹	Previous Year ₹
	5,00,000	5,00,000
	5,00,000	5,00,000

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

	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares Rupees ₹	No of Shares	Value of Shares Rupees ₹
Equity Shares				
At the beginning of the period	50,000	5,00,000	50,000	5,00,000
Issued during the period	–	–	–	–
Outstanding at the end of the period	50,000	5,00,000	50,000	5,00,000

- d. 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 (70%) Mahindra Lifespace Developers Limited Equity	35,000	3,50,000	35,000	3,50,000
B. E. Billimoria & Co Limited (30%) Equity	15,000	1,50,000	15,000	1,50,000

4 Reserves & Surplus**A. Surplus/(Deficit) in the Statement of Profit & Loss:**

	Current Year ₹	Previous Year ₹
Opening balance	(6,74,82,837)	(6,74,82,837)
Add: Profit/(Loss) for the Current Year	11,98,21,911	1,14,32,149
	5,23,39,074	(5,60,50,688)

Less: Transfer to Debenture Redemption Reserve (Refer Note 4a)	(5,10,67,851)	(1,14,32,149)
--	---------------	---------------

Net Statement of Profit & Loss Surplus/(Deficit)	12,71,223	(6,74,82,837)
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B. Debenture Redemption Reserve:

Opening balance	1,14,32,149	–
Add: Transfer from Statement of Profit and Loss	5,10,67,851	1,14,32,149

Net Balance in Debenture Redemption Reserve	6,25,00,000	1,14,32,149
--	-------------	-------------

Closing Balance (A+B)	6,37,71,223	(5,60,50,688)
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- a. Debenture Redemption Reserve has been created to the extent of profits available for appropriation for the current Financial Year only.

	Current Year ₹	Previous Year ₹
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5 Long Term Borrowings**Secured**

25 Secured Non Convertible Debentures of face Value of ₹ 1,00,00,000/- each	25,00,00,000	–
---	--------------	---

Unsecured

Loan from related parties	25,21,41,835	25,21,41,835
	50,21,41,835	25,21,41,835

- a. The debentures are repayable in 24 months on the date of redemption.
- b. RATE OF INTEREST: Coupon Rate is 11.25% per annum, compounded semi-annually. Interest payment is semi-annually. (for NCD)
- 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
- e. Loan from related parties carries a coupon rate of 12.75% p.a and is repayable on demand.

	Current Year ₹	Previous Year ₹
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6 Short Term Borrowings**Secured**

Loans repayable on demand from bank		
Cash Credit Facility	12,90,19,653	4,63,88,395

(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

	12,90,19,653	4,63,88,395
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
7 Trade Payables			Service Tax	–	–
Trade Payables - Micro & Small Enterprises	–	–	Vat Payable - Maharashtra	7,86,279	3,36,963
Trade Payables - Others	36,99,99,846	39,61,29,151	Others	2,800	2,600
Contractual expenses payable	3,62,37,007	3,08,28,328	Other Payables		
Accrued Expenses	33,23,53,937	36,26,66,483	Defect Liability Provision	72,00,000	30,00,000
GR IR Account	14,08,902	26,34,340	Others	47,396	49,171
Payable on purchase of Fixed Assets	–	–		22,18,57,789	57,41,49,718
	36,99,99,846	39,61,29,151			

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.

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
8 Other current Liabilities					
Advances from customers	7,45,37,762	12,05,25,803			
Interest accrued but not due	7,20,04,430	4,40,45,530			
Current maturities of long-term debt	5,00,00,000	40,00,00,000			
Provision for Current Tax (Net of Advance Tax)	1,17,14,185	24,74,753			
Other liabilities	1,36,01,412	71,03,632			
Statutory Remittances					
Withholding Taxes	44,31,624	29,09,598			
Works contract Tax	11,33,313	8,05,300			

10 Fixed Assets

	Gross Block			Depreciation			Net Block	
Description of Assets	As at 1 st April, 2014	Additions	As at 31 st March, 2015	As at 1 st April, 2014	For the year	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Tangible Assets								
Lease Hold Improvement	1,57,35,627	97,87,043	2,55,22,670	12,47,625	44,25,904	56,73,529	1,98,49,141	1
Computers	10,50,925	9,20,485	19,71,410	4,63,724	5,73,820	10,37,544	9,33,866	5,87,201
Furniture & Fixture	37,09,864	–	37,09,864	3,69,745	3,30,872	7,00,617	30,09,247	1,78,28,120
Office Equipment	12,24,747	2,52,393	14,77,140	2,59,335	3,41,235	6,00,570	8,76,570	9,65,412
Total	2,17,21,162	1,09,59,921	3,26,81,083	23,40,429	56,71,831	80,12,259	2,46,68,824	1,93,80,734
Previous year	20,01,718	1,97,19,444	2,17,21,162	9,21,789	14,18,640	23,40,429	1,93,80,734	10,79,930

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
11 Other Non Current Assets			13 Inventories (valued at lower of cost or net realisable value)		
Security Deposits	2,15,22,800	2,15,37,800	Construction Work in progress	75,06,94,749	88,00,15,069
Bank Balances				75,06,94,749	88,00,15,069
Long term deposits (margin money) with banks having maturity more than 12 months	39,55,000	29,55,000			
	2,54,77,800	2,44,92,800			
12 Deferred Tax Assets (Net)					
Deferred Tax Assets					
Others	16,42,584	–			
Deferred Tax Liabilities					
Fixed Assets	(7,98,513)	–			
	8,44,071	–			

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
14 Trade Receivable			18 Other Income		
Trade Receivables outstanding for less than six months			Transfer Fee received from Customer	11,79,706	4,51,059
Secured, considered good	4,94,36,961	12,26,86,803	Interest on Delayed Payment	6,09,937	–
Unsecured, considered good	–	–		<u>17,89,643</u>	<u>4,51,059</u>
	<u>4,94,36,961</u>	<u>12,26,86,803</u>			
Less: Provision for doubtful debts	–	–	19 Operating Expenses		
(A)	<u>4,94,36,961</u>	<u>12,26,86,803</u>	Opening Work In Progress 01.04.2014	88,00,15,069	88,37,18,259
Trade Receivables outstanding for more than six months			Add : Consumption during 01.04.2014 - 31.03.2015		
Secured, considered good	4,24,87,243	3,08,52,954	Architect Fees	88,78,773	22,42,972
Unsecured, considered good	–	–	Stamp Duty	10,00,000	–
Less: Provision for doubtful debts	–	–	Interest on loan from related parties	3,21,48,092	3,21,48,094
(B)	<u>4,24,87,243</u>	<u>3,08,52,954</u>	Interest on Debentures	4,00,81,405	4,64,00,000
(A+B)	<u>9,19,24,204</u>	<u>15,35,39,757</u>	Interest on Cash Credit	1,42,39,011	1,20,16,868
			Employee, Remuneration & Staff Welfare Expenses	69,22,806	71,06,028
15 Cash and Cash Equivalents			Civil Work	33,97,83,719	36,56,64,214
Cash on Hand	157	30,165	Electrical Work	2,06,20,865	–
Balances with banks			Service Tax Cenvat Credit	(1,04,28,405)	(2,91,05,449)
On Current Accounts	1,29,12,460	1,53,97,569	Royalty Expenses	–	–
In Deposit Accounts (Less than 3 months maturity)	–	–	Professional Charges	17,16,872	–
	<u>1,29,12,617</u>	<u>1,54,27,734</u>	Miscellaneous Expenses	6,90,156	5,82,759
Other Bank Balance			Interest on FD	(25,64,020)	(2,09,752)
In Deposit Accounts (With Maturity more than 3 months but less than 12 months)	–	–	Profit on redemption of Mutual Fund	(8,44,718)	–
	<u>1,29,12,617</u>	<u>1,54,27,734</u>	Divident Income	(11,29,666)	(4,99,283)
			Total consumption 01.04.2014 - 31.03.2015	45,11,14,891	43,63,46,451
16 Short Term Loans and advances			Less: Closing wip 31.03.2015	75,06,94,749	88,00,15,069
Loans & Advances				<u>58,04,35,211</u>	<u>44,00,49,642</u>
– Considered good					
Mobilisation advance given to vendors	7,06,81,187	8,25,53,889	20 Employee Benefits Expenses		
Other advances	4,01,05,594	27,24,382	Salaries, allowances & Bonus	1,19,45,631	1,09,79,003
Interest Accrued on Fixed Deposits	8,50,971	4,15,250	Staff welfare expenses	19,80,137	6,27,938
Cenvat Credit (Service Tax)	3,06,81,175	1,95,92,924		<u>1,39,25,768</u>	<u>1,16,06,941</u>
– Considered doubtful	–	–	Less: Allocated to Projects	(68,74,575)	(70,52,887)
	<u>14,23,18,927</u>	<u>10,52,86,445</u>		<u>70,51,193</u>	<u>45,54,054</u>
Less : Provision for doubtful loans & advances	–	–			
	<u>14,23,18,927</u>	<u>10,52,86,445</u>	21 Finance Cost		
	<u>14,23,18,927</u>	<u>10,52,86,445</u>	Interest on loan from related parties	3,21,48,092	3,21,48,094
			Interest on Debentures	4,00,81,405	4,64,00,000
			Interest on Cash Credit	1,42,39,011	1,20,16,868
			Less: Allocated to Projects	(8,64,68,508)	(9,05,64,962)
				<u>–</u>	<u>–</u>
17 Other Current Assets					
Unbilled Revenue	231,238,485	17,331,629			
Others	10,468,233	–			
	<u>241,706,718</u>	<u>17,331,629</u>			

	Current Year ₹	Previous Year ₹
22 Administration & Other Expenses		
Rent, Rates and taxes	–	3,95,300
Repairs and Maintenance		
- Buildings	–	–
- Others	17,22,149	12,64,134
Legal and Professional Fee	3,94,67,454	4,19,90,874
Advertisement and Marketing Expenses	91,66,385	95,16,038
Brokerage	64,30,492	42,91,415
Remuneration to auditors		
Audit Fees	5,61,800	5,61,800
Tax Audit Fees	73,034	1,12,360
Other Services	2,24,720	4,49,440
Miscellaneous expenses	43,33,597	41,13,404
	6,19,79,631	6,26,94,765
23 Other Operating Expenses		
Defect Liability Expenses	42,00,000	30,00,000
	42,00,000	30,00,000

The Movement in the defect liability expense provision is summarised below:

Balance, beginning of the year	30,00,000
Provision during the year	42,00,000
Utilisation during the year	–
Balance, end of the year	72,00,000

- 24** 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.

	Current Year ₹	Previous Year ₹
25 Employee benefits		
Gratuity:		
a Principal Actuarial Assumptions		
Particulars		
Discount rate	7.80%	9.10%

b Reconciliation of Benefit Obligation	
Change in defined benefit obligations (DBO)	Current Year ₹
Present value of DBO at beginning of the year	6,26,806
Current service cost	2,10,511
Interest cost	57,039
Actuarial (gains)/losses	(31,685)
Benefits paid	–
Present value of DBO at the end of the year	8,62,671

c Expenses recognised in the statement of profit and loss for the year ended 31 March 2015:	
Components of employer expense	Current Year ₹
Current service cost	2,10,511
Interest cost	57,039
Actuarial losses/(gains)	(31,685)
Total expense recognised in the statement of profit and loss	2,35,865

d Experience adjustment on plan liabilities (loss)/gain	Current Year ₹
Particulars	
Net asset/(liability) recognised in the balance sheet	
Present value of defined benefit obligation	8,62,671
Fair value of plan assets	–
Funded status [surplus/(deficit)]	(8,62,671)
Unrecognised past service costs	–
Experience adjustment on plan liabilities (loss)/gain	2,02,812
Net asset/(liability) recognised in the balance sheet	(8,62,671)

26 Related party transactions

a	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 31st March, 2015:

b Nature of transactions:

	Holding company	Associate Company
	Current Year ₹	Previous Year ₹
Purchase of services	4,53,55,066	3,98,28,475
Interest on inter corporate deposit	2,24,98,174	2,24,98,176
Net Payable	26,18,33,111	23,32,71,143
	(1,34,06,496)	81,99,466

27 Earnings Per share

	Current Year ₹	Previous Year ₹
Net (loss) after tax	11,98,21,911	1,14,32,149
Weighted average number of Equity shares (Nos.)	50,000	50,000
Nominal value of shares	10	10
Basic and Diluted Earnings/(loss) per share	2,396.44	228.64

- 28** The Company operates in one segment namely project and development activity.

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 16th April, 2015

For and on behalf of the Board of Directors

Anita Arjundas
Rajendra Joshi
Raghunath Murti
Vijay Khetan
Digant Kapadia
Jeet Kapadia
Jayant Manmadkar

Chairperson

Directors

Place : Mumbai

Date : 16th April, 2015

DIRECTOR'S REPORT

Directors' Report to the Members

Your Directors present their First Report together with the Audited Financial Statement of your Company for the period from 22nd December, 2014 (the date of incorporation) till the year ended on 31st March, 2015.

FINANCIAL HIGHLIGHTS (STAND-ALONE)

(Amount in ₹ lakhs)

Particulars	For the period from 22 nd December, 2014 till 31 st March, 2015
Total Income	–
Profit/(Loss) Before Depreciation, Interest and Taxation	(1.10)
Less: Depreciation	–
Profit/(Loss) Before Interest and Taxation	(1.10)
Less: Interest	–
Profit/(Loss) Before Taxation	(1.10)
Less: Provision for Taxation	–
Profit/(Loss) for the year after Taxation	(1.10)
Add: Balance of Profit/(Loss) for earlier years	–
Balance carried forward to the Balance Sheet	(1.10)

Dividend

Your Directors have not recommended any dividend as the company is yet to start its operations.

Reserves

Loss for the year has been carried forward and no amount has been transferred to Reserves as the company has not made any profits during the year.

Operations

Your Company was incorporated on December 22, 2014 as a public limited company for carrying on the business of land development for industrial, commercial and residential use. Your company is exploring the possibility of tie-up with a strategic investor in this space for developing an industrial park in North Chennai, Tamil Nadu, spanning an area of approximately 300 acres.

The company is yet to commence its operations.

Share Capital

Authorised share capital of your company is ₹ 5 Lacs and Paid-up share capital of the company is ₹ 5 Lacs. Presently, the entire paid-up share capital of your Company is held by Mahindra World City Developers Limited.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Networth

The networth of the Company at the close of the current financial year (FY 2014-15) was ₹ 3.90 Lacs.

Holding Company

Your Company is a wholly owned subsidiary of Mahindra World City Developers Ltd (MWCDL) and consequently is a subsidiary of Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

The Board of Directors comprises of Ms. Anita Arjundas, Ms. Sangeeta Prasad and Mr. S. Chandru Pursuant to Section 152 of the Companies Act, 2013, Mr. S. Chandru (DIN: 00243025) a Non-executive and Non-independent Director retires by rotation at the First Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. S. Chandru is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Key Managerial Personnel

The Company presently does not meet any of the criteria for appointment of Key Managerial Personnel under the Companies Act, 2013 and hence has not appointed any Key Managerial Personnel.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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 of conduct from the Board members affirming compliance with the same.

Meetings

During the financial year Board Meeting was convened on 26th December, 2014 and 21st January, 2015. and the same was attended by all the board members.

There is no requirement to constitute Audit committee, Nomination and Remuneration committee and CSR committee at present as per the applicable provisions of the companies act, 2013 and hence the same has not been formed.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements.

Auditors

M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Chennai, have been appointed as the first Auditors of the company in the board meeting held on January 21, 2015. They retire at the first Annual General Meeting and the members are requested to appoint Auditors from the conclusion of the first Annual General Meeting until the conclusion of the Sixth Annual General Meeting and fix their remuneration.

As required by the provisions of section 139 and 141 of Companies Act, 2013 the Company has received written consent and certificate from M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, (ICAI Firm Registration Number 117366W/W-100018), proposed to be re-appointed as Auditors for five years i.e upto conclusion of the 6th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

The Board has recommended to the shareholders for approval re-appointment of M/s Deloitte Haskins and Sells LLP, Chartered Accountants as the Statutory Auditors to hold office from the conclusion of the First Annual General Meeting till the conclusion of the Sixth Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having Cost auditor, Internal Auditor and Secretarial Auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

The company has not made any loan/investment during the year.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note no. 8.1 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public during the year under review.

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

Since the company has not commenced its operations, your Company does not have anything to report under Conservation of Energy, Technology Absorption and Foreign

Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report.

Employee Remuneration

There is no employees on the rolls of the company as on 31st March 2015 as the company is yet to commence its operations. Therefore the statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** and forms part of this Report.

General

During the year under review, no revision was made in the financial statement of the Company.

During the year ended March 31, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material

orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank the Holding company Mahindra World City Developers Ltd and HDFC Bank Limited for the support received from them during the year.

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 243215

Chennai, 18th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

A. CONSERVATION OF ENERGY

(i)	the steps taken or impact on conservation of energy;	:	Not Applicable
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	Not Applicable

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflow.

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 243215

Chennai, 18th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2015

(Pursuant to Section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45209TN2014PLC098543
2.	Registration Date	22 nd December, 2014
3.	Name of the Company	Mahindra Industrial Park Chennai Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No. 17/18 Patullos Road, Chennai 600 002
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
	Builders – Property Developers	0403	The co. is yet to commence its operations.

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra World City Developers Limited	U92490TN1997PLC037551	Holding	100	2(46)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp	–	–	–	–	–	50,000	50,000	100	100%
e) Banks/Fl									
f) Any Other....									
Sub-total A(1):-	–	–	–	–	–	50,000	50,000	100	100%

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other....									
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	-	-	-	-	50,000	50,000	100	100%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (Non Resident Individuals)									
d) Others Trust									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	-	-	-	-	50,000	50,000	100%	100%

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
Body Corporate – Mahindra World City Developers Limited	–	–	Nil	50,000	100	Nil	100%

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change in the Shareholding of Promoter Group from the date of subscription till 31st March, 2015.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Promoters hold 100% of the share capital of the company.

(v) Shareholding of Directors and Key Managerial Personnel:

Ms. Anita Arjundas and Ms. Sangeeta Prasad Directors each hold 1 (one) share in the company as a nominee of the holding company M/s Mahindra World City Developers Ltd as on March 31, 2015.

I) INDEBTNESS

The company does not have any secured loans, Unsecured loans or Deposits at the beginning or end of the financial year.

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

The company has not appointed any Managing Director, Whole-Time Directors and/or Manager during the year and hence no remuneration is payable.

B. Remuneration of other directors:

The company has not paid any remuneration to the Directors during the year.

C. Remuneration to Key Managerial Personnel (KMP) other than MD/MANAGER/WTM

The company has not appointed any KMP during the year and hence no remuneration is payable.

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 243215

Chennai, 18th April, 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra Industrial Park Chennai Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA INDUSTRIAL PARK CHENNAI LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss for the period from 22nd December, 2014 to 31st March, 2015 and the Cash Flow Statement for the period then ended and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, its loss for the period ended on that date.

Report on Other Legal and Regulatory Requirements

Since the Company was incorporated on 22nd December, 2014 and yet to commence its operations, none of the clauses of Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, is presently applicable to the Company.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not enter into long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Geetha Suryanarayanan

Partner
(Membership No. 29519)

Chennai

Dated : 18th April 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	500,000
Reserves and surplus	4	(109,608)
		<u>390,392</u>
Current liabilities		
Trade payables	5	109,608
TOTAL		<u>500,000</u>
ASSETS		
Current assets		
Cash and cash equivalents	6	500,000
TOTAL		<u>500,000</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : 18th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad
Director

S. Chandru
Director

Place : Chennai
Date : 18th April, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED FROM
22ND DECEMBER, 2014 TO 31ST MARCH, 2015**

Particulars	Note No.	22nd December, 2014 to 31st March, 2015 ₹
Expenditure.....		—
Other expenses	7	109,608
Loss before tax		(109,608)
Tax expense		—
Loss for the period		(109,608)
Basic earnings per share – Not annualised		(2.19)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : 18th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad
Director

S. Chandru
Director

Place : Chennai
Date : 18th April, 2015

**CASH FLOW STATEMENT FOR THE PERIOD
FROM 22ND DECEMBER, 2014 TO 31ST MARCH, 2015**

	22nd December, 2014 to 31st March, 2015
Particulars	₹
A. Cash flow from operating activities	
Loss before tax	(109,608)
Operating profit before working capital changes	(109,608)
<i>Changes in working capital:</i>	
Adjustments for increase/(decrease) in operating liabilities:	
Trade payables	109,608
Net cash flow from/(used in) operating activities (A)	—
B. Cash flow from financing activities	
Proceeds from the issue of Equity share capital	500,000
Net cash flow (used in) financing activities (B)	500,000
Net increase/(decrease) in Cash and cash equivalents (A+B)	500,000
Cash and cash equivalents at the beginning of the period	—
Cash and cash equivalents at the end of the period	500,000

See accompanying notes forming part of the financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : 18th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad
Director

S. Chandru
Director

Place : Chennai
Date : 18th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2015

Note Particulars

1 Corporate information

The Company was incorporated on 22nd December, 2014 by Mahindra World City Developers Ltd as a public limited company for carrying on the business of land development for industrial, commercial and residential use.

2 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

Note 3 Share capital

Particulars	As at 31 st March, 2015	
	Number of shares	₹
(a) Authorised		
Equity shares of ₹ 10 each with voting rights	50,000	500,000
(b) Issued, Subscribed and fully paid up		
Equity shares of ₹ 10 each with voting rights (Refer Note i Below)	50,000	500,000
Total		500,000

Notes:

(i) 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 will be in proportion to the number of equity shares held.

(ii) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2015	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
–Mahindra World City Developers Limited	50,000	100.00%

Note 4 Reserves and surplus

Particulars	As at 31 st March, 2015
	₹
(a) Surplus in Statement of Profit and Loss	
Loss for the year	(109,608)
Closing balance	(109,608)

Note 5 Trade payables

Particulars	As at 31 st March, 2015
	₹
Trade payables	109,608
Total	109,608

Note 6 Cash and cash equivalents

Particulars	As at 31 st March, 2015
	₹
Balances with banks in current accounts	500,000
Total	500,000

Note 7 Other expenses

Particulars	22 nd December, 2014 to 31 st March, 2015
	₹
Legal and professional (Incorporation expenses).....	59,608
Remuneration to auditors	50,000
Total	109,608

8 Related party transactions

a Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra World City Developers Limited

b. Details of related party transactions during the period ended 31st March, 2015 and balances outstanding as at 31st March, 2015:

	₹
Holding Company	
Transactions during the year	
Incorporation expenses incurred by Mahindra World City Developers Limited.....	59,608
Balance outstanding as at the year end	
Payables	59,608

8.2

	2014 - 2015
	₹
Earnings per share	
<u>Basic and diluted</u>	
Net profit for the year ₹	(109,608)
Weighted average number of equity shares (No's)	50,000
Par value per share ₹	10
Earnings per share - Basic - not annualised (₹) ...	(2.19)

9 Previous year's figures

The company was incorporated on 22nd December, 2014 and this is the first financial statement of the Company and hence there are no comparative figures.

For and on behalf of the Board of Directors

Place : Chennai
Date : 18th April, 2015

Sangeeta Prasad
Director

S. Chandru
Director

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Fourteenth Report together with the audited accounts of your Company for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Income	6,80,039	19,81,328
(Loss) before Depreciation and Taxation	(1,55,71,062)	(25,05,078)
Less: Depreciation	1,260	2,121
(Loss) before Taxation	(1,55,72,322)	(25,07,199)
Less: Provision for Taxation		
Current Tax	-	-
(Excess) provision for tax relating to prior years	-	-
Deferred Tax	(54,37,141)	97,987
(Loss) after Taxation	(16,01,35,181)	(26,05,186)
(Loss) brought forward from previous year	(5,96,023)	20,09,163
Balance carried to Balance Sheet	(16,07,31,204)	(5,96,023)
Net Worth	192.68	1,794.03

No material changes and commitments have occurred after the closure of the year under review till the date of this report which would affect the financial position of the Company.

OPERATIONS

During the year under review, your Company's income has decreased to ₹ 6.80 lakhs as compared to ₹ 19.81 lakhs in the previous year.

Your Company has been in several discussions with Tirumala Tirupati Devasthanam (TTD) post termination of the Agreement and is hopeful of a suitable resolution in this regard. Your Company is looking out for other lines of business opportunities in the future.

DIVIDEND

In view of the losses, your Directors do not recommend dividend for the year under review.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2015 was Rupees Eighteen Crores. During the year under review the Company has not issued any shares or any convertible instruments.

JOINT VENTURE/ASSOCIATE

As on 31st March, 2015 your Company has two Joint Ventures viz; Mahindra Water Utilities Limited ('MWUL') and Mahindra Inframan Water Utilities Private Limited ('MIWUPL').

During the year under review MWUL earned revenue of ₹ 1671.93 lakhs (previous year ₹ 1384.22 lakhs) & recorded a profit of ₹ 173.77 lakhs (previous year ₹ 448.67 lakhs) and MIWUPL earned revenue of ₹ 65,571 (previous year ₹ 63,418) and recorded a profit of ₹ 27,301 (previous year ₹ 27,107).

BOARD OF DIRECTORS

Mr. Vijay Khetan (DIN: 00465161) and Mr. Sanjay Jain (DIN: 06446899) who, in the opinion of the Board, are persons with integrity and possess relevant expertise and experience,

and who have given declarations to the effect that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, were appointed as Independent Directors with effect from 31st March, 2015 at the Extra-ordinary General Meeting of the Company held on 31st March, 2015 for a period of five consecutive years and they shall not be liable to retire by rotation.

Ms. Anita Arjundas (DIN: 00243215) retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself for re-appointment at the forthcoming Annual General Meeting.

Mr. A. K. Nanda (DIN: 0001029) and Mr. B. Suresh (DIN: 01479827) have ceased to be Directors of your Company with effect from 17th April, 2014 and 27th April, 2015 respectively. The Board places on record its sincere appreciation for the valuable services rendered by Mr. A. K. Nanda and Mr. B. Suresh during their tenure as Directors of the Company.

Mr. Vijay Khetan (DIN: 00465161) and Mr. Sanjay Jain (DIN: 06446899), Independent Directors of your Company have furnished declarations that they meet the criteria of independence as provided under Section 149 of the Companies Act, 2013.

MEETINGS

The Board of Directors met five times during the year under review viz., on 17th April, 2014, 30th July, 2014, 14th October, 2014, 13th January, 2015, 16th March, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors based on the representation received from the Operating Management and after due enquiry, confirm that:

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

- (b) that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the loss of the Company for the financial year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis; and
- (e) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has in place Codes of Conduct for Corporate Governance (“the Codes”) for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company’s business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company’s ethos.

Your Company has for the year under review, received declarations under the Codes from the Directors, Senior Management Personnel and Employees affirming compliance with the respective Codes.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Sundaram Venkatraman (Chairman) (DIN: 00077193), Mr. Vijay Khetan (DIN: 00465161) & Mr. Sanjay Jain (DIN: 06446899) as its Members. Pursuant to Section 177 of Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee was re-constituted with the induction of Mr. Vijay Khetan (DIN: 00465161) & Mr. Sanjay Jain (DIN: 06446899) and withdrawal of nomination of Ms. Anita Arjundas (DIN: 00243215) & Mr. B. Suresh (DIN: 01479827) as Members of the Committee with effect from 31st March, 2015.

The Audit Committee met four times during the year under review viz., on 17th April, 2014, 30th July, 2014, 14th October, 2014 and 13th January, 2015.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has constituted a Nomination and Remuneration Committee and have adopted the terms of reference pursuant to provisions of Section 178 of Companies Act, 2013. The Nomination and Remuneration Committee comprises of Mr. Vijay Khetan (DIN: 00465161) (Chairman), Mr. Sanjay Jain (DIN: 06446899) and Ms. Anita Arjundas (DIN: 00243215) as its Members. Pursuant to Section 178 of Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination and Remuneration Committee of your Company was re-constituted with the induction of Mr. Vijay Khetan (DIN: 00465161) and Mr. Sanjay Jain (DIN: 06446899) and withdrawal of nomination of Mr. Sundaram Venkatraman (DIN: 00077193) and Mr. B. Suresh (DIN: 01479827) as Members of the Committee with effect from 31st March, 2015. The Nomination and Remuneration Committee carried out an

evaluation of the performance of individual directors through a structured questionnaire process covering various aspects such as skills, performance, attendance, knowledge etc.

The Nomination and Remuneration Committee met once during the year under review viz., on 16th March, 2015.

RISK MANAGEMENT POLICY

Your Company has formulated a Risk Management Policy including identification therein of the elements of risk which in the opinion of Board may threaten the existence of the Company. Your Company’s risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

Implementation of the risk Management Policy is expected to be helpful in managing the risks associated with the business of the Company.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

In line with the principles of transparency and consistency and upon recommendation of the Nomination and Remuneration Committee, your Board has approved:

- Policy on the appointment/removal of directors and senior management personnel, together with the criteria for determining qualifications, positive attributes and independence of directors.
- Policy on the remuneration of directors, key managerial personnel and other employees.

These policies are provided as **Annexure I** and forms part of this Report.

KEY MANAGERIAL PERSONNEL

Pursuant to provisions of Section 2 (51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Santosh Gupta as Chief Executive Officer, Ms. Simly Venu as Chief Financial Officer and Ms. Kinjal Vyas as Company Secretary of the Company with effect from 16th March, 2015.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Firm Registration Number: 117365W) retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting (AGM).

As required by the provisions of Section 139 read with Section 141 of the Companies Act, 2013, your Company has received a written consent and certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai to the effect that their reappointment, if made, would be in conformity with the conditions and criteria specified in the said sections.

The members are requested to appoint Auditors to hold office from the conclusion of forthcoming AGM till the conclusion of next AGM and fix their remuneration.

The Auditor’s Report does not contain any qualification, reservation or adverse remark.

COST AUDITORS

M/s. Shilpa & Co., Cost Accountants, Nashik (Firm Registration No. 100558) were appointed as Cost Auditors of your Company to audit the cost accounts for the year ending 31st March, 2015.

For the year ended 31st March 2014, the due date of filing the Cost Audit Report was 27th September, 2014. The Cost Audit Report, accordingly, was filed on 25th September 2014 in XBRL format.

As per the Notification No: 1/40/2013 dated 31st December, 2014, your Company no longer falls under the class of companies to which cost audit is applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure II** and forms part of this Report.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

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

The particulars of Loans given, Investments made and Guarantees and securities provided are given under notes to financial statements and same form part of this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions with Related Parties during the year under review were in the Ordinary Course of Business and on Arm's Length basis.

Particulars of material contracts or arrangements or transactions with related parties referred to under sub-section (1) of Section 188 of the Companies Act, 2013 are furnished in Form AOC 2 as **Annexure III** and the same forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in **Form MGT 9** is provided as **Annexure IV** which forms part of this Report.

INTERNAL CONTROLS

Your Company has an adequate system of internal controls and monitoring procedures as well as adequate internal financial controls on financial statements commensurate with the size and the nature of its business. Besides the Company regularly conducts reviews to assess the adequacy of financial

and operating controls for various businesses of the Company. Significant issues, if any, are brought to the attention of the Audit Committee.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied with by your Company.

SUSTAINABILITY

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under the The Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and rules framed thereunder.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
3. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
5. There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.
6. Since your Company is not a listed company the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank all the stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 27th April, 2015

ANNEXURE I TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I. APPOINTMENT OF DIRECTORS

- The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

POLICY ON THE REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

a. Policy for Remuneration of the Directors

Purpose

This Policy sets out the approach to Compensation of Directors in Mahindra Infrastructure Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

b. Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.

- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 27th April, 2015

ANNEXURE II TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy:

The operations of your Company are not energy-intensive. However, adequate measures have been taken to reduce energy consumption.

- (ii) the steps taken by the company for utilizing alternate sources of energy:

Not Applicable

- (iii) the capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- (i) the efforts made towards technology absorption: None

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not Applicable

- (iv) the expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year: Nil

The Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 27th April, 2015

ANNEXURE III TO THE DIRECTORS' REPORT**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Nature of contracts/ transactions	Name of the related party	Nature of relationship	Duration of contracts	Salient terms of contracts/ transactions	Amount
1.	Sale of Fertilisers	Mahindra Consulting Engineers Limited	Fellow Subsidiary	Event based	At Market rates	1,85,500/-
2.	Services availed	Mahindra & Mahindra Limited	Ultimate Holding Company	01.04.2014 to 31.03.2015	At Market rates	2,67,918/-

Note: for the purpose of materiality, the following criteria have been considered.

- 10% of turnover of the Company or Rs. one hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials.
- 10% of net worth of the Company or Rs. one hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind.
- 10% of the net worth of the Company or 10% of turnover of the Company or Rs. one hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for leasing of property of any kind.
- 10% of turnover of the Company or Rs. fifty crores, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for rendering of services.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 27th April, 2015

ANNEXURE IV TO THE DIRECTORS' REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2015**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	U45201MH2001PLC131942
ii)	Registration Date	10/05/2001
iii)	Name of the Company	MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED
iv)	Category/Sub-Category of the Company	Company Limited By Shares (Indian Non-Government Company)
v)	Address of the Registered office and contact details	Mahindra Towers, Worli Mumbai - 400 018, Maharashtra, India Tel: +91 22-24905633 Fax: +91 22-24900833
vi)	Whether listed Company (Yes/No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main product/services	NIC Code of the Product/service	% to total turnover of the company
1	—	—	—

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Mahindra Lifespace Developers Limited. Mahindra Towers, 5 th Floor, Worli, Mumbai - 400 018.	L45200MH1999PLC118949	Holding Company	100%	2(46)
2	Mahindra and Mahindra Ltd. Gateway Building, Apollo Bunder, Mumbai 400 001	L65990MH1945PLC004558	Ultimate Holding Company	—	2(46)
3	Mahindra Water Utilities Limited. Gateway Building, Apollo Bunder, Mumbai 400 001	U45205MH1999PLC121235	Associate	50%	2(6)
4	Mahindra Inframan Water Utilities Private Limited. Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.	U90000MH2004PTC144079	Associate	50%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	–	1,80,00,000*	1,80,00,000*	100%	–	1,80,00,000*	1,80,00,000*	100%	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	1,80,00,000*	1,80,00,000*	100%	–	1,80,00,000*	1,80,00,000*	100%	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other- Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	1,80,00,000	1,80,00,000	100%	–	1,80,00,000	1,80,00,000	100%	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-									
2. Non- Institutions									
a) Body Corp.	–	–	–	–	–	–	–	–	–
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	1,80,00,000	1,80,00,000	100%	–	1,80,00,000	1,80,00,000	100%	–

* Includes 6 shares held by nominees of Mahindra Lifespace Developers Limited jointly with Mahindra Lifespace Developers Limited.

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Lifespace Developers Limited	1,79,99,994	100%	—	1,79,99,994	100%	—	0%
2.	Mahindra Lifespace Developers Limited jointly with Mr. Roshan Gandhi**	1	0%	—	1	0%	—	0%
3.	Mahindra Lifespace Developers Limited jointly with Ulhas Bhosale**	1	0%	—	1	0%	—	0%
4.	Mahindra Lifespace Developers Limited jointly with Mr. Suhas Kulkarni **	1	0%	—	1	0%	—	0%
5.	Mahindra Lifespace Developers Limited jointly with Mr. Basant Jain **	1	0%	—	1	0%	—	0%
6.	Mahindra Lifespace Developers Limited jointly with Ms. Anita Arjundas **	1	0%	—	1	0%	—	0%
7.	Mahindra Lifespace Developers Limited jointly with Mr. Narayan Shankar **	1	0%	—	1	0%	—	0%
	Total	1,80,00,000	100%	—	1,80,00,000	100%	—	0%

** Jointly held with Mahindra Lifespace Developers Limited to comply with the statutory provisions of Companies Act with regard to minimum number of members.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	1,80,00,000	100%	1,80,00,000	100%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change		No Change	
	At the end of the year	1,80,00,000	100%	1,80,00,000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Not Applicable				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year				
1	Ms. Anita Arjundas ***	1	0%	1	0%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change			
	At the end of the year	1	0%	1	0%

*** Shares held as nominee of Mahindra Lifespace Developers Limited jointly with Mahindra Lifespace Developers Limited.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net change				
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	Gross Salary		
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission	—	—

Sl. No.	Particulars of Remuneration	Name of MD/MTD/Manager	Total Amount
	– As % of Profit		
	– Others, specify...		
5.	Others, please specify	–	–
	Total (A)		
	Ceiling as per the Act	–	–

B. Remuneration of other directors:

Particulars of Remuneration	Name of Directors					Total Amount
	Mr. Sundaram Venkatraman	Mr. B. Suresh	Ms. Anita Arjundas	Mr. Vijay Khetan	Mr. Sanjay Jain	
3. Independent Directors						
• Fee for attending board/committee meetings	–	–	–	–	–	–
• Commission	–	–	–	–	–	–
• Others, please specify	–	–	–	–	–	–
Total (1)						
4. Other Non-Executive Directors	–	–	–	–	–	–
• Fee for attending board/committee meetings	–	–	–	–	–	–
• Commission	–	–	–	–	–	–
• Others, please specify	–	–	–	–	–	–
Total (2)						
Total B = (1+2)	Nil	Nil	Nil	Nil	Nil	Nil
Total Managerial Remuneration						
Ceiling as per the Act	–					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Company Secretary	Chief Financial Officer	
		Mr. Santosh Gupta	Ms. Kinjal Vyas	Ms. Simly Venu	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	– As % of Profit	–	–	–	–
	– Others, specify...	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	Nil	Nil	Nil	Nil

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	–	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	–	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	–	Not applicable	Not applicable	Not applicable	Not applicable
B. DIRECTORS					
Penalty	–	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	–	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	–	Not applicable	Not applicable	Not applicable	Not applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	–	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	–	Not applicable	Not applicable	Not applicable	Not applicable

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 27th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117365W)

U. M. Neogi
Partner

Place: Mumbai
Date: 27th April 2015

(Membership No. 30235)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses (v), (vi), (ix), (x) and (xi) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The Company has a program of verification of fixed assets once in every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the fixed assets were physically verified during the year by the Management and no material discrepancies were noticed on physical verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, the inventories were physically verified during the year by the Management. In our opinion the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the sale of goods. There are no purchases of inventory and fixed assets and sales of services during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) No undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as at 31st March, 2015 on account of any dispute.
 - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (vii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
 (Firm's Registration No. 117365W)

U. M. Neogi
Partner

(Membership No. 30235)

Place: Mumbai
Date: 27th April 2015

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No.	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share capital	3	18,00,00,000	18,00,00,000
(b) Reserves and surplus	4	(16,07,31,204)	(5,96,023)
		1,92,68,796	17,94,03,977
2 Non-current liabilities:			
(a) Deferred tax liabilities	22	1,006	5,438,147
3 Current liabilities:			
(a) Trade payables	5	1,18,66,810	1,07,87,408
(b) Other current liabilities.....	6	10,80,987	8,69,884
(c) Short-term provisions	7	—	70,95,171
		1,29,47,797	1,87,52,463
TOTAL.....		3,22,17,599	20,35,94,587
B ASSETS			
1 Non-current assets:			
(a) Fixed assets			
Tangible assets	8	3,291	1,97,93,324
(b) Non-current investments	9	7,49,990	15,07,49,990
(c) Long-term loans and advances	10	24,20,381	23,70,621
		31,73,662	17,29,13,935
2 Current assets:			
(a) Inventories.....	11	3,71,004	13,52,517
(b) Trade receivables.....	12	2,21,13,421	2,21,13,421
(c) Cash and cash equivalents.....	13	55,20,794	31,90,821
(d) Short-term loans and advances	10	8,04,508	39,36,840
(e) Other current assets	14	2,34,210	87,053
		29,03,937	3,06,80,652
TOTAL.....		3,22,17,599	20,35,94,587

See accompanying notes forming part of
the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.
117365W)

U. M. Neogi
Partner
(Membership No. 30235)
Place: Mumbai
Date: 27th April 2015

Santosh J. Gupta
Chief Executive Officer

Simly Venu
Chief Financial Officer

Kinjal Vyas
Company Secretary

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

S. Venkatraman Director
Mr. Vijay Khetan Director
Mr. Sanjay Jain Director

Place: Mumbai
Date: 27th April 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No.	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
A CONTINUING OPERATIONS:			
1 Revenue from operations (gross).....		—	—
Less: Excise duty		—	—
Revenue from operations (net).....		—	—
2 Other income.....	15	4,92,839	17,15,328
3 Total revenue (1+2)		4,92,839	17,15,328
4 EXPENSES			
(a) Employee benefits expense	16	10,56,943	8,95,164
(b) Depreciation expense	8	1,260	2,121
(c) Other expenses.....	17	12,52,285	7,32,085
Total expenses		23,10,488	16,29,370
5 Profit/(Loss) before exceptional item and taxation (3-4)		(18,17,649)	85,958
6 EXCEPTIONAL ITEM:			
Diminution in the value of long-term investment.....	25	15,00,00,000	—
7 Profit/(Loss) before taxation (5-6).....		(15,18,17,649)	85,958
8 Tax expense:			
(a) Current tax		—	—
(c) Deferred tax.....	22	(373)	8,469
		(373)	8,469
9 Profit/(Loss) from continuing operations (7-8)		(15,18,17,276)	77,489
B DISCONTINUING OPERATIONS:			
10 (i) Loss from discontinuing operations (before tax)	23	(1,37,54,673)	(25,93,157)
(ii) Tax expense of discontinuing operations - deferred tax....	22	(54,36,768)	89,518
11 Loss from discontinuing operations [10(i)-10(ii)]		(83,17,905)	(26,82,675)
C TOTAL OPERATIONS			
12 (Loss) for the year (9+11)		(16,01,35,181)	(26,05,186)
13 Earnings per share (of ₹ 10 each)	21		
Basic/diluted:			
(i) Continuing operations.....		(8.4343)	0.0043
(ii) Total operations.....		(8.8964)	(0.1447)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.
117365W)

U. M. Neogi
Partner
(Membership No. 30235)
Place: Mumbai
Date: 27th April 2015

Santosh J. Gupta
Chief Executive Officer

Simly Venu
Chief Financial Officer

Kinjal Vyas
Company Secretary

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

S. Venkatraman Director
Mr. Vijay Khetan Director
Mr. Sanjay Jain Director

Place: Mumbai
Date: 27th April 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	For the year ended 31 st March 2015 ₹	For the year ended 31 st March 2014 ₹
A Cash flow from operating activities:		
Net profit/(loss) before taxation	(15,18,17,649)	85,958
Adjustments to reconcile net profit/(loss) to net cash flow from operating activities:		
Depreciation expense	1,260	2,121
Provision for diminution in the value of investments	15,00,00,000	—
Sundry balances written off	1,10,417	—
Provision no longer required written back	—	(11,92,500)
Interest income	(4,92,839)	(5,21,696)
Operating loss from continuing operations before working capital changes	(21,98,811)	(16,26,117)
Changes in		
Trade and other receivables	—	—
Trade and other payables	13,14,937	9,26,278
Cash generated from continuing operations	(8,83,874)	(6,99,839)
Income taxes (paid)	(49,760)	(53,304)
Net cash flow used in continuing operations	(9,33,634)	(7,53,143)
Net cash flow used in discontinued operations	(1,08,445)	(3,83,507)
Net cash flow used in operating activities	(10,42,079)	(11,36,650)
B Cash flows from investing activities:		
Refund of inter-corporate deposit given	30,00,000	—
Interest received	3,72,052	8,09,381
Proceeds from sale of long-term investment	—	11,92,500
Bank balance not considered as Cash and cash equivalents (Net)	(37,971)	(37,510)
Net cash flow from continuing operations	33,34,081	19,64,371
Net cash flow from discontinued operations	—	—
Net cash flow from investing activities	33,34,081	19,64,371
C Cash flows from financing activities:		
Net cash flow from continuing operations	—	—
Net cash flow from discontinued operations	—	—
Net cash flow from financing activities	—	—
Net increase in cash and cash equivalents (A+B+C)	22,92,002	8,27,721
Cash and cash equivalents at the beginning of the year	28,42,254	20,14,533
Cash and cash equivalents at the end of the year	51,34,256	28,42,254
Reconciliation of Cash and cash equivalents with Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Note 13)	55,20,794	31,90,821
Less: Bank balance not considered as Cash and cash equivalents		
In earmarked account		
balance held as margin money	3,86,538	3,48,567
Cash and cash equivalents at the end of the year	51,34,256	28,42,254
See accompanying notes forming part of the financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No.
117365W)

U. M. Neogi
Partner
(Membership No. 30235)
Place: Mumbai
Date: 27th April 2015

Santosh J. Gupta
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For and on behalf of the Board of Directors
Anita Arjundas Chairperson

S. Venkatraman Director
Mr. Vijay Khetan Director
Mr. Sanjay Jain Director

Place: Mumbai
Date: 27th April 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note 1 Corporate Information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10 May, 2001 under the provisions of the Companies Act, 1956. The Company is in the business of development of infrastructure projects and infrastructure related services.

Note 2 Significant accounting policies

a) Basis of preparation

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). 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) 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 recognised in the periods in which the results are known/materialise.

c) Fixed Assets (Tangible)

(i) All Fixed Assets are carried at cost less accumulated depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying assets upto the date the asset is ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the statement of Profit and Loss.

(ii) Depreciation on an asset (other than impaired assets) is calculated on Straight Line Method at the rate 11.31% p.a. which is based on useful life of 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the 2013 Act. (Refer note 23)

d) 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. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. 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 recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

e) 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.

f) 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.

g) Investments

Long-term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

h) Inventories

Inventories are stated at cost and net realisable value, whichever is lower. Cost is arrived at on first-in first-out basis and includes overheads on absorption basis, where appropriate.

i) Revenue Recognition

Revenue on account of sale of services is recognised under the Completed Service Contract Method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

j) Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. 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 arising on account of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

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 against which the MAT paid will be adjusted.

k) Segment reporting

The Company has a single reportable segment namely development of infrastructure projects and infrastructure related services for the purpose of Accounting Standard 17 on Segment Reporting.

Note 3 Share capital

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
Notes (i) to (iv) below				

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of shares	₹	Number of shares	₹
Opening balance	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
Add: Issued during the year	—	—	—	—
Closing balance	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 st March 2015	As at 31 st March 2014
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominee	1,80,00,000	1,80,00,000

(iv) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominee	1,80,00,000	100%	1,80,00,000	100%

Note 4 Reserves and surplus

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
(Deficit)/Surplus in the Statement of Profit and Loss		
Opening balance	(5,96,023)	20,09,163
Add: Loss for the year	(16,01,35,181)	(26,05,186)
Closing balance	(16,07,31,204)	(5,96,023)

Note 8 Fixed assets

	Gross Block			Accumulated Depreciation and impairment				Net Block
	Balance as at 1 st April 2014	Addition	Balance as at 31 st March 2015	Balance as at 1 st April 2014	Depreciation expense for the year (Note 23)	losses (Note 23)	Balance as at 31 st March 2015	Balance as at 31 st March 2015
Tangible assets	₹	₹	₹	₹	₹	₹	₹	₹
(a) Building	31,58,995	–	31,58,995	3,14,363	–	28,44,632	31,58,995	–
	(31,58,995)	(–)	(31,58,995)	(3,14,363)	(–)	(–)	(3,14,363)	(28,44,632)
(b) Plant and equipment	1,94,82,323	–	1,94,82,323	25,96,298	1,260	1,68,81,474	1,94,79,032	3,291
	(1,94,82,323)	(–)	(1,94,82,323)	(25,95,038)	(1,260)	(–)	(25,96,298)	(1,68,86,025)
(c) Furniture and fixtures	28,189	–	28,189	17,933	–	10,256	28,189	–
	(28,189)	(–)	(28,189)	(17,933)	(–)	(–)	(17,933)	(10,256)
(d) Vehicles	96,000	–	96,000	48,371	–	47,629	96,000	–
	(96,000)	(–)	(96,000)	(48,371)	(–)	(–)	(48,371)	(47,629)
(e) Office equipment	9,500	–	9,500	9,500	–	–	9,500	–
	(9,500)	(–)	(9,500)	(9,500)	(–)	(–)	(9,500)	(–)
(f) Computer	1,35,277	–	1,35,277	1,30,495	–	4,782	1,35,277	–
	(1,35,277)	(–)	(1,35,277)	(1,29,634)	(861)	(–)	(1,30,495)	(4,782)
Total	2,29,10,284	–	2,29,10,284	31,16,960	1,260	1,97,88,773	2,29,06,993	3,291
Previous year	(2,29,10,284)	(–)	(2,29,10,284)	(31,14,839)	(2,121)	(–)	(31,16,960)	(1,97,93,324)

Previous year's figures are in brackets and italics.

Note 5 Trade payables

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
(a) Total outstanding dues of micro and small enterprises (Note 19)	–	–
(b) Total outstanding dues of other than micro and small enterprises	1,18,66,810	1,07,87,408
	1,18,66,810	1,07,87,408

Note 6 Other current liabilities

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
(a) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Service Tax, etc.)	8,80,987	8,69,884
(ii) Deposit refundable (Note 20)*	2,00,000	–
	10,80,987	8,69,884

* Deposit received from Mahindra Lifespace Developers Limited pursuant to Section 160(1) of the 2013 Act.

Note 7 Short term provisions

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
(a) Provision – Others		
Provision for diminution in the value of business unit (Note 23)	–	70,95,171
	–	70,95,171

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note 9 Non-current investments

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of shares	₹	Number of shares	₹
Long-term Investments (At cost, unless otherwise specified):				
Non-trade and fully paid-up unless otherwise specified				
(a) Investment in equity instruments - unquoted of joint ventures				
₹ 10 per share in Mahindra Inframan Water Utilities Private Limited	24,999	2,49,990	24,999	2,49,990
₹ 10 per share in Mahindra Water Utilities Limited	50,000	5,00,000	50,000	5,00,000
of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	500	5,000	500	5,000
of other entity				
₹ 10 per share in New Tirupur Area Development Corporation Limited (Note 25)	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
		15,07,54,990		15,07,54,990
Less: Provision for diminution in value of investments		15,00,05,000		5,000
Sub total		7,49,990		15,07,49,990
(b) Investment in preference shares - unquoted of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	1,19,250	11,92,500	1,19,250	11,92,500
Less: Provision for diminution in value of investment		11,92,500		11,92,500
Sub total		—		—
Total		7,49,990		15,07,49,990
Aggregate amount of unquoted investments (net of provisions)		7,49,990		15,07,49,990

Note 10 Loans and advances

Particulars	Non-current		Current	
	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2015	As at 31 st March 2014
	₹	₹	₹	₹
Unsecured, considered good				
(a) Security deposits	1,26,200	1,26,200	—	—
(b) Loans and advances to related party	—	—	—	30,26,370
Inter-corporate deposits (including interest receivable)	—	—	—	—
(c) Advance income tax including fringe benefit tax (net of provision)	22,94,181	22,44,421	—	—
(d) Prepaid expenses	—	—	15,690	11,235
(e) Balance with government authorities (service tax credit receivable)	—	—	7,88,818	8,99,235
	24,20,381	23,70,621	8,04,508	39,36,840

Note 11 Inventories

Particulars	As at 31 st March 2015	As at 31 st March 2014
	₹	₹
At lower of cost and net reliable value (Note 23)		
(a) Finished goods	3,71,004	12,74,622
(b) Packing materials	—	77,895
	3,71,004	13,52,517

Note 12 Trade receivables

Unsecured, considered good		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment.....	2,21,13,421	2,21,13,421
	2,21,13,421	2,21,13,421

Note 13 Cash and cash equivalents

(a) Balances with banks		
in current accounts	2,52,479	3,99,597
in term deposit accounts	48,81,777	24,42,657
in earmarked account		
balance held as margin money.....	3,86,538	3,48,567
	55,20,794	31,90,821

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

51,34,256 28,42,254

Note 14 Other current assets

Particulars	As at 31 st March 2015	As at 31 st March 2014
	₹	₹
(a) Interest accrued but not due on term deposit accounts	2,34,210	87,053
	2,34,210	87,053
For the year ended 31st March 2015	₹	₹
For the year ended 31st March 2014		

Note 15 Other income

(a) Interest income on		
Bank deposits.....	4,44,634	1,76,699
Interest on inter-corporate deposits	48,205	3,44,997
(b) Other non-operating income		
Provision for diminution in value of investment written back.....	—	11,92,500
Miscellaneous income	—	1,132
	4,92,839	17,15,328

Note 16 Employee benefits expenses

(a) Secondment Charges (including service tax)	10,33,299	8,68,318
(b) Staff welfare	23,644	26,846
	10,56,943	8,95,164

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note 17 Other expenses

Particulars	For the year ended 31 st March 2015	For the year ended 31 st March 2014
	₹	₹
(a) Professional charges	3,95,321	1,59,019
(b) Stamp and filing fees.....	25,400	2,210
(c) Sundry balances written off.....	1,10,417	29,392
Less: Provision held	–	(29,392)
	1,10,417	–
(d) Payment to auditors (Note below)	7,05,433	5,62,838
(e) General and miscellaneous expenses.....	15,714	8,018
	12,52,285	7,32,085
Note		
Payment to auditors (including service tax)		
For audit	3,65,170	3,65,170
For other service	3,37,080	1,96,630
Reimbursement of expenses	3,183	1,038
	7,05,433	5,62,838

Note 18 Contingent liabilities (to the extent not provided for)

Guarantee/Counter Guarantee given by the Company:

Amount in ₹

	Amount of Guarantee outstanding		Maximum liability of the Company	
	2015	2014	2015	2014
For Joint Venture Company	18,00,00,000	18,00,00,000	9,00,00,000	9,00,00,000

Note 19 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31 March, 2015 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

Note 20 Related party transactions

The Company has given the following relevant disclosures in pursuance of the Accounting Standard 18 “Related Party Disclosures”

Enterprises Controlling the Company

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

Fellow Subsidiary

1	Mahindra Consulting Engineers Limited
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Joint Ventures

1	Mahindra Water Utilities Limited
2	Mahindra Inframan Water Utilities Private Limited

Key Management Personnel (KMP)

Mr. Santosh Gupta (Chief Executive Officer) (w.e.f. 16 March 2015).
--

Details of transactions with related parties during the year and balance as at 31 March 2015

Amount in ₹

Transactions with related parties during the year

Nature of transactions	Enterprises controlling the Company		Fellow Subsidiary	Joint Venture (Mahindra Water Utilities Limited)
	Ultimate Holding Company	Holding Company	Mahindra Consulting Engineers Limited	
Interest income on inter-corporate deposit	–	–	–	48,205
	(–)	(–)	(–)	(3,44,997)
Sale of goods	–	–	1,85,500	–
	(–)	(–)	(2,66,000)	(–)
Deposit refundable	–	2,00,000	–	–
	(–)	(–)	(–)	(–)
Professional charges	2,67,918	–	–	–
	(–)	(–)	(–)	(–)
Secondment Charges (including service tax)	–	10,33,299	–	–
	(–)	(8,68,318)	(–)	(–)
Refund of inter-corporate deposit given	–	–	–	30,00,000
	(–)	(–)	(–)	(–)

Balance as at 31st March 2015

Nature of transactions	Enterprises controlling the Company		Fellow Subsidiary	Joint Venture (Mahindra Water Utilities Limited)
	Ultimate Holding Company	Holding Company	Mahindra Consulting Engineers Limited	
Maximum liability to the Company in respect of guarantee outstanding	–	–	–	9,00,00,000
	(–)	(–)	(–)	(9,00,00,000)
Receivables	–	–	–	2,19,13,260
	(–)	(–)	(–)	(2,19,13,260)
Payables	12,21,230	85,40,671	–	–
	(9,46,989)	(73,99,335)	(–)	(–)
Inter-corporate deposits (including interest receivable)	–	–	–	–
	(–)	(–)	(–)	(30,26,370)

- Previous year's figures are in brackets and italics.
- During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
- Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

Note 21 Computation of "Earnings Per Share"

The computation of the "Earnings per share" in line with Accounting Standard 20 is as under:

Particulars	For the year ended 31 st March 2015	For the year ended 31 st March 2014
(a) Net profit/(loss) after tax from continuing operations available for equity shareholders (₹)	(15,18,17,276)	77,489
(b) Net loss after tax from total operations available for equity shareholders (₹)	(16,01,35,181)	(26,05,186)
(c) Nominal value per share (₹)	10	10
(d) Weighted average number of equity shares (No.)	1,80,00,000	1,80,00,000
(e) Basic/Diluted earnings per share (Re.)		
Continuing operations	(8.4343)	0.0043
Total operations	(8.8964)	(0.1447)

Note 22 Deferred tax liabilities

Particulars	As at 31 st March 2015 ₹	As at 31 st March 2014 ₹
Deferred tax liabilities		
Difference between book depreciation and tax depreciation	1,006	54,38,147
Deferred tax liabilities	1,006	54,38,147

Note 23 Discontinuing Operations:

Solid Waste Treatment Agreement ("the Agreement") executed on 17 January, 2003 with Tirumala Tirupati Devasthanams (TTD) for operating a solid waste treatment plant ("the project") at Tirumala, has been terminated by the Company with effect from 19 June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the Agreement. The project has not been operating since the termination date. The Company has a right to claim the written down value of the fixed assets as of the termination date and an appropriate compensation from TTD in terms of the Agreement. Accordingly, no depreciation on the fixed assets of the project has been provided after the date of termination. The particulars of the project as on the date of termination to be transferred to TTD on acceptance of the termination by them are given below:

Amount in ₹

Description of assets	Written down value of the assets
Building	28,44,632
Plant & Machinery and Office equipment	1,68,81,474
Computer	4,782
Furniture and fixtures	10,256
Vehicles	47,629
Total	1,97,88,773

The carrying amount of long-term loans and advances, current assets and current liabilities pertaining to the above discontinuing operation are Rs.1,26,200 (as at 31.03.2014: ₹ 1,26,200), ₹ 5,86,855 (as at 31.03.2014: ₹ 15,63,913) and ₹ 19,39,137 (as at 31.03.2014: ₹ 90,58,740) respectively.

The following statement shows the revenue and expenses of the continuing and the above discontinuing operation of the Company

Amount in ₹

Particulars	Continuing operations		Discontinuing operations		Total	
	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from Operations	—	—	1,85,500	2,66,000	1,85,500	2,66,000
Other Income	4,92,839	17,15,328	561	—	4,93,400	17,15,328
Total Revenue	4,92,839	17,15,328	1,86,061	2,66,000	6,78,900	19,81,328
Changes in inventories*	—	—	(9,81,513)	(1,86,200)	(9,81,513)	(1,86,200)
Employee Benefits Expense	(10,56,943)	(8,95,164)	(1,68,074)	(2,44,548)	(12,25,017)	(11,39,712)
Depreciation Expense	(1,260)	(2,121)	—	—	(1,260)	(2,121)
Diminution in the value of business unit	—	—	—	(21,50,810)	—	(21,50,810)
Impairment of fixed assets*	—	—	(1,26,93,602)	—	(1,26,93,602)	—
Other Expenses	(12,52,285)	(7,32,085)	(97,545)	(2,77,599)	(13,49,830)	(10,09,684)
Total Expenses	(23,10,488)	(16,29,370)	(1,39,40,734)	(28,59,157)	(1,62,51,222)	(44,88,527)
Profit/(Loss) before exceptional item and taxation	(18,17,649)	85,958	(1,37,54,673)	(25,93,157)	(1,55,72,322)	(25,07,199)
Exceptional item: Diminution in the value of long-term investment (Note 25)	(15,00,00,000)	—	—	—	(15,00,00,000)	—
Profit/(Loss) before taxation	(15,18,17,649)	85,958	(1,37,54,673)	(25,93,157)	(1,65,52,322)	(25,07,199)
Current tax	—	—	—	—	—	—
Deferred tax expense/(benefit)	(373)	8,469	(54,36,768)	89,518	(54,37,141)	97,987
Profit/(Loss) after taxation	(15,18,17,276)	77,489	(83,17,905)	(26,82,675)	(1,60,135,181)	(26,05,186)

* During the year, the Management made impairment of fixed assets and write down of inventories as the discussions with TTD has not been very fruitful and encouraging.

The provision made for diminution in the value of the business unit in earlier years of ₹ 70,95,171 has been adjusted against the said impairment of fixed assets.

Note 24 Information pertaining to Joint Ventures

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entities for the year ended 31 March 2015 are as follows:

Amount in ₹

	2015	2014	2015	2014
Name of Joint Venture	Mahindra Water Utilities Limited		Mahindra Inframan Water Utilities Private Limited	
	Unaudited	Audited	Audited	Audited
% of interest	50%	50%	50%	50%
Country of incorporation	India	India	India	India
Non-current liabilities	20,43,485	15,96,099	—	—
Current liabilities	3,57,14,096	3,74,10,831	10,207	10,208
Non-current assets	14,71,75,999	16,59,06,261	39,057	38,734
Current assets	11,31,56,370	8,75,47,861	3,82,725	3,69,398
Revenue	8,35,96,963	6,92,10,982	32,786	31,709
Employee benefits expense	2,40,90,909	2,07,40,015	—	—
Finance costs	4,95,775	6,54,399	—	—
Depreciation expense	6,87,058	5,50,132	—	—
Other expenses	4,53,78,434	1,39,37,068	13,031	12,094
Profit before tax	1,29,44,788	3,33,29,368	19,754	19,615
Income tax expense	42,56,289	1,08,95,746	6,104	6,061
Profit after tax	86,88,499	2,24,33,622	13,650	13,554

Note 25 The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31 March 2014 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Information forthcoming in the last few months suggest that there are likely to be delays and the possibility of recovering the past losses of the company does not seem very promising. In view of this, the Company has provided for its entire investment of ₹ 15,00,00,000 in the equity shares of NTADCL during the year.

Note 26 The Company has only made provisions in respect of its investments in NTADCL and the assets of the project. There is no intention of disposing off these investments and assets. Also the Company can continue its current operations with its own cash resources for a period of atleast one year. Hence the accounts of the Company for the year ended 31st March 2015 have been prepared on the basis of going concern.

Note 27 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Anita Arjundas Chairperson

Kinjal Vyas
Company Secretary

S. Venkatraman Director
Mr. Vijay Khetan Director
Mr. Sanjay Jain Director

Santosh J. Gupta
Chief Executive Officer

Place: Mumbai
Date: 27th April 2015

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate Companies/Joint Ventures

Part "A": Subsidiaries - Nil**Part "B": Associates and Joint Ventures**

Amount in Rupees

		Shares of Joint Venture held by the Company on the year end		Extent of Holding	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the year	
		No.	Amount of investment in Associates/ Joint Venture					Considered in Consolidation	Not Considered in Consolidation
JOINT VENTURES									
Mahindra Inframan Water Utilities Private Limited	31 st March 2015	24,999	249,990	50.00%	Note A	NA	4.12	0.14	0.14
Mahindra Water Utilities Private Limited	31 st March 2015	50,000	500,000	50.00%	Note A	NA	2,225.75	86.88	86.88

Note A: There is significant influence due to percentage (%) of Share Capital

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Anita Arjundas *Chairperson*

Kinjal Vyas
Company Secretary

S. Venkatraman *Director*
Mr. Vijay Khetan *Director*
Mr. Sanjay Jain *Director*

Santosh J. Gupta
Chief Executive Officer

Place: Mumbai
Date: 27th April 2015

Directors' Report to the Members

Your Directors present their Nineteenth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights (Standalone)

Particulars	(₹ in lakhs)	
	For the year ended 31 st March 2015	For the year ended 31 st March, 2014
Total Income.....	15,567.10	6,259.26
Profit/(Loss) before Depreciation, Interest and Taxation.....	5,097.41	702.80
Less: Depreciation.....	1.31	1.19
Profit/(Loss) Before Interest and Taxation	5096.10	701.61
Less: Interest.....	896.59	1,217.60
Profit/(Loss) Before Taxation	4,199.51	(515.99)
Less : Provision for Taxation	148.11	–
Profit/(Loss) for the year after Taxation.....	4,051.39	(515.99)
Add : Balance of Profit /(Loss) for earlier years.....	(710.84)	(194.85)
Amount available for appropriation.....	3340.55	(710.84)
Depreciation on Transition Adjustment.....	0.52	
Dividend on Equity Shares.....	1008.70	
Balance carried forward to the Balance Sheet	2,331.33	(710.84)

DIVIDEND

Interim dividends of ₹ 2/- per equity share of the face value ₹ 10 each of the company was declared on 29th Sep 2014. The equity dividend (including tax on distributed profits) amounts to ₹ 1008.70 lakhs and is paid out of the profits for the year 2014-15.

Your Directors recommend that the Interim dividend paid on equity shares be confirmed as the final dividend.

Reserves

Profit for the year less dividend declared (including tax thereon) has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations

Your Company is engaged as a co-developer in developing residential township area at Mahindra World City, New Chennai. Its current developments include 'Iris Court' and 'Nova'. MITL has a balance of approximately 140 acres to be developed in phases for offering products in different formats and segments

'Iris Court', located in Mahindra World City, Chennai, is spread over 18 acres with a total saleable area of 0.86 million square feet and 92% of the area have been sold upto March, 2015. The first phase of the project covering 0.27 million square feet was completed and majorly handed over to customer. Construction of Subsequent Phase 2 & 3A is completed. Construction of the final phase 3 B is underway and progressing as per schedule.

'Nova' in Mahindra World City, Chennai is spread over 7 acres with a saleable area of 0.54 million square feet was launched in the year 13-14. During the year, the Company launched the second phase of the project which has 363 units. 48% of area has been sold as of March, 2015. The construction work both Phase 1 and 2 is progressing as per Schedule.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised share capital of your Company is ₹60 crores and Paid-up share capital of the Company is ₹ 50.43 crores. The paid-up equity capital of the company is held by Mahindra Life space Developers Limited (MLDL) and Mahindra World City Developers Limited in the ratio of 73.36:25.78 respectively.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares.

As of 31st March, 2015 in accordance with the Employee Stock Option Scheme – 2006 (ESOS - 2006), 4, 35,000 Stock Options were exercised under ESOS - 2006. During the Year Company has not granted any Employee Stock Options. The Shares arising out of exercise of Employee Stock Options

are directly allotted to the eligible employees and therefore the requirement of disclosure in respect of voting rights not exercised directly by the employees does not apply to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Network

The network of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 4332.66 Lacs and ₹ 7474.83 Lacs respectively.

Holding Company

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

Mahindra Residential Developers Limited (MRDL) continues to be a subsidiary of your Company and consequently a subsidiary company of, Mahindra Lifespace Developers Limited and of the ultimate holding company Mahindra & Mahindra Limited.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statement of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21 on consolidated financial statements issued by the Institute of Chartered Accountants of India form part of this Annual Report.

The Consolidated financial statement of the Company is attached along with the financial statement of the Company

Mahindra Residential Developers Limited (MRDL), which is a wholly owned subsidiary of your Company, and a co-developer in developing residential township area in MWC is developing a gated residential community, a premium project, in approximately 55 acres within Mahindra World City, New Chennai, under the name 'Aquality'. The project offers villas and apartments covering 1.57 million square feet, of which 1.39 million square feet has been launched in multiple phases. During 2014-15, construction was completed in Phase 2B, taking the total completed area under the project to 0.93 million square feet. The handing over of all completed phases is in progress. Construction is in progress for Phase 2C and is progressing as per schedule. 68 per cent of the total units launched in this project have been sold upto March 2015.

A report on the financial position of MRDL as per the Companies Act, 2013 is provided as Annexure to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions

with respect to CSR were not applicable to the Company for the FY 2014-15.

As the profit of the Company for FY 2014 -15 is more than ₹5 Crore the provisions of Section 135 of the Companies Act, 2013 and Rules thereunder relating to CSR will be applicable from FY 2015-16. Accordingly, the Board at its meeting held on 17th April, 2015 has constituted a Corporate Social Responsibility Committee in accordance with their statutory requirements in this regards.

Directors

During the year, Mr. Rajagopalan Santhanam (DIN: 000237740) and Mr. M. S. Jagan (DIN: 02002827) were appointed as Independent Directors not liable to retire by rotation, to hold the office for a term upto 5 (five) consecutive years commencing from 18th March, 2015. Mr. Rajagopalan Santhanam and Mr. M. S. Jagan have given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas (DIN: 00243215) a Non-executive and Non-independent Director retires by rotation at the 19th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Anita Arjundas is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Ms. Sangeeta Prasad (DIN : 02791944) resigned as Director of the Company with effect from 18th March, 2015. The Board places on record its sincere appreciation of the valuable services rendered by Ms. Sangeeta Prasad during her tenure as Director of the company.

During the year, the Nomination and Remuneration Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. M.S.Jagan, Mr. Ravi Santhanam and two non-independent Directors, namely Ms. Anita Arjundas and Mr. S.Chandru.

Mr. Ravi Santhanam is the Chairman of the Committee.

Pursuant to the provisions of the Companies Act, 2013 evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof and Chairperson of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the evaluation such as adequacy of the size and composition of the Board and Committee thereof with regard to skill, experience, independence, diversity; attendance and adequacy of time given by the Directors to discharge their duties; Corporate Governance practices etc. The Directors expressed their satisfaction with the evaluation process.

The following policies of the Company are attached herewith and marked as **Annexure 1**, **Annexure 2A** and **Annexure 2B** to this report.

1. Policy on appointment of Directors and Senior Management (**Annexure 1**)
2. Policy on remuneration of Directors (**Annexure 2A**)
3. Policy on Remuneration of Key Managerial Personnel and Employees (**Annexure 2B**)

Key Managerial Personnel

During the year under review, the Company has appointed following persons as Key Managerial Personnel under the Companies Act, 2013. None of the Key Managerial Personnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

Sr. no.	Name of the person	Designation
1.	Mr. Manmadkar Jayantt	Manager
2.	Ms Arti Rameshchandra Batavia (Ms Arti Shinde)	Company Secretary
3.	Ms K Bharathy	Chief Financial Officer

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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, Independent Directors of the Company affirming compliance with the respective Codes.

Meetings

During the year five Board Meetings were convened and held on following dates:

18th April, 2014, 22th July, 2014, 29th September 2014, 10th October, 2014, 21st January, 2015 and 18th March, 2015.

During the year FY 2014-15 Audit Committee meetings were convened and held on the following dates:

18th April, 2014, 22nd July, 2014, 10th Oct, 2014, 21st Jan, 2015 and 18th March, 2015

During the year FY 2014-15 Nomination & Remuneration Committee meetings were convened and held on the following dates:

21st January, 2015 and 18th March, 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/ Committees are given below:

Sr. No.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1.	Ms. Anita Arjundas	6	4	2
2.	Mr S Chandru	6	4	2
3.	Ms Sangeeta Prasad (Resigned w.e.f. 18 th March, 2015)	6	4	2
4.	Mr. Rajagopalan Santhanam (Appointed w.e.f. 18 th March, 2015)	0	0	0
5.	Mr M S Jagan (Appointed w.e.f. 18 th March, 2015)	1	0	1

Directors' Responsibility Statement

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements, the Audit Committee of the Board periodically reviews the internal control systems with the management and auditor.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. M S Jagan, Mr. Rajagopalan Santhanam and one Non-Executive Non-Independent Director, Ms. Anita Arjundas.

Mr M S Jagan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Financial Officer, and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil mechanism/Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell. The Whistle Blower Policy of the Company is attached in Annexure - 3

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. A. F. Ferguson & Co., Chartered Accountants, (Reg No. 112066W) Chennai, 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. A. F. Ferguson & Co., Chartered Accountants, Chennai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 19th 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.

The Board has recommended to the shareholders for approval re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Chennai, as the Statutory Auditors to hold office from the ensuing Annual General Meeting till the

conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having, Cost Auditor is presently not applicable to your Company.

The Company has appointed M/s Mazars, Chartered Accountants as the Internal Auditor of the Company for the financial year 2014-15.

Secretarial Auditor

The Board has appointed M/s M.K. Surana & Co, practising Company Secretary, to conduct the secretarial audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended 31st March, 2015 is annexed herewith and marked as **Annexure - 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of developing Residential Units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the financial statement at Note no. 12.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 11.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note no. 27 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review are given in the prescribed format in the **Annexure 5** to this report

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at

workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors and suppliers of your Company for the support received from them during the year.

For and On Behalf of the Board,

Anita Arjundas

Chairperson

DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed :

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

2. REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

3. SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 2A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**POLICY FOR REMUNERATION OF THE DIRECTORS****Purpose**

This Policy sets out the approach to Compensation of Directors in Mahindra Integrated Township Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other

factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 2B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.

Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.

The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.

The variable component of the remuneration will be a function of the employee's grade.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:

- a) The increment that needs to be paid for different performance ratings as well as grades.
- b) The increment for promotions and the total maximum increment.
- c) The maximum increase in compensation cost in % and absolute.

Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Whistle Blower Policy

1. The Whistle Blower Policy shall come into effect from 1st April 2014.

2. Preface

Mahindra Residential Developers Limited (MRDL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of section 177 of Companies Act, 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Board.

3. Definitions

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/ Act.]

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.

- d. "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.
- e. "Investigators" means those persons authorised, appointed, consulted or approached by the Board and the Police.
- f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.
- g. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. Scope

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Board or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Board.

5. Eligibility

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Procedure

- a. All Protected Disclosures should be addressed to the Board.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Board member, the same should be forwarded to the Board of Directors for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Board shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

- a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Board who would investigate/oversee the investigations.
- b. The Board may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Board is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Board or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Board.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- j. Subjects have a right to be informed of the outcome of the investigation.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.
- c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower(s) may report any violation of the above Clause to the Board who shall investigate into the same and advise suitable action to the Management.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless

or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Board when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Board, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

If an investigation leads the Board to conclude that an illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed, the Board shall advise to the Management of the Company to take such disciplinary or corrective action as the Board may deem fit.

12. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed by the Corporate Governance Cell before the Audit Committee on a regular basis.

13. Retention of documents

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/Directors unless the same is notified to the Employees/Directors.

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Mahindra Integrated Township Limited
Kancheepuram

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra Integrated Township Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Mahindra Integrated Township Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra Integrated Township Limited for the financial year ended on 31.03.2015, according to the provisions of The Companies Act, 2013 (the Act) and the rules made thereunder and we report that the Company has generally complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company.

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

- (i) The Right to Fair Compensation & Transparency in land Acquisition, Rehabilitation & Resettlement Act, 2013.
- (ii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996.
- (iii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Welfare Cess Act 1996.
- (iv) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations

- (v) The Air(Prevention and Control of Pollution) Act, 1981
- (vi) The Competition Act, 2002
- (vii) The Central Sales Tax, 1956
- (viii) The Central Excise Act at various locations as applicable
- (ix) The Consumer Protection Act, 1986
- (x) The Ownership Flats & Apartment Ownership Act as applicable at various locations
- (xi) The Environment Protection Act, 1986
- (xii) The Public Liability Insurance Act, 1991
- (xiii) The Registration Act, 1908
- (xiv) The Special Economic Zone Act, 2005 and rules thereunder
- (xv) The Water(Prevention and Control of Pollution) Act, 1974
- (xvi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder.
- (xvii) The Child Labour (Prohibition & Regulation) Act, 1986
- (xviii) The Contract Labour (Regulation & Abolition) Act, 1970
- (xix) The Employee's Compensation Act, 1923
- (xx) The Employees' Provident Funds and Miscellaneous Provision Act, 1952
- (xxi) The Employees State Insurance Act, 1948
- (xxii) The Employers' Liability Act, 1938
- (xxiii) The Equal Remuneration Act, 1855
- (xxiv) The Indian Fatal Accidents Act, 1855
- (xxv) The Industrial Disputes Act, 1947
- (xxvi) The inter State Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979
- (xxvii) The Maternity Benefit Act, 1961
- (xxviii) The Minimum Wages Act, 1948
- (xxix) The payment of Bonus Act, 1965
- (xxx) The payment of Gratuity Act, 1972
- (xxxi) The payment of Wages Act, 1936

- (xxxii) The Personal Injuries (Compensation Insurance) Act, 1963
- (xxxiii) The Private Security Agency (Regulation) Act, 2005
- (xxxiv) The Stamp Acts as applicable at various locations.
- (xxxv) The Co-operative Societies Act, as applicable at various locations
- (xxxvi) Shops & Establishment Act, as applicable at various locations.
- (xxxvii) The Benami Transaction Prohibition Act 1988
- (xxxviii) The Cyber Law
- (xxxix) The Electricity Act, 2003
- (xl) The Foreign Exchange Management Act, 1999
- (xli) The Income Tax Act, 1961 and Rules thereunder
- (xlii) The Indian Stamp Act, 1899
- (xliii) The Information technology Act, 2000
- (xliv) The Intellectual Property Act
- (xlv) The Negotiable Instruments Act, 1881
- (xlvi) The Prevention of Corruption Act, 1988
- (xlvii) The Prevention of Money Laundering Act, 2002
- (xlviii) The Service Tax (Chapter V of Finance Act, 1994) and Rules
- (xlix) The Standards of Weights and Measures Act 1976
 - (I) The Wealth Tax Act, 1956
 - (li) The Depositories Act, 1996
 - (lii) The Listing Agreement for Equity and Debenture
 - (liii) The Securities Contracts (Regulation) Act, 1956
 - (liv) The Securities & Exchange Board of India Act, 1992
 - (lv) Value Added Tax as applicable for various states
 - (lvi) The State Labour Laws as applicable at various locations
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India, though not mandatory for the period under review, but have been generally followed by the company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As on 31.03.2015, the Board consist of Ms. Anita Arjundas, Mr. Sethuraman Chandru, Mr. Murari SwamimalaiJagan and Mr. Rajagopalan Santhanam as Directors, Ms. K Bharathy as CFO, Ms. Arti Rameshchandra Batavia as Secretary and Mr. Jayant Bhalchandra Manmadkar as Manager.

Adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.

During the Audit Period, the below mentioned laws **are not applicable** to the Company as the Company is **not listed** on any of the Stock Exchanges:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company re - constituted the Audit Committee for the purpose of giving effect to the provisions of Section 177 (4) of the new Companies Act, 2013.

During the year, the Compensation Committee was reconstituted as Nomination and Remuneration Committee which is in conformity with the requirements of Section 178 of the Companies Act, 2013 and Rules thereunder as may be applicable from time to time

Vigil Mechanism was established by the Company as required by Section 177(9) of the Companies Act, 2013

We further report that during the audit period, the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has taken place -

- The Company had opened a separate Bank Account with State Bank of India to transfer society related Monies of Phase-1 of IRIS Court project.
- Remuneration of KMPs, Senior Management and other employees was approved and adopted by the Board as recommended by the NRC committee.
- **Special Dividend was declared by way of Interim Dividend for the quarter ended 30th June 2014 in the Board Meeting held 29th September 2014 for the FY 2014-2015 @20% i.e. Rs. 2 per share on 50435000 fully paid up equity shares of Rs. 10 each out of the profits of the Company and necessary Bank Account was also opened.**
- **Shareholders' approval was accorded in the AGM held on 22nd July 2014 to the Board pursuant to Section 180(1)(a), 180(1)(c) and 180(2) of Companies Act, 2013 for borrowing and creating charges provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 5,00,00,00,000/- (Rupees Five Hundred Crores only), notwithstanding that the money to be borrowed together with the money already borrowed by the Company exceeds aggregate of its**

paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from Company's Bankers in the ordinary course of business.

- **M/s. Mazars, Chartered Accountants were appointed as Internal Auditors in the Board Meeting held on 22/07/2014 pursuant to the provisions of Section 138 of the Companies Act 2013. The necessary form MGT-14 was filed with ROC on 10.03.2015 by paying additional fees.**
- As per the requirement of Section 196, 197 and 203 of Companies Act, 2013 Mr. Jayant Bhalchandra Manmadkar was appointed as Manager in the Company on 21.01.2015 to hold the office of Manager for a tenure of 5 years from 21.01.2015 to 21.01.2020. Necessary form MR -1 was filed with ROC on 20.02.2015.
- Pursuant to Section 203 of Companies Act, 2013, Ms. K Bharathy was appointed as CFO of the Company with effect from 21.01.2015 and necessary form MR -1 was filed with ROC on 20.02.2015.
- **Charges created on 21.01.2011 with State Bank of India for Rupees Twenty Five Crores was satisfied in full as on 03.03.2015. Necessary form CHG-4 was filed with ROC on 19.03.2015.**
- **Pursuant to Sec 179(3) & 204 of Companies Act, 2013 read rule 8, Mrs. M Kavitha Surana of M/s. M. K. Surana & Co., was appointed as the Secretarial Auditor of the Company in the Board Meeting held on 21.01.2015 for conducting the Secretarial Audit for the FY 2014 - 2015. The necessary form MGT-14 was filed with ROC on 16/03/2015 by paying additional fees.**
- The company had various related party transactions which had been carried out in the ordinary course of business at arm's length and has been recorded both at Board Meeting and Audit Committee Meeting.

Place: Chennai
Date: 18.04.2015

For M K Surana & Co.,
Company Secretaries

M. Kavitha Surana
Proprietor
FCS No 5926, C P No. 5269

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

To,
The Members
Mahindra Integrated Township Limited
Kancheepuram

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to expression opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 18.04.2015

For M. K. Surana & Co.,
Company Secretaries

M. Kavitha Surana
Proprietor
FCS No. 5926, C P No. 5269

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**(A) Conservation of energy:**

(i)	the steps taken or impact on conservation of energy;	:	The operations of your Company are not energy intensive. However adequate measures have been taken to reduce energy consumption
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	—
(iii)	the capital investment on energy conservation equipments	:	Measures taken have resulted in reduction of energy consumption

(B) Technology Absorption

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R & D activities during the year
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	—

(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	—
(iv)	the expenditure incurred on Research and Development	:	—

(C) Foreign exchange Outgo

Details of Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are furnished in Note no. 24 to Accounts.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31ST March, 2015

(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U74140TN1996PLC068288
2.	Registration Date	26.06.1996
3.	Name of the Company	MAHINDRA INTEGRATED TOWNSHIP LIMITED
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpeta, Kancheepuram, Tamilnadu, India – 603002.
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
	Construction of Buildings	410	100

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

on the basis of Gross Turnover.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	73.36	2(46)
2	Mahindra Residential Developers Limited	U45200TN2008PLC066292	Subsidiary	100	2(87)(ii)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp	—	5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	—
e) Banks/FI	—	—	—	—	—	—	—	—	—
f) Any Other...	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	—	5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other -Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	—	5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	—
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	—	60,000	60,000	0.12	—	60,000	60,000	0.12	—
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	—	3,75,000	3,75,000	0.72	—	3,75,000	3,75,000	0.72	—
c. Others (Non Resident Individuals)	—	—	—	—	—	—	—	—	—
d. Others Trust	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	4,35,000	4,35,000	0.84	—	4,35,000	4,35,000	0.84	—
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	4,35,000	4,35,000	0.84	—	4,35,000	4,35,000	0.84	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	5,04,35,000	5,04,35,000	100	—	5,04,35,000	5,04,35,000	100	—

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
	Body Corporate	5,00,00,000	99.14	—	5,00,00,000	99.14	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	—	—	—	—
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	—	—	—	—
3.	At the End of the year (or on the date of separation, if separated during the year)	—	—	—	—

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anita Arjundas	1,00,000	0.20	1,00,000	0.20
2.	S Chandru	25,000	0.05	25,000	0.05

i) INDEBTNESS

Indebtness of the company including outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	—	92.70	—	92.70
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	2.39	—	2.39
Total (i + ii + iii)	—	95.09	—	95.09
Change in Indebtedness during the financial year				
• Addition	—	18.00	—	18.00
• Reduction	—	26.00	—	26.00
Net Change	—	8.00	—	8.00
Indebtedness at the end of the financial year				
i) Principal Amount	—	84.70	—	84.70
ii) Interest due but not paid	—	3.45	—	3.45
iii) Interest accrued but not due	—	1.60	—	1.60
Total (i + ii + iii)	—	89.75	—	89.75

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PRSONALA. Remuneration to Managing Director, Whole-Time Directors and/or Manager: **Nil**B. Remuneration of other directors: **Nil**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTM: **Nil****III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act.	Brief description	Details of penalty/ Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
Penalty			NONE		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT			NONE		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INTEGRATED TOWNSHIP LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA INTEGRATED TOWNSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (1) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - i. The Company did not have any pending litigations which would impact its financial position. Refer note 30 to the financial statements.
 - ii. The Company did not have material foreseeable losses on the long term contracts and there were no derivative contracts. Refer note 31 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 30 to the financial statements.

For **A. F. Ferguson & Co**
Chartered Accountants
(Firm's Registration No. 112066W)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai, 17th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Integrated Township Limited on the accounts for the year ended March 31, 2015)

- (i) Having regard to the nature of the Company's business/ activities/result, clause (v) and (ix) of the Order is not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The fixed assets of the company have been verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and lease of residential properties. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues including income tax, wealth tax, sales tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
 - (b) There are no dues of income tax, wealth tax, sales tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited as on March 31, 2015 on account of disputes.
 - (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (viii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For A. F. Ferguson & Co
Chartered Accountants
(Firm's Registration No. 112066W)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai, 17th April, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

		₹ in lacs	
		As at	As at
	Note	31 st March, 2015	31 st March, 2014
A. EQUITY AND LIABILITIES			
Shareholders' Funds:			
a. Share capital	3	5,043.50	5,043.50
b. Reserves and surplus	4	2,331.33	(710.84)
Non Current Liabilities:			
a. Long term Borrowings	5	5,770.00	—
Current Liabilities:			
a. Trade Payables	6	2,777.94	1,727.46
b. Other Current Liabilities	7	3,083.53	3,790.31
c. Short term borrowings	8	2,700.00	9,270.00
d. Short term provisions	9	101.60	60.00
Total		21,807.90	19,180.43
B. ASSETS			
Non Current Assets			
a. Tangible Fixed Assets	10	2.22	4.04
b. Non current Investments	11	6,630.48	6,630.48
c. Long term loans and advances	12	692.52	343.45
Current Assets			
a. Inventories	13	9,235.51	9,730.35
b. Trade receivables	14	1,288.38	1,298.52
c. Cash and cash equivalents	15	1,119.23	484.79
d. Short term loans and advances	16	924.69	579.04
e. Other current assets	17	1,914.87	109.76
Total		21,807.90	19,180.43

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai
Date: 17th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

			₹ in lacs
		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	Note		
A INCOME			
1 Revenue from operations	18	13,483.99	5,869.46
2 Other Income	19	2,083.11	389.80
		<u>15,567.10</u>	<u>6,259.26</u>
B EXPENDITURE			
1 Project Costs	20	8,954.68	6,041.65
2 Changes in Inventories	21	494.84	(1,203.56)
3 Finance Costs	22	896.59	1,217.60
4 Depreciation	10	1.31	1.19
5 Other expenses	23	1,020.17	718.37
		<u>11,367.59</u>	<u>6,775.25</u>
C Profit/(Loss) before tax		4,199.51	(515.99)
Current tax		544.45	–
Less : MAT Credit entitlement		(396.33)	–
Profit/(Loss) for the year		4,051.39	(515.99)
Earnings per share : (₹)			
Basic/(Diluted)		8.03	(1.02)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai

Date: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai

Date: 17th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
₹ in lacs		
A. Cash flow from operating activities		
Profit (Loss) before tax.....	4,199.51	(515.99)
Adjustments for:		
Dividend income	(1,600.00)	—
Depreciation	1.31	1.19
Finance Costs.....	896.59	1,217.60
Interest income.....	(8.97)	(8.49)
Operating profit/(loss) before working capital changes	3,488.44	694.31
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	563.64	(1,039.99)
Trade Receivables	10.14	(615.04)
Long term loans and advances.....	4.00	(12.01)
Short-term loans and advances	(345.65)	(315.45)
Other Current assets.....	(1,805.11)	4,504.90
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables.....	1,050.48	705.46
Short term provisions.....	41.60	60.00
Other current liabilities	(972.86)	1,378.07
	(1,453.76)	4,665.94
Cash generated from/(used) in operations	2,034.68	5,360.25
Income taxes paid (net of refunds)	(501.18)	(144.34)
Net cash flow from/(used in) operating activities	1,533.50	5,215.91
B. Cash flow from investing activities:		
Purchase of fixed assets		(0.07)
Interest received	8.87	8.49
Dividend received	1,600.00	—
Net cash from investing activities	1,608.87	8.42
C. Cash flow from financing activities:		
Inter Corporate Deposits received.....	1,800.00	83.00
Repayment of Inter Corporate Deposits -(Refer Note 5.1).....	(8,370.00)	(2,533.00)
Bank balances not considered as Cash and Cash Equivalents.....	7.09	(141.26)
Term Loan taken - (Refer Note 5.1)	8,370.00	(1,268.00)
Term Loan repaid - (Refer Note 5.1)	(2,600.00)	
Finance costs	(699.23)	(1,304.16)
Payment of Dividend	(1,008.70)	
Net cash used in financing activities.....	(2,500.84)	(5,163.42)
Net increase in cash and cash equivalents (A+B+C)	641.53	60.91
Cash and Cash Equivalents at the Beginning of the Year	343.53	282.62
Cash and Cash Equivalents at the End of the Year	985.06	343.53
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet.....	1,119.23	484.79
Less: Bank balances not considered as Cash and Cash Equivalents.....	134.17	141.26
	985.06	343.53

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**

Chartered Accountants

Firm's Registration No. 112066W

Geetha Suryanarayanan

Partner

Membership No. 29519

Place: Chennai

Date: 17th April, 2015**Bharathy K**

Chief Financial Officer

Arti Shinde

Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

S. Chandru

Director

Place: Chennai

Date: 17th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR YEAR ENDED 31st MARCH, 2015

1. Corporate Information

The Company was incorporated on June 26, 1996.

The Company is a Co-developer approved under Special Economic Zone Act, 2005, engaged in development of residential infrastructure in Mahindra World city SEZ and giving it on perpetual lease. Accordingly the Company is entitled to 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. 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 except for change in the accounting policy for depreciation as more fully described in Note 29.

b) 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.

c) Inventories:

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the company.

d) 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.

e) 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.

f) Revenue Recognition:

Income from development of residential infrastructure is accounted on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature.

The Company has adopted "The Guidance note for Accounting of Real Estate Transactions(Revised 2012)" applicable to all projects in

real estate which have commenced on or after April 1, 2012 and relating to projects where revenue is being recognized for the first time on or after April 1, 2012.

Accordingly revenues are now recognized only when all the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained.
- Expenditure incurred on construction & development cost is not less than 25% of the estimated construction and development costs excluding land cost.
- Atleast 25% of the saleable project area is secured by contracts or agreements with buye₹
- Atleast 10% of the total revenue as per the agreements of lease are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

In respect of projects where revenue recognition commenced prior to April 1, 2012, the following policy is adopted.

Revenues are recognized only when all the following conditions are met.

- The project costs incurred exceed 25% of the total estimated project costs including land
- At least 10% of the lease consideration is realized.
- At least plinth level is achieved for a particular phase as certified by the architect.

g) Other income

Interest & Guarantee Commission income are accounted on accrual basis.

Dividend income is accounted for when the right to receive it is established.

h) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

i) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

j) Investments

Long term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for. Current investments are valued at lower of cost and fair value.

k) Foreign currency transactions and translations

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the Statement of Profit and Loss Account.

l) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

m) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post -tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

n) Taxes on income

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

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 recognized 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 recognized 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized 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 realized. 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 reliability.

o) 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.

p) Service tax Input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credit.

3. SHARE CAPITAL

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	Value of Shares ₹ in lacs	Number of shares	Value of Shares ₹ in lacs
Authorised				
Equity shares of ₹ 10 each.....	60,000,000	6,000.00	60,000,000	6,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each.....	50,435,000	5,043.50	50,435,000	5,043.50
	50,435,000	5,043.50	50,435,000	5,043.50

3a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares ₹ in lacs	No of Shares	Value of Shares ₹ in lacs
Balance as at the beginning of the year.....	50,435,000	5,043.50	50,435,000	5,043.50
Balance as at the end of the year.....	50,435,000	5,043.50	50,435,000	5,043.50

3b. Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Board of Directors have recommended an Interim Dividend of ₹ 2/- share (Face Value of ₹ 10/- per Share) amounting to ₹ 1008.70 Lacs in their meeting held on September 29, 2014.

3c. Details of Share held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares held	Percentage of Holding	No of Shares held	Percentage of Holding
Equity Shares				
Mahindra Lifespace Developers Limited, Holding Company.....	37,000,000	73.36%	37,000,000	73.36%
Mahindra World city Developers Limited, Fellow subsidiary.....	13,000,000	25.78%	13,000,000	25.78%

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares held	Percentage of Holding	No of Shares held	Percentage of Holding

4. RESERVES & SURPLUS

Surplus in statement of Profit & Loss

Balance at the beginning of the year..	(710.84)	(194.85)
Add: Profit/(Loss) for the year	4,051.39	(515.99)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 29)	(0.52)	
Less: Interim dividend (Refer Note 4a)	(1,008.70)	
Dividend Distribution Tax(DDT) on the above. Refer Note 4(b).....	-	
Balance at the end of the year.....	2,331.33	(710.84)

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

- 4a. The Board of Directors at their meeting held on September 29, 2014 recommended an interim dividend of ₹ 2 per equity share amounting to ₹ 1008.70 lakhs.

Particulars	As at 31 st March, 2015	₹ in Lacs As at 31 st March, 2014
4b. Dividend Distribution Tax on the above Equity Dividend of ₹ 1,008.70 lacs.....	171.43	–
Dividend Distribution Tax credit available in respect of the Dividend Tax on the Interim dividend received from the Wholly Owned Subsidiary, Mahindra Residential Developers Limited on May 30, 2014, based on provisions under subsection (1A) of Section 115 O of the Income Tax Act 1961.....	(171.43)	–

5. LONG TERM BORROWINGS (Unsecured)

Term loan from Mahindra Lifespace Developers Limited, holding company.....	5,770.00	–
Total	5,770.00	–

- 5.1. During the year, Mahindra Lifespace Developers Limited has converted Inter Corporate Deposit into an Unsecured Term Loan repayable by March 31st, 2019, which carries an interest @ 12.5% p.a. payable on a quarterly basis. Refer Note 8.1.

6. TRADE PAYABLES

Trade Payables		
Related Parties (Deputation charges & office establishment expenses).....	378.84	252.43
Others.....	1,774.12	1,137.72
Retention Money.....	624.98	337.31
Total	2,777.94	1,727.46

Particulars	As at 31 st March, 2015	₹ in Lacs As at 31 st March, 2014
7. OTHER CURRENT LIABILITIES		
Interest accrued & due on borrowings.....	344.98	–
Interest accrued & not due on borrowings.....	160.35	239.25
Statutory remittances - withholding taxes.....	64.17	72.23
Other contractual liabilities.....	2,057.46	331.43
Advance received from related parties.....	11.84	11.36
Advance received from customers.....	189.24	183.39
Income received in advance.....	109.30	2,815.78
Deposits from customers*.....	146.19	136.87
Total	3,083.53	3,790.31

- *7.1. Amounts collected from customers towards Corpus Fund and advance towards water/electricity charges, transferable to Home owner's Association upon formation.

8. SHORT TERM BORROWINGS (Unsecured)

Inter Corporate Deposits received from Related parties		
Mahindra Logistics Limited @ 12% interest pa.....	1,000.00	–
Mahindra Lifespace Developers Limited- Refer 8.1.....	–	8,370.00
Mahindra Residential Developers Limited @ 12% interest pa.....	1,700.00	900.00
Total	2,700.00	9,270.00

- 8.1 The above Inter Corporate Deposit has been converted into an Unsecured Term Loan (net of repayment of ₹ 2600 lacs) during the year. (Refer 5.1)

9. SHORT TERM PROVISIONS

Defect Liabilities.....	101.60	60.00
Total	101.60	60.00

10. FIXED ASSETS

Particulars	Gross block			Depreciation				Net block	
	As at 1 st April, 2014	Additions	As at 31 st March, 2015	As at 1 st April, 2014	Transitional Adjustment	For the period	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Computer.....	2.06	–	2.06	1.13	0.52	0.41	2.06	0.00	(1.00)
(Previous year).....	(2.16)	–	(2.16)	(0.78)		(0.38)	(1.15)	(1.00)	(1.38)
Office Equipment....	4.01		4.01	0.90		0.90	1.80	2.21	(3.04)
(Previous Year).....	(3.84)	(0.07)	(3.91)	(0.06)		(0.81)	(0.87)	(3.04)	(3.78)
Total.....	6.07	–	6.07	2.03	0.52	1.30	3.86	2.21	(4.04)
Previous Year.....	6.00	0.07	6.07	0.84	0.00	1.19	2.03	4.04	

Particulars	As at 31 st March, 2015	₹ in Lacs As at 31 st March, 2014
11. NON CURRENT INVESTMENTS		
Long term, Trade (at cost)		
Mahindra Residential Developers Limited, Subsidiary Company		
250,000 equity shares of ₹ 10 each fully paid up.....	6,629.48	6,629.48
10,000 Preference shares of ₹ 10 each fully paid up.....	1.00	1.00
Total	6,630.48	6,630.48

Particulars	As at 31 st March, 2015	₹ in Lacs As at 31 st March, 2014
12. LONG TERM LOANS & ADVANCES		
Deposits made to related party – Mahindra World City Developers Limited.....	66.51	66.51
Advance Income tax (net of provisions).....	200.65	243.91
MAT credit entitlement.....	424.61	28.28
Security Deposit.....	0.75	4.75
Total	692.52	343.45

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Particulars	₹ in Lacs		Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
13. INVENTORIES			21. Changes in inventories		
Construction work in progress (including leasehold land)	8,439.81	9,218.14	<u>Inventories at the end of the year:</u>		
Construction materials	524.48	512.21	Construction materials	524.48	512.21
Finished Units - Stock in Trade	271.22	–	Work-in-progress	8,439.81	9,218.14
Total	9,235.51	9,730.35	Finished Units – Stock in Trade.....	271.22	–
14. TRADE RECEIVABLES (Unsecured, considered good)			<u>Inventories at the beginning of the year:</u>		
Trade receivables- outstanding for more than six months from the date they were due for payment	308.46	14.44	Construction materials	512.21	182.50
Other trade receivables.....	979.92	1,284.08	Work-in-progress	9,218.14	8,344.29
Total	1,288.38	1,298.52	Net (increase)/decrease	494.84	(1,203.56)
15. CASH AND CASH EQUIVALENTS			22. FINANCE COSTS		
Balances with banks			Interest on borrowing from bank.....	–	40.90
– Cash on hand.....	–	0.68	Interest on borrowings – related parties	965.31	1,340.27
– On current accounts	385.06	342.85	Less : Allocated to projects	(68.72)	(163.57)
– On Interim Dividend Bank a/c	0.01	–	Total	896.59	1,217.60
– On Fixed deposits with maturity less than 3 months	600.00	–	23. OTHER EXPENSES		
– on Earmarked Account*	134.16	141.26	Operation and maintenance expenses.....	183.17	172.59
Total	1,119.23	484.79	Legal & professional fees	11.49	9.80
* Collected from customers and to be transferred to Home Owners' Association upon formation.			Advertisement, marketing and business development.....	318.53	192.81
16. SHORT TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)			Brokerage	41.08	46.60
Mobilisation advances – Secured by Bank guarantees from vendors.....	368.92	447.42	Repairs and Maintenance*	77.40	4.21
Supplier advances.....	425.99	59.15	Deputation Charges	144.00	142.30
Advances – Others	0.50	–	Auditors remuneration		
Deposits – others	32.97	27.32	Audit fees	7.50	3.56
Balance with Govt authorities (Service tax)	96.31	45.15	Other services	2.10	0.91
Total	924.69	579.04	Reimbursement of expenses/ levies.....	–	(0.10)
17. OTHER CURRENT ASSETS			Office Establishment	124.89	71.84
Unbilled revenue	1,914.77	109.76	Provision for Defect liability.....	101.84	60.00
Interest Accrued on Fixed Deposit.....	0.10	–	Miscellaneous expenses	8.17	13.85
Total	1,914.87	109.76	Total	1,020.17	718.37
Particulars	For the year ended 31st March, 2015	₹ in Lacs For the year ended 31st March, 2014	*Note 23a): Includes ₹ 75 Lacs incurred towards maintenance of completed residential units.		
18. REVENUE FROM OPERATIONS			24. Expenditure incurred in foreign currency		
Income from Projects.....	13,483.99	5,869.46		2014-15	2013-14
Total	13,483.99	5,869.46	Travel Expenses	–	0.31
19. OTHER INCOME			Exhibition Participation Charges	5.61	6.61
Interest on deposit with bank.....	8.09	8.49		5.61	6.92
Interest – Others	0.88	–	25. Details of borrowing costs inventorised	68.72	163.57
Dividend Income from subsidiary.....	1,600.00	–	26. Earnings per share:		
Guarantee Commission from holding company	435.75	335.47	Profit/(Loss) after tax for the year – ₹ lacs	4051.39	(515.99)
Other income.....	15.88	17.24	Weighted average number of equity shares (Nos. lacs) – Basic and diluted	504.35	504.35
Cancellation income/Transfer charges...	22.51	28.60	Basic and diluted Earnings Per Share (₹)	8.03	(1.02)
Total	2,083.11	389.80			
20. PROJECT COSTS					
Land and construction costs	8,485.11	5,368.64			
Architect Fees.....	64.29	25.50			
Site Expenses & other overheads	36.56	64.54			
Project management fees.....	300.00	255.17			
Interest	68.72	163.57			
Approval and consultancy charges	–	164.23			
Total	8,954.68	6,041.65			

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**27. Related party transactions:****a) Names of related parties and nature of relationship where control exists:**

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited
Wholly Owned Subsidiary Company	Mahindra Residential Developers Limited
<u>Fellow Subsidiaries with whom transactions have been entered during the year</u>	
Mahindra World City Developers Limited (MWCDL)	
Mahindra Holidays & Resorts India Limited (MHRIL)	
Mahindra Logistics Limited (MLL)	

Note: Related Parties are as identified by the Management.

Key Managerial Person

Manager	Jayant Manmadkar
CFO	Bharathy K
Secretary	Arti Rameshchandra Batavia
	(with effect from January 21st, 2015)

b) The related party transactions are as under:

₹ in lacs

Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Subsidiary
			MWCDL	MHRIL	MLL	
Inter Corporate Deposit received		– (83)	– (–)		1000.00 (–)	800.00 (–)
Inter Corporate Deposit repaid		– (1200)	– (733)	– (–)	– (–)	– (600)
Term Loan repaid		2600.00 (–)				
Interest Expense		808.85 (1129.53)	– (65)	– (–)	0.33 (–)	156.13 (145.74)
Guarantee Commission income		435.75 (335.47)				
Consultancy Charges	0.65 (0.24)	444.00 (338.99)				
Office Establishment Expenses		124.79 (71.84)		1.03 (0.29)		
Maintenance Charges			211.67 (196.89)			
Water Charges			68.30 (40.98)			
Project expenses	– (–)					15.18 (–)
Interim dividend paid		740.00 (–)	260.00 (–)			
Interim dividend received						1600.00 (–)
Balances at year end						
Deposits			66.51 (66.51)			– (–)
Inter-corporate deposits		5770.00 (8370)			1000.00 (–)	1700.00 (900)
Payables	12.53 (11.84)	883.17 (465.64)			0.30 (–)	– (–)

Figures in brackets are in respect of the previous year.

Remuneration to KMP is ₹ Nil.

28. There are no dues to Micro and Small Enterprises which have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
29. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate/useful life	Revised useful life based on SLM
Computers and Data Processing Equipment	SLM	16.67%/~6 years	3 years
Furniture and Fixtures (Office Equipments)	SLM	20%/~5 years	5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 0.52 lacs (net of deferred tax of ₹ NIL) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 0.12 lacs, consequent to the change in the useful life of the assets.

30. The Company does not have any pending litigations which would impact its financial position as on March 31, 2015. There are no amounts required to be transferred to the Investor Education and Protection Fund by the company during the year.
31. (i) The Company does not have material foreseeable losses on the long term contracts as on March 31, 2015.
(ii) The company did not enter into any derivative contracts during the year.
32. The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to a 100% deduction of its income under the Income Tax Act, 1961 upto Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable and current tax expense has been computed under these provisions.
33. The Company operates in a single segment, namely development of residential infrastructure.
34. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

S. Chandru *Director*

Place: Chennai
Date: 17th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their eighth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

Particulars	(₹ Lakhs)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income	6,769.24	15,557.08
Profit/(Loss) Before Depreciation, Interest and Taxation	1,764.63	4,194.25
Less : Depreciation	—	—
Profit/(Loss) Before Interest and Taxation	1,764.63	4,194.25
Less : Interest	2.91	42.75
Profit/(Loss) Before Taxation	1,761.72	4,151.50
Less : Provision for Taxation	369.26	870.16
Profit/(Loss) for the year after Taxation	1,392.46	3,281.34
Add : Balance of Profit/(Loss) for earlier years	3,832.24	550.90
Dividend on preference and equity shares (including tax on distributed profits)	1,871.92	—
Balance carried forward to the Balance Sheet	3,352.78	3,832.24

Dividend

Interim dividends of ₹ 13,245 per preference share on 10,000 shares of the face value ₹ 10 each of the company was declared on 28th May, 2014. The preference dividend (including tax on distributed profits) amounts to ₹ 1549.60 lakhs. Your Directors recommend that the Interim dividend paid on preference shares be confirmed as the final dividend.

Interim dividend of ₹ 110.20 per equity share on 2,50,000 shares of the face value ₹ 10 each to equity share holder was declared on 28th May, 2014. The equity dividend (including tax on distributed profits) amounts to ₹ 322.32 lakhs. Your Directors recommend that the Interim dividend paid on equity shares be confirmed as the final dividend and is paid out of the profits for the year 2014-15.

Reserves

Profit for the year less dividend declared (including tax thereon) has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations

The Company is developing a premium residential project 'Aqualily'.

'Aqualily' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments covering 1.57 million square feet out of which 1.39 million square feet is launched till date and 0.97 million square feet is sold upto March 2015. The Company has

completed the construction of Villas and handing over is in progress. First phase (2A) of apartments were completed last year and during the year 2014-15, the Company completed the construction of the second phase of apartments (2B), taking the total completed area under the project to 0.93 million square feet. Handover of these units to the customers is in progress. Construction for the next phase of apartments (2C) covering 0.46 million square feet is progressing as per schedule.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

The Authorised share capital of the Company is ₹ 50 lakhs consisting of equity share capital of ₹ 45 lakhs and preference share capital of ₹ 5 lakhs. The paid up equity capital is ₹ 25 lakhs and paid up preference share capital is ₹ 1 lakh. The entire paid up share capital of the Company is held by Mahindra Integrated Township Limited (MITL).

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme

and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued / allotted any non-convertible debentures.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 9,293.57 Lakhs and ₹ 8,814.11 Lakhs respectively.

Holding Company

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

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

On 26th March, 2014, the Board constituted CSR Committee comprising Ms. Anita Arjundas (Chairperson), Mr. S. Chandru and Ms. Sangeeta Prasad.

On 23rd March, 2015, CSR Committee was re-constituted. Presently CSR Committee comprises of a Independent Director Mr. Raghunath Murti and two non-independent Directors, namely Mr. Jayant Manmadkar and Ms. Sangeeta Prasad.

Your Company's CSR strategy is to contribute to the local communities that it operates in by focusing on three key areas of intervention: education, skill development, health, environment and promoting sustainable practices.

The Company has spent ₹ 44.06 lakhs as against the required CSR expenditure of ₹ 44.06 lakhs calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

Directors

During the year, Mr. Raghunath Murti (DIN: 00082761), Mr. Sanjiv Kapoor (DIN: 00004005) and Mr. Sanjay Jain (DIN: 06446899) were appointed as Independent Directors not liable to retire by rotation, to hold the office for a term up to 5 (five) consecutive years commencing from 23rd March, 2015.

Mr. Murti, Mr. Kapoor and Mr. Jain have given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

On 23rd March, 2015, Mr. Jayant Manmadkar was appointed as Non Executive Non independent Director of the Company, liable to retire by rotation.

Appointment of Mr. Raghunath Murti, Mr. Sanjiv Kapoor, Mr. Sanjay Jain and Mr. Jayant Manmadkar was approved by shareholders at extra ordinary general meeting held on 23rd March, 2015.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad (DIN: 02791944) a Non-executive and Non-independent Director retires by rotation at the 8th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Ms. Anita Arjundas (DIN: 00243215) and Mr. S. Chandru (DIN : 00243025) resigned as Directors of the company with effect from 23rd March, 2015. The Board places on record its sincere appreciation of the valuable services rendered by Ms. Anita Arjundas and Mr. S. Chandru during their tenure as Directors of the company.

During the year, the Nomination and Remuneration Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. Sanjay Jain, Mr. Raghunath Murti and two non-independent Directors, namely Ms. Sangeeta Prasad and Mr. Jayant Manmadkar.

Mr. Raghunath Murti is the Chairman of the Committee.

Pursuant to the provisions of the Companies Act, 2013 evaluation of every Director's performance was done by Nomination and Remuneration Committee.

The following policies of the Company are attached herewith and marked as **Annexure 2**, **Annexure 3A** and **Annexure 3B** to this report.

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3A**)
3. Policy on Remuneration of Key Managerial Personnel and Employees (**Annexure 3B**)

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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, Independent Directors of the Company affirming compliance with the respective Codes.

Meetings

During the year six Board Meetings were convened and held on following dates:

18th April 2014, 28th May 2014, 22nd July 2014, 10th October, 2014, 21st January, 2015 and 23rd March, 2015.

During the year four Audit Committee meetings were convened and held on the following dates:

18th April 2014, 22nd July 2014, 10th October 2014, 21st January 2015.

During the year one meeting of the Nomination & Remuneration Committee was convened and held on 23rd March 2015.

During the year 2 Corporate Social Responsibility Committee meetings were convened and held on the following dates:

10th October 2014 and 21st Jan 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/ Committees are given below:

Sr. No.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Anita Arjundas	6	4	1	2
2.	Sangeeta Prasad	6	4	1	2
3.	S. Chandru	5	4	–	2
4.	Jayant Manmadkar	1	1	1	–
5.	Sanjiv Kapoor	1	–	1	–
6.	Sanjay Jain	1	–	1	–
7.	Raghunath Murti	–	–	–	–

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the 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 had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the auditor.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of one Non-Executive Non-Independent Director, Mr. Jayant Manmadkar and two independent Directors, namely Mr. Raghunath Murti and Mr. Sanjay Jain.

Mr. Sanjay Jain is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson of the Company and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil Mechanism/Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and

Director Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell. The Whistle Blower Policy of the Company is given in **Annexure 4**.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

At the 7th Annual General Meeting held on 22nd July 2014 M/s. Deloitte Haskins & Sells., Chartered Accountants (Reg No: 008072S), Chennai, were appointed as Auditors for a term of 5 consecutive years from the conclusion of the 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from conclusion of 8th AGM till conclusion of 12th AGM. 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. Deloitte Haskins & Sells, Chartered Accountants, Chennai, proposed to be re-appointed as Auditors, if made, would be in conformity with the limits specified in the said Section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor and secretarial auditor are presently not applicable to your Company.

Cost Auditors

The Board of Directors, on recommendation of the Audit Committee, has appointed M/s. A. B. Nawal & Associates, Cost Accountants, Pune, as Cost Auditors of the Company, for the Financial Year 2014-15, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the Central Government, pursuant to its order

dated 30th June, 2014 and any amendments thereof, subject to the approval of the Members on the remuneration to be paid to the Cost Auditor.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of developing Residential Units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the loans and advances are provided in the financial statement at Note No. 8.

There are no investment made by the Company.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note No. 24 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review are given in the prescribed format in the **Annexure 5** to this report.

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the

statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties / strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors and suppliers of your Company for the support received from them during the year.

For and on behalf of the Board,

Sangeeta Prasad

Chairperson

DIN : 02791944

Mumbai, 16th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**THE ANNUAL REPORT ON CSR ACTIVITIES**

The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at around project locations so as to help the communities around these projects to prosper in all walks of life.

The average net profit of the Company for the last three financial years – ₹ 2,203 Lakhs

Prescribed CSR Spend (2% of above amount) – ₹ 44.06 Lakhs

₹ Lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to Nanhi Khali	Education of the girl child	Pan India where the Company has existing projects	22.03	Direct expenditure – 22.03	22.03	Implementing Agency: K.C. Mahindra Education Trust
2.	Renovation of Paranur School	Education 2(d)	Chennai	3.51	Direct expenditure – 3.51	25.54	NGO: World Vision India
3.	Support to Primary Health Centre	Education 2(d)	Chennai	12.66	Direct expenditure – 12.66	38.20	NGO: World Vision India
4.	Renovation in Thenmelpakkam School	Education 2(d)	Chennai	5.86	Direct expenditure – 5.86	44.06	NGO: World Vision India

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial year

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Sangeeta Prasad Chairperson of Board Mumbai, 16 th April, 2015	Jayant Manmadkar (Chairman CSR Committee) Mumbai, 16 th April, 2015
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ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT**

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 16th April, 2015

ANNEXURE 3A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY FOR REMUNERATION OF THE DIRECTORS

Purpose

This Policy sets out the approach to Compensation of Directors in Mahindra Residential Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the

compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 16th April, 2015

ANNEXURE 3B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the financial year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.

Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.

The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.

The variable component of the remuneration will be a function of the employee's grade.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a

Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:

- a) The increment that needs to be paid for different performance ratings as well as grades.
- b) The increment for promotions and the total maximum increment.
- c) The maximum increase in compensation cost in % and absolute.

Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 16th April, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

WHISTLE BLOWER POLICY

1. The Whistle Blower Policy shall come into effect from 1st April 2014.

2. Preface

Mahindra Residential Developers Limited (MRDL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of Section 177 of Companies Act, 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Board.

3. Definitions

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/Act.]

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.

- d. "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.
- e. "Investigators" means those persons authorised, appointed, consulted or approached by the Board and the Police.
- f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.
- g. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. Scope

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Board or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Board.

5. Eligibility

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Procedure

- a. All Protected Disclosures should be addressed to the Board.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Board member, the same should be forwarded to the Board of Directors for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Board shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

- a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Board who would investigate/oversee the investigations.
- b. The Board may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Board is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Board or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Board.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.
- c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower(s) may report any violation of the above Clause to the Board who shall investigate into the same and advise suitable action to the Management.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless

or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Board when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Board, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

If an investigation leads the Board to conclude that an illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed, the Board shall advise to the Management of the Company to take such disciplinary or corrective action as the Board may deem fit.

12. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed by the Corporate Governance Cell before the Audit Committee on a regular basis.

13. Retention of documents

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/Directors unless the same is notified to the Employees/Directors

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:**A. CONSERVATION OF ENERGY**

- | | | |
|--|---|---|
| (i) the steps taken or impact on conservation of energy; | : | The operations of your Company are not energy intensive. However, adequate measures have been taken to reduce energy consumption. |
| (ii) the steps taken by the company for utilising alternate sources of energy; | : | – |
| (iii) the capital investment on energy conservation equipments | : | Measures taken have resulted in reduction of energy consumption. |

B. TECHNOLOGY ABSORPTION

- | | | |
|---|---|---|
| (i) the efforts made towards technology absorption | : | The Company has not carried out any R&D activities during the year. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution | : | – |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | : | – |
| (iv) the expenditure incurred on Research and Development | : | – |

C. FOREIGN EXCHANGE OUTGO

Details of Foreign Exchange outgo during the year in terms of actual outflows are furnished in Note No. 20 to Accounts.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 16th April, 2015

ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45200TN2008PLC066292
2.	Registration Date	01 February 2008
3.	Name of the Company	M/s. MAHINDRA RESIDENTIAL DEVELOPERS LIMITED
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Mahindra World City, Chegalpattu – 603 002
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	100

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra Integrated Township Limited	U74140TN1996PLC068288	Holding	100	2 (46)

i. Category-wise Share Holding:

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	250,000	250,000	100		250,000	250,000	100	
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	250,000	250,000	100		250,000	250,000	100	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
(2) Foreign									
a) NRI – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	250,000	250,000	100	–	250,000	250,000	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	250,000	250,000	100	–	250,000	250,000	100	–

ii. Shareholding of Promoters:

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
Body Corporate - Mahindra & Mahindra Limited	250,000	100	–	250,000	100	–	–

iii. Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

v. Shareholding of Directors and Key Managerial Personnel: There is no share held by any of the Directors of the Company: Nil

I) INDEBTEDNESS

Indebtedness of the company including outstanding/accrued but not due for payment: Nil

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Nil

B. Remuneration of other directors: Nil

C. Remuneration to Key Managerial Personnel other than MD/Manager/MTD: Nil

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
Penalty	NONE				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 16th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA RESIDENTIAL DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 21 to the financial statements.
 - ii. The Company did not have material foreseeable losses on long term contracts and there were no derivative contracts. Refer note 22 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 22 to the financial statements.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: 16th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Residential Developers Limited on the accounts for the year ended 31st March, 2015).

(i) Having regard to the nature of the Company's business/ activities/result, clause (i) and (v) of the Order are not applicable to the Company in the current year.

(ii) In respect of its inventory:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and lease of residential properties. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.

(v) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vi) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues including income tax, wealth tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding

statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) Details of dues of Income tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (Rs. In lakhs)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals	AY 2012-13	122.19

(c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

(vii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.

(ix) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: 16th April, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

		As at 31 st March, 2015	₹ in Lacs As at 31 st March, 2014
Note			
EQUITY AND LIABILITIES			
Shareholders' Funds			
	3	26.00	26.00
Share Capital			
	4	8,788.11	9,267.57
Reserves and Surplus			
Current Liabilities			
	5	2,321.65	2,332.89
Trade Payables			
	6	2,146.14	3,989.85
Other Current Liabilities			
	7	188.26	113.02
Short-Term Provisions			
Total		13,470.16	15,729.33
ASSETS			
Non-Current Assets			
	8	918.94	380.90
Long Term Loans and Advances			
Current Assets			
	9	7,656.80	6,819.48
Inventories			
	10	406.49	2,527.63
Trade Receivables			
	11	464.39	1,363.72
Cash and Cash Equivalents			
	12	2,801.61	3,381.33
Short-Term Loans and Advances			
	13	1,221.93	1,256.27
Other Current Assets			
Total		13,470.16	15,729.33

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson
Jayant Manmadkar Director

Place: Mumbai
Date: 16th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

		For the Year Ended 31 st March, 2015	₹ in Lacs For the Year Ended 31 st March, 2014
	Note		
INCOME			
Revenue from Operations	14	6,418.79	15,132.96
Other Income	15	350.45	424.12
		6,769.24	15,557.08
 EXPENDITURE			
Projects Costs	16	5,169.84	13,041.45
Changes in Inventories	17	(837.32)	(2,346.01)
Finance Cost	18	2.91	42.75
Other Expenses	19	672.09	667.39
		5,007.52	11,405.58
 Profit Before Tax		1,761.72	4,151.50
 Tax Expense			
Current tax		369.26	870.16
Profit for the year		1,392.46	3,281.34
 Earnings per Share (Basic/Diluted)		–	1,014.27

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson
Jayant Manmadkar Director

Place: Mumbai
Date: 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	Year Ended 31 st March, 2015	₹ in Lacs Year Ended 31 st March, 2014
A. Cash Flow from Operating Activities		
Profit Before Tax	1,761.72	4,151.50
Adjustments for:		
Finance Costs	2.91	42.41
Interest Income	(294.29)	(343.73)
Operating Profit before Working Capital Changes	1,470.34	3,850.18
Changes in Working Capital		
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories	(837.32)	(2,346.01)
Trade Receivables	2,121.14	(1,031.55)
Long-Term Loans and Advances	(477.97)	(52.00)
Short-Term Loans and Advances and Other Current Assets	408.06	(415.21)
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade Payables	(11.24)	679.34
Other Current Liabilities	(1,543.71)	1,653.82
Short Term Provisions	75.24	93.97
	(265.80)	(1,417.64)
Cash Generated from Operations	1,204.54	2,432.54
Net Income Tax Paid	(429.33)	(1,049.53)
Net Cash from Operating Activities	775.21	1,383.01
B. Cash Flow from Investing Activities:		
Intercompany Deposit Given		
– Given	(800.00)	(2,400.00)
– Repaid	–	1,450.00
Term Loan:		
– Given	(100.00)	–
– Repaid	1,100.00	–
Bank balances not considered as Cash and Cash Equivalents		
– Placed	–	(817.25)
– Redeemed	689.88	–
Interest Received	300.29	339.22
Net Cash (Used in) Investing Activities	1,190.17	(1,428.03)
C. Cash Flow from Financing Activities:		
Proceeds of Long loan to HDFC Limited	(300.00)	–
Finance Costs	(2.91)	(42.41)
Dividend and Dividend tax Paid	(1,871.92)	–
Net Cash (Used in) Financing Activities	(2,174.83)	(42.41)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(209.45)	(87.43)
Cash and Cash Equivalents at the Beginning of the Year	519.47	606.90
Cash and Cash Equivalents at the End of the Year	310.02	519.47
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet	464.39	1,363.72
Less: Bank balances not considered as Cash and Cash Equivalents	154.37	844.25
	310.02	519.47

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson
Jayant Manmadkar Director

Place: Mumbai
Date: 16th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

1. Corporate Information

The Company was incorporated on February 1, 2008.

The Company is a Co-developer approved under Special Economic Zone Act, 2005, engaged in development of residential infrastructure in Mahindra World city SEZ and giving it on perpetual lease. Accordingly the Company is entitled to a 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. 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) 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.

c) Inventories:

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the Company.

d) 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.

e) 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.

f) Revenue Recognition:

Income from development of residential infrastructure is recognized on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors have been relied upon by them, as these are of a technical nature.

The Company has adopted "The Guidance note for Accounting of Real Estate Transactions (Revised 2012)" applicable to all projects in real estate which have commenced on or after April 1, 2012 and relating to projects where revenue is being recognized for the first time on or after April 1, 2012.

Accordingly revenues are now recognized only when all the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained
- Expenditure incurred on construction & development cost is not less than 25 % of the estimated construction and development costs excluding land cost
- At least 25% of the saleable project area is secured by contracts or agreements with buyers
- At least 10 % of the total revenue as per the agreements of lease are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

In respect of projects where revenue recognition commenced prior to April 1, 2012, the following policy is adopted.

Revenues are recognized only when all the following conditions are met.

- The project costs incurred exceed 25% of the total estimated project costs including land
- At least 10% of the lease consideration is realized.
- At least plinth level is achieved for a particular phase as certified by the architect.

g) Other income

Interest income is accounted on accrual basis.

h) Foreign currency transactions and translations

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the profit and loss account.

i) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015j) **Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws

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 recognized 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 recognized 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized 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 realized. 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 reliability.

k) **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.

l) **Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credit.

₹ in Lacs

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
3. Share Capital		
Authorized		
450,000 Equity Shares of ₹ 10 each.....	45.00	45.00
50,000 Preference Shares of ₹ 10 each ..	5.00	5.00
	<u>50.00</u>	<u>50.00</u>
Issued, Subscribed and Paid up		
250,000 Equity Shares of ₹ 10 each....	25.00	25.00
10,000 Tranche I Preference shares of ₹ 10 each.....	1.00	1.00
	<u>26.00</u>	<u>26.00</u>

3a. **Rights, preferences and restrictions attached to shares/warrants**

Equity Shares: The Company has only one class of Equity Shares having a par value of ₹10/- per share. Every shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The Board of Directors in their meeting held on May 28, 2014 had recommended an interim dividend of ₹110.20 per share. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Preference Shares: The Company has one class of preference shares having a par value of ₹10 per share, redeemable upon payment of dividend of ₹2,324.50 Lacs and at the option of the Preference

shareholder. As on the Balance sheet date, the preference dividend has been fully paid and the preference shareholder has not exercised the option for redemption. Preference shareholder carries all rights including rights to distribution of the Company, other than voting rights.

3b. **Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares/ Warrant	Percentage of Holding	No. of Shares/ Warrant	Percentage of Holding
Equity Shares				
Mahindra Integrated Township Limited, Holding Company	2,50,000	100%	2,50,000	100%
Preference Shares				
Mahindra Integrated Township Limited, Holding Company	10,000	100%	10,000	100%

₹ in Lacs

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
4. Reserves and Surplus		
Securities Premium Account.....	5,435.33	5,435.33
Surplus in Statement of Profit & Loss		
Balance at the Beginning of the Year.....	3,832.24	550.90
Add: Profit for the Year	1,392.46	3,281.34
Less: Appropriations:		
Interim Dividend on Preference Shares.....	1,324.50	
Interim Dividend on Equity Shares...	275.50	
Tax on Interim Dividend.....	271.92	
Balance at the End of the Year	<u>3,352.78</u>	<u>3,832.24</u>
	<u>8,788.11</u>	<u>9,267.57</u>
5. Trade Payables		
Trade Payables		
– Related Parties - Deputation charges & Office Establishment.....	220.91	126.34
– Others	1,099.76	1,280.48
Retention Money.....	1,000.98	926.07
	<u>2,321.65</u>	<u>2,332.89</u>
6. Other Current Liabilities		
Current maturities of Term Loan from HDFC Limited (secured) *.....	–	300.00
Withholding taxes payable.....	26.58	52.51
Income Received in Advance	435.16	1,418.55
Advance from Customers.....	208.68	61.37
Other Liabilities	1,299.16	2,103.95
Deposits from Customers **.....	176.56	53.47
	<u>2,146.14</u>	<u>3,989.85</u>
7. Short Term Provisions		
Defect Liabilities.....	188.26	113.02
	<u>188.26</u>	<u>113.02</u>

* **Note 6.1** - The term loan balance of ₹ 300 Lakhs from HDFC Limited was repaid in April 2014. Out of the available sanctioned limit, amount yet to be drawn is ₹ 21 Crores. This loan is secured by deposit of title deeds of leasehold rights of land and carries an interest @ CPLR - 1.75%.

****Note 6.2** - Amounts collected from Customers towards Corpus fund and advance towards water/ electricity charges, transferable to Home owners' Association upon formation.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	₹ in Lacs			₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014		For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2014
8. Long Term Loans and Advances (Unsecured, considered good)			14. Revenue from Operations		
Operation & maintenance deposits - with Related Party.....	23.07	23.07	Income from Projects	6,418.79	15,132.96
12% Unsecured loan given to Related Party *.....	550.00	–		<u>6,418.79</u>	<u>15,132.96</u>
Security Deposits.....	0.77	72.80	15. Other Income		
Advance Payment of Tax (Net).....	345.10	285.03	Interest on:		
	<u>918.94</u>	<u>380.90</u>	– Deposits with Banks	57.67	53.31
			– Inter corporate Deposits with Related Party	236.53	290.42
* Note 8.1 - The Company has converted ICD due from Mahindra World City Developers Limited of ₹ 1,550 lacs to an Unsecured term loan, of which ₹ 1,100 was repaid and an additional loan of ₹ 100 lacs was given during the year. The loan is repayable by March 2019. Refer Note 12.1.			Dividend from Mutual Funds.....	0.09	–
			Interest from Customers.....	–	0.20
			Rental Income.....	–	1.75
			Scrap Sale.....	15.84	36.58
			Other Income - Sale of materials.....	15.18	–
			Cancellation Income.....	25.14	41.86
				<u>350.45</u>	<u>424.12</u>
9. Inventories			16. Project Costs		
Construction Work in Progress (Including Leasehold Land)	5,188.36	3,744.86	Land and Construction Costs	4,634.03	12,539.97
Construction Materials.....	364.61	1,193.80	Architect Fees	57.77	126.45
Finished Units	2,103.83	1,880.82	Project Management Fees	214.24	124.60
	<u>7,656.80</u>	<u>6,819.48</u>	Other Expenses	263.80	250.43
				<u>5,169.84</u>	<u>13,041.45</u>
10. Trade Receivables (Unsecured, considered good)			17. Changes in Inventories		
Trade Receivables outstanding for more than six months from the date they were due for payment.....	56.34	80.35	Inventories at the End of the Year:		
Other Trade Receivables	350.15	2,447.28	Construction Materials.....	364.61	1,193.80
	<u>406.49</u>	<u>2,527.63</u>	Work-in-Progress	5,188.36	3,744.86
			Finished goods	2,103.83	1,880.82
				<u>7,656.80</u>	<u>6,819.48</u>
11. Cash and Cash Equivalents			Inventories at the Beginning of the Year:		
Cash on Hand.....	0.01	0.24	Construction Materials.....	1,193.80	596.62
Balances with Banks			Work-in-Progress	3,744.86	3,876.85
– on Current Accounts.....	210.01	519.23	Finished Units	1,880.82	–
– on Deposit Accounts (Maturing Within 3 Months)	100.00	–		<u>6,819.48</u>	<u>4,473.47</u>
– on Deposit Accounts (Maturing beyond 3 Months).....	–	800.00	Net (increase)/decrease	<u>(837.32)</u>	<u>(2,346.01)</u>
– on Earmarked Deposit Accounts/ Current Account*	154.37	44.25			
	<u>464.39</u>	<u>1,363.72</u>	18. Finance Cost		
			Interest on Term Loan	2.59	42.41
* Collected from customers and to be transferred to Home owners' Association upon formation.			Interest on delayed payments of Service Tax.....	0.32	0.34
				<u>2.91</u>	<u>42.75</u>
12. Short Term Loans and Advances (Unsecured, considered good unless stated otherwise)			19. Other Expenses		
Mobilisation Advances - Secured By Bank Guarantee from vendors.....	310.66	706.78	Legal & Professional Fees.....	9.88	31.99
Supplier Advances.....	276.32	224.51	Deputation Charges.....	156.00	141.37
Service tax Input Credit.....	511.83	0.04	Auditors Remuneration		
Security Deposits.....	2.80	–	– Audit Fees	5.50	4.00
Inter Corporate Deposits To related party (Refer Note 12.1).....	1,700.00	2,450.00	– Other Services.....	1.90	1.60
	<u>2,801.61</u>	<u>3,381.33</u>	– Reimbursement of Expenses/ Levies	0.02	0.03
			Rates and Taxes	0.61	6.14
Note 12.1 - ICD balance due from Mahindra World City Developers Limited as at April 1, 2014 of ₹ 1550 Lacs has been converted into a term loan. Refer Note 8.1 for the disclosure on the term loan.			Repairs and Maintenance *	47.63	0.40
			Advertisement, Marketing and Business Development.....	174.75	187.13
13. Other Current Assets			Brokerage.....	24.73	50.73
Interest Accrued on Deposits with Banks	0.34	6.34	Travelling & Conveyance.....	2.20	3.54
Unbilled Revenue.....	1,221.59	1,249.93	Office Establishment.....	124.80	128.37
	<u>1,221.93</u>	<u>1,256.27</u>	Donation	–	5.00
			Expenditure on Corporate Social Responsibility	44.06	–
			Provision for Defect Liability.....	77.47	102.66
			Miscellaneous Expenses	2.54	4.43
				<u>672.09</u>	<u>667.39</u>

* includes Rs 47.42 lacs incurred towards maintenance of completed residential units

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-2015	₹ in Lacs 2013-2014
20. Expenditure in Foreign Currency:		
Travel	0.44	–
Exhibition and Participation Charges	3.93	7.69
	4.37	7.69

21. Contingent Liability:

Income tax matters under appeal

- Demand raised by Income tax department for AY 12-13 including interest

121.05 –

- 22.** (i) The Company did not have material foreseeable losses on long term contracts.
(ii) The Company did not enter into any derivative contracts during the year.
(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

23. Earnings per share: (in ₹ Lacs unless otherwise stated):

Particulars	2014-15	2013-14
Profit after Tax	1,392.96	3,281.34
Less: Preference dividend and tax payable thereon (Refer Note 23.1)	1,392.96	745.68
Profit available to equity shareholders	–	2,535.67
Number of equity shares (nos.)	250,000.00	250,000.00
Earnings Per Share.....	–	1,014.27

23.1 Preference Dividend and tax payable thereon of ₹ 1,549.60 lakhs have been paid during the year out of profits for the year and from the opening surplus of profits.

24. Related party transactions:**a) Names of related parties and nature of relationship where control exists:**

Ultimate Parent Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra Integrated Township Limited

Fellow Subsidiary with whom transactions have been entered during the year

- Mahindra World City Developers Limited (MWCDL)
– Mahindra Holidays & Resorts India Limited (MHRIL)

Note: Related parties are as identified by the management.

b) The related party transactions are as under:

Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Interest Income			156.13 (221.40)	
– MWCDL				80.40 (130.21)
Sale of Materials			15.18 (–)	
Purchase of Materials/Services	27.22 (15.25)	– (10.81)		
– MHRIL				1.00 (0.82)

₹ in Lacs

Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Deputation Charges		324.00 (291.27)		
Office establishment		124.80 (115.53)		
Maintenance Charges				
– MWCDL				133.13 (133.15)
Inter corporate Deposit given			800.00 (–)	
– MWCDL				– (2400.00)
Inter corporate Deposit recovered			– (600.00)	
– MWCDL				– (850.00)
Long Term Loans Given				100.00 (–)
– MWCDL				1100.00 (–)
Long Term Loans Recovered				
– MWCDL				
Dividend Paid			1324.50 (–)	
– Preference Dividend			275.50 (–)	
– Equity Dividend				
Balances at year end:				
Deposits				
– MWCDL				23.07 (23.07)
Inter-corporate Deposit			1,700.00 (900.00)	
– MWCDL				– (1,550.00)
Long Term Loans Given				550.00 (–)
– MWCDL (Refer Note 12.1)				
Payables	3.72 (–)	220.91 (126.34)		– (–)

Figures in brackets are in respect of the previous year.

- 25.** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.
- 26.** The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable and current tax expense has been computed under these provisions.
- 27.** The Company operates in a single segment, namely development of residential infrastructure.
- 28.** Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson
Jayant Manmadkar Director

Place: Mumbai
Date: 16th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Tenth Report together with the audited financial statements of your Company for the year ended 31st March, 2015.

Financial Highlights

	(Amount in Rupees)	
	2015	2014
Total Income.....	1,342,826,130	1,021,668,877
Profit before Tax.....	561,535,313	370,343,072
Provision for Taxation		
– Net Current Tax.....	137,267,500	99,800,000
– Deferred Tax.....	44,377,765	26,070,122
Profit after Tax.....	379,890,048	244,472,950
Add: Profit brought forward from previous year	5,645,332	37,542,382
Appropriations:		
Less: Adjustment of depreciation (refer note 32 of accounts)	876,444	–
Transferred to Debenture Redemption Reserve.....	242,708,333	159,375,000
Proposed Dividend (including tax on distributed profits)	102,304,000	116,995,000
Transfer to General Reserve.....	–	–
Profit Carried to Balance Sheet	39,646,603	5,645,332

Brief description of the Company's working during the year/State of the Company's affair.

During the year, your Company added thirteen (13) customers (5 in SEZ and 7 in DTA and 1 both in SEZ and DTA), taking the total number of customers in Mahindra World City, Jaipur (MWCJ) to Sixty Four (64). Five (5) existing customers also increased their footprint during the year. The total land leased out during the year is 58.52 acres (SEZ 16.47 acres and DTA 42.05 acres) and include companies across diverse industry segments. Some of the companies to whom land was leased during the year are Gaston Energy, Chokhi Dhani Resorts Pvt Ltd, Manu Yantralaya, Rajendra and Ursula Joshi Food Industries Pvt. Ltd., Ranka Paper Converters, Rexam HTW Beverage Can (India) Limited.

Five (5) customers (Kirat Craft, Appirio Cloud Solutions, Poly Medicure Private limited, JCB, Dynamic Powertech Private Limited) became operational during the year, taking the total number of operational customers to twenty four (24). During the year, seven (7) customers started their development activities for their respective campus/factories. The total development at eVolve is currently is 0.430 Million square feet rentable area comprising of 4 buildings. Out of the total rentable area of 0.430 Million square feet, an area of 0.394 Million square feet has been leased. The customers at eVolve include DBOI Global Services Pvt Ltd, Metlife, Genpact, EXL Services SEZ BPO Solution Pvt Ltd, Systweak, Phone Support Private Ltd and Appirio India Cloud Solutions Pvt Ltd.

The cumulative direct employment created by the companies at Mahindra World City, Jaipur was around 6836 and the total direct plus indirect employment generated was of 9512 persons. Exports by MWCJ clients grew by 3.91% to reach Rs. 1,119.24 Cr. in 2014-15 compared to Rs. 1,077.16 Cr.

during the previous year. Your Company and the customers based at MWCJ have together invested Rs. 2,377.11 crores in the project till March 31, 2015.

Your Company currently has 5 sector Specific Special Economic Zones (SEZs), viz. 2 in IT/ITeS, and 1 each in Handicrafts, Engineering & Related Industries and Gems & Jewellery. The project also comprises a Domestic Tariff Area. The area currently notified, under the SEZs, is 1462.50 acres and the DTA comprises 500 acres.

During the year, 3 editions of the customer engagement platform, Coalesce have been conducted to discuss operational matters in the project and collaborate on new initiatives and infrastructure needs. This initiative has been received well by the customers.

Your company stays committed to sustainable development. Some of the achievements are below:

1. The IT building names as B2 in eVolve® received IGBC LEED Gold under category core and shell.
2. The Company became the first pre-certified Gold Green SEZ by IGBC.
3. The Company achieved the stage 2 certification by the C40 world leaders in sustainability and become the first project in India and 6th in Asia which has reached this stage.

Reserve

From the profit for the year 2014-15, an amount of Rs. 242,708,333 (previous year Rs. 159,375,000) has been transferred to Debenture Redemption Reserve and the balance has been carried forward to P&L account and no amount has been transferred to General Reserve.

Dividend

Your Directors have recommended a preference dividend of Rs. 0.80 per Share i.e. 8 per cent of the face value of Rs. 10 on 50,000,000 Cumulative Redeemable Preference shares of the Company for the year 2014-15. Your Directors have also recommended an equity dividend of Rs. 0.30 per share i.e. 3 per cent of the face value of Rs. 10 on 150,000,000 equity shares of the Company for the year 2014-15.

The total dividend payment for the year (including tax on distributed profits) amounts to Rs. 102,304,000 /-.

Change in the nature of business, if any

NIL

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Deposit/Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants, Chennai were appointed as Auditors of the Company in the 9th Annual General Meeting held on 19th September, 2014 in terms of Section 139 of the Companies Act, 2013. The Auditors shall hold office till the conclusion of the ensuing Annual General Meeting. The members will be required to appoint the Statutory Auditors in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required by the provisions of section 139 and 141 of Companies Act, 2013, the Company has received written consent and certificate from M/s Deloitte Haskins & Sells, Chartered Accountant, (ICAI Firm Registration Number 008072S), proposing to be re-appointed as Auditors for one year i.e upto conclusion of the 11th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that section.

The report of the auditors along with Notes on Accounts are self-explanatory and do not require any explanation.

Secretarial Auditors

As per section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 M/s JPS & Associates were appointed as Secretarial Auditors of the Company for 2015-16 for the fees as approved by the Board.

Statutory Auditors' Report

NIL as no qualification, reservation or adverse remark or disclaimer was made by the auditor in his report.

Secretarial Audit Report

The Secretarial Audit was conducted by M/s JPS & Associates, a firm of company secretary in practice. The Secretarial Audit Report for the period ended on 31.03.2015 is enclosed herewith as Annexure- 1.

Further there is no qualification, reservation or adverse remark made by the auditors in its report.

Share Capital

The Authorized and paid-up Share Capital of the Company comprises of 150,000,000 equity shares of Rs. 10/- each aggregating Rs. 1,500,000,000/- and 50,000,000 8% Redeemable Cumulative Preference shares of Rs. 10/- each aggregating Rs. 500,000,000/- held by MLDL and RIICO in the ratio of 74:26.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Your Company continues to be a subsidiary Company of MLDL and consequently, a subsidiary company of the ultimate holding company, viz. Mahindra & Mahindra Limited.

Non-Convertible Debentures

During the year, Company issued/allotted non-convertible debentures of Rs. 65 Crores.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was Rs. 23,244 Lacs and Rs. 26,550 Lacs respectively.

Holding Company

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

During the year, no company has become/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Extract of the annual return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as Annexure-2 and forms part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as Annexure-3 to this report.

Employee Remuneration

Being unlisted company, provision of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

Sustainable Development

Your Company's aspirations of sustaining and enhancing its long term growth plans are well balanced by its conscious commitments to society and in its principles of conducting business in a fully compliant manner. Your Company partakes in letter and spirit its intention of being a responsible corporate citizen and is committed to contribute positively in all activities pertaining to environmental protection, health, safety, energy conservation and societal commitments while at the same time continuing to protect and enhance all stakeholders' interests.

Corporate Social Responsibility

CSR forms an integral part of the Company. The Company believes that its initiatives and high ethical standards will definitely encourage a positive impact on everyone involved in the project directly or indirectly. During the year, the Company also re-constituted the CSR Committee consisting of three Directors by inducting one Independent Director. With a view to achieve inclusive social development, the Company has taken initiatives of organizing various training programs for school dropouts / unemployed youth and Women Empowerment, who are part of the local community around project area through a well-recognized NGO - Technology Business Incubator.

- Vocational Skill Development Training – Since its inception a total of 660 candidates have been trained. **In FY 14-15, the training was given to 230 candidates.**
- Formation of Women SHG's – Since its inception 80 SHG's have been formed with 810 women. **In FY 14-15, 5 new SHG's with 23 women have been added.** In addition, **50 women** have been given advance training from the existing groups.
- The Company also conducted four medical camps in the neighboring villages around the project office of the Company.
- The Company also planted **5000 trees** in the neighboring villages around the project office of the Company including government schools.
- Under the Clean India Campaign, the Company took the initiative to **clean the Wildlife Zoo**. The Company plans to continue this activity by adopting the Wildlife Zoo so that this cleanliness drive can be undertaken on a regular and sustainable basis.

By virtue of these initiative and employee participation, the Company received the Skoch Order of Merit for CSR activities and also received Mahindra Group Silver category award for Star Performance and Esops award for CSR activities in non-factory locations.

100% of the planned CSR budget has been spent for FY 14-15.

The CSR Committee and the Board has approved the Corporate Social Responsibility Policy and the Company has posted the same on its website.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed herewith as per Annexure 4 .

Directors & Manager

A) Changes in Directors and Key Managerial Personnel

During the year following directors ceased to the directors of the company-

S. No.	Name of the director	Director Identification Number	Date of Cessation
1.	Shri Abhay Kumar	02389148	16/04/2014
2.	Shri Devendra Bhushan Gupta	00225916	18/07/2014
3.	Shri Uday Yeshwant Phadke	00030191	19/09/2014
4.	Shri Raghunath Murti	00082761	19/01/2015

Pursuant to the provisions of Articles of Association, three directors shall retire by rotations:

- (1) Shri C.S Rajan (DIN_00126063)
- (2) Ms. Anita Arjundas (DIN_00243215)
- (3) Ms. Sangeeta Prasad (DIN_02791944)

All the three are eligible for reappointment and all three have offered himself/herself for reappointment.

The Company has also appointed two independent directors during the year namely Shri Maheswar Sahu (DIN No. 00034051) and Shri Salil Singhal (DIN No. 00006629).

In the 47th Board meeting, the company has also appointed Mr. Sanjay Jain as Chief Financial Officer. The Board also appointed Ms. Prashi Jain as Company Secretary from the date of her joining to the Company.

B) Declaration by an Independent Director(s) and re-appointment, if any

In the 47th Board Meeting of the Company held on 26th March, 2015, a declaration has been received from the independent directors namely Shri Maheswar Sahu (DIN No. 00034051) and Shri Salil Singhal (DIN No. 00006629).

The Section 149 (6) of the Companies Act, 2013 states that- An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent. or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

A declaration has been received from the independent directors under section 149 (6) of the Companies Act, 2013.

C) Policy on appointment of directors and senior management and succession planning for orderly succession to the Board and the senior management

As per the section 178(2) of the Companies Act, 2013, the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

Accordingly, "Policy on appointment of Directors and senior management and succession planning for orderly succession to the board and the senior management" has been adopted by the Company.

The following policies of the Company are attached herewith and marked as Annexure – 5 and Annexure – 6 to this report.

1. Policy on appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management.
2. Policy on remuneration of Directors

D) Formal Annual Evaluation

Evaluation Policy has been prepared by the company and was duly approved by the Board of Directors of the company in its meeting.

Number of meetings of the Board of Directors

During the year under review, five meetings of the Board of Directors of the company were held on 16th April, 2014, 18th July, 2014, 8th October, 2014, 19th January, 2015 and 26th March, 2015. Further, one meeting was also conducted on 19th December, 2014 for issuance of Non- Convertible Debentures by a Committee of two Directors.

Committee Meetings

Audit Committee

The terms of reference of the Audit Committee was enhanced in the Board meeting held on 16th April, 2014, pursuant to Section 177 of the Companies Act, 2013 and Rules made thereunder.

During the year, the Audit Committee was reconstituted by inducting the independent directors in the Board meeting held on 26th March'15. The Audit Committee comprises of three Directors, namely, Shri Maheswar Sahu (DIN No. 00034051), Shri Salil Singhal (DIN No. 00006629) and Ms. Veenu Gupta (DIN No. 02170999). Presently, Shri Maheswar Sahu is the Chairman of the Audit Committee. The Company Secretary is the Secretary to the Committee.

During the year under review, 4 meetings of the Audit Committee were held on 16th April, 2014, 18th July, 2014, 8th October, 2014 and 18th January, 2015.

Details of establishment of vigil mechanism for directors and employees

The Company has adopted the Whistle Blower policy in respect of the vigil mechanism for directors and employees and the same has been posted on the website of the Company.

Nomination and Remuneration Committee (earlier known as Remuneration Committee)

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors in its meeting held on 16th April, 2014, renamed the Remuneration Committee as Nomination and Remuneration Committee and enhanced the terms of reference. The Committee is also authorized to formulate a policy, inter alia, with regard to the criteria for determining qualifications, positive attributes and independence of a Director, and shall ensure that the remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goal. Company has considered and approved Remuneration Policy for Key Managerial Personnel and Employees.

During the year the Nomination and Remuneration Committee was reconstituted by inducting the Independent directors on 26th March'15. The Nomination and Remuneration Committee comprises four Directors, namely Shri Maheswar Sahu (DIN No. 00034051), Shri Salil Singhal (DIN No. 00006629), Ms. Veenu Gupta (DIN No. 02170999), and Ms. Anita Arjundas (DIN No. 00243215). Shri Maheswar Sahu is the Chairman of the Nomination and Remuneration Committee.

During the year under review, two meetings of the Committee was held on 18th July, 2014 and 8th October, 2014.

Corporate Social Responsibility (CSR) Committee

During the year, Corporate Social Responsibility Committee of the Board was reconstituted by inducting independent director Shri Maheswar Sahu (DIN No. 00034051). The CSR Committee comprises of three Directors, namely Shri Maheswar Sahu (DIN No. 00034051), Ms. Veenu Gupta (DIN No. 02170999) and Ms. Sangeeta Prasad (DIN No. 02791944). Shri Maheswar Sahu is the Chairman of the CSR Committee.

The Committee recommended the roadmap for the year in terms of focus areas and the CSR policy to the Board for its approval. The Committee, based on the 3 years average profit, recommended a CSR budget of the Company for 2015-16 Rs 50.19 lacs was considered and approved accordingly company has carried out their CSR activities.

During the year under review, three meetings of the Committee were held on 16th April, 2014, 2nd September, 2014 and 26th March, 2015.

Other Committees

The Company has also constituted other committees namely Capital Issue Committee, Land Lease Committee, Contract Committee and Loans & Investments Committee, in order to facilitate smooth and proper functioning of the Company.

Codes of Conduct

The Company adopted Codes of Conduct ("the Codes") for its Directors and Senior Management personnel and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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 employees affirming compliance with the respective Codes.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013.

As your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Particulars of contracts or arrangements with related parties:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note no. 35 to the financial statement which sets out details of transactions with related parties.

Risk management policy & Internal Control over financial reporting (ICFR)

The Company has started internal control by way of introducing a financial review system wherein company has prepared the risk control matrix of major functional areas. The finance team carried out the review of various major functions performed during the financial year 2014-15 like sales, contract, O&M, procurement and budgeting.

Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) they had prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and.
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year under review, no complaints were received under the Sexual Harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013, for prevention of sexual harassment.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
- There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations

or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgements

The Board of Directors thank and wish to place on record its appreciation to the Ministry of Commerce & Industry, Board of Approvals (SEZ), Development Commissioner, Noida Special Economic Zone, Development Commissioner SEZs, Government of Rajasthan, and all the agencies and Departments of the State Government, Bankers – State Bank of India, HDFC Bank, Kotak Mahindra Bank, Axis Trustee our valuable customers and the employees of the Company at all levels, for their continued co-operation and unstinted support.

The Directors also express their sincere thanks to the shareholders for the continued support and trust they have shown in the Management.

**For and on behalf of the Board of Director
Mahindra World City (Jaipur) Limited**

Ms. Anita Arjundas
Director (DIN 00243215)

Ms. Sangeeta Prasad
Director (DIN 02791944)

Jaipur, 28th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2014-15

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra World City (Jaipur) Limited,
4th Floor, 411, Neelkanth Tower,
Bhawani Singh Road, C Scheme,
Jaipur - 302001.

(I) We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Mahindra World City (Jaipur) Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliance and expressing our opinion thereon.

(II) Based on our verification of the Company's statutory registers and records, minutes books, forms and returns filed with various authorities and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with various provisions or statutory enactments listed hereunder at clause (III) and that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter.

(III) We have examined the Statutory Registers, Minutes books of the General Meetings, Board Meetings and Committee Meetings, Forms and Returns filed with various Authorities and other records maintained by the Company for the financial year ended on March 31, 2015, according to the provisions of:

- I The Companies Act, 2013 and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulation and Bye-laws framed thereunder;
4. The Indian Stamp Act, 1899
5. The Income Tax act, 1961.
6. The Customs Act, 1962;
7. Service Tax Laws;
8. The Central Sales Tax Act, 1956;
9. The Rajasthan Value Added Tax Act, 2003

10. The Special Economic Zones Act, 2005;

11. Employees Provident Fund and Miscellaneous Provisions Act, 1952;

12. Employers Liability Act, 1938;

13. The Payment of Gratuity Act, 1972

14. The Contract Labour (Regulation and Abolition) Act, 1970;

15. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

16. The Environment (Protection) Act, 1986;

17. The Water (Prevention and Control of Pollution) Act, 1974

18 The Air (Prevention and Control of Pollution) Act, 1974

(IV) Since the company did not receive any Foreign Direct Investment and/or External Commercial Borrowings and did not make any Overseas Direct Investment, the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder relating thereto were not applicable to the company during the year under review.

(V) Since the company is an unlisted company, the Securities and Exchange Board of India Act. 1992 ('SEBI Act') and the Rules, Regulations and guidelines made there under are not applicable to the company during the year under review.

(VI) We have also examined the compliance with applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

(VII) Based on our above mentioned examination and verification of records and information and explanation provided to us by the management, officer, employee and staff of the company, we report that during the financial year under review the Company has complied with the provisions or the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

(VIII) We further report that having regard to the size and nature of the company the Board of Directors or the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

(IX) We further report that keeping in view the size and nature of the company, in our opinion adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and system exists for seeking and obtaining further, information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(X) We further report that decisions were observed to be carried out by majority, however, we do not come across or explained with any instance of dissenting members, whose views need to be separately recorded in the minutes books as such.

(XI) We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(XII) We further report that during the financial year under review the Company has issued Non Convertible debentures on private placement and complied With necessary provisions of the Act in this regard.

(XIII) We further report that during the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of shares/sweat equity;
- (ii) Redemption/buy-back of securities;
- (iii) Merger/amalgamation/reconstruction etc.;
- (iv) Foreign technical collaborations.

Our above report is subject to the following:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit;

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company;
4. Wherever required, we have obtained the Management Representation, in writing as well as verbal, about the compliance of laws, rules and regulations and happening of events etc.;
5. The Compliance of the provisions or the Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis;
6. The secretarial audit report, is neither an assurance as to the future viability of the Company nor of the efficacy or the effectiveness with which the management has conducted the affairs of the company.
7. The compilation of the Secretarial Audit Report and the above mentioned contents are without any bias and/or prejudice.

For JPS & Associates
Company Secretaries

Jai Prakash Sharma
Partner
(C.P. No. 5161)

Jaipur, 24th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014****I. REGISTRATION AND OTHER DETAILS:**

1.	CIN	U45209RJ2005PLC021207
2.	Registration Date	26/08/2005
3.	Name of the Company	Mahindra World City (Jaipur) Limited
4.	Category/Sub-category of the Company	Category: Company Limited by Shares Sub Category: Indian Non Government Company
5.	Address of the Registered office & contact details	4 th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur, Rajasthan- 302001 Email: JAIN.SANJAY@mahindra.com Tel. No. 91-141-3003461 Fax No. 91-141-2243060
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable for equity and preference shares. (Name:-Mr. Nilesh Bhandari Representative of Sharepro Services (India) Private Limited Address: 13 AB, 2 nd Floor, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East) Mumbai - 400 072 Contact No.: 67720386/67720354; 09833515383 We have appointed the above mentioned Registrar and Transfer agent for the issuance of Non Convertible Debentures.)

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Other specialized constructions activities [Development, Operation and Maintenance of Special Economic zone (SEZ) and Domestic Tariff Area (DTA)]	439	100%

III. Particulars of Holding, subsidiary and associate Companies

Sr. No.	Name and Address of company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% holding as at 31.03.2015	Applicable Section
1	Mahindra Lifespace Developers Limited Mahindra Towers 5th Floor Road No 13, Worli, Mumbai- 400018	India	L45200MH1999PLC118949	Holding	74%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	–
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	–
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/Fl	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	–	–	–	–	–	–	–	–
c. Others (specify)	–	–	–	–	–	–	–	–	–
Non Resident Indians	–	–	–	–	–	–	–	–	–
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	–	–	–	–	–	–	–	–	–
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies - D R	–	–	–	–	–	–	–	–	–
Sub-Total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	–

b) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In shareholding during the year
		No. of Shares*	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Ltd.	11,09,99,940	73.99%	—	11,09,99,940	73.99%	—	—
2	Mahindra Lifespace Developers Ltd. & Narayan Shankar	10	0.000005%	—	10	0.000005%	—	—
3	Mahindra Lifespace Developers Ltd & Arun Nanda	10	0.000005%	—	10	0.000005%	—	—
4	Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)	3,90,00,000	26%	—	3,90,00,000	26%	—	—
5	Mahindra Lifespace Developers Ltd. & Sanjay Srivastava	10	0.000005%	—	10	0.000005%	—	—
6	Mahindra Lifespace Developers Ltd. & Suhas Kulkarni	10	0.000005%	—	10	0.000005%	—	—
7	Mahindra Lifespace Developers Ltd. & Anita Arjundas	10	0.000005%	—	10	0.000005%	—	—
8	Mahindra Lifespace Developers Ltd & Sangeeta Prasad	10	0.000005%	—	10	0.000005%	—	—
	Total	15,00,00,000	100.00	—	15,00,00,000	100.00	—	—

c) Change in Promoters' Shareholding (please specify, if there is no change): No Change

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Mahindra Lifespace Developers Limited (60 shares are held in joint name.)	11,10,00,000	74	11,10,00,000	74
	Rajasthan State Industrial Development and Investment Corporation Limited	3,90,00,000	26	3,90,00,000	26
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/bonus/ sweat equity etc.):	—	—	—	—
	At the end of the year				
	Mahindra Lifespace Developers Limited (60 shares are held in joint name.)	11,10,00,000	74	11,10,00,000	74
	Rajasthan State Industrial Development and Investment Corporation Limited	3,90,00,000	26	3,90,00,000	26
	Total	15,00,00,000	100	15,00,00,000	100

d) Shareholding Pattern of top ten Shareholders: Nil**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	—	—	—	—

e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Mahindra Lifespace Developers Ltd. And Arun Nanda	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Sanjay Srivastava	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Anita Arjundas	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Sangeeta Prasad	10	0.000005	10	0.000005
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	—	—	—	—
	At the end of the year	40	0.000020	40	0.000020

f) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	—	—	—	—
i) Principal Amount	3,16,10,00,000	—	—	3,16,10,00,000
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	30,62,52,091	—	—	30,62,52,091
Total (i + ii + iii)	3,46,72,52,091	—	—	3,46,72,52,091
Change in Indebtedness during the financial year				
* Addition	74,73,75,653	—	—	74,73,75,653
* Reduction	(66,80,91,941)	—	—	(66,80,91,941)
Net Change	7,92,83,712	—	—	7,92,83,712
Indebtedness at the end of the financial year				
i) Principal Amount	3,15,76,95,835	—	—	3,15,76,95,835
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	38,88,39,968	—	—	38,88,39,968
Total (i + ii + iii)	3,54,65,35,803	—	—	3,54,65,35,803

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Manager	—	—	—	
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9271324	—	—	—	9271324
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32400	—	—	—	32400
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission — as % of profit — others, specify...	—	—	—	—	—
5.	Others, please specify SAR's	—	—	—	—	—
	Total (A)	9303724	—	—	—	9303724
	Ceiling as per the Act					

* The amount of salary of Mr. Sanjay Srivastava debited in the financials for the year ended 31st March, 2015 is Rs. 9,968,046/- which is as per the Companies Act, 2013.

B. Remuneration to other directors: Nil (Since there was no remuneration paid to directors during the financial year)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		—	—	—	—	
1	Independent Directors					
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	—	—	—	—	—
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B)=(1 + 2)	—	—	—	—	—
	Total Managerial Remuneration	—	—	—	—	—
	Overall Ceiling as per the Act					

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	4075788.87	—	4075788.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	452770.68	—	452770.68
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO*	Total
4	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	others, specify...	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	4528559.55	–	4528559.55

* Mr. Sanjay Jain has worked as Company Secretary cum GM Accounts till 25th March, 2015 and thereafter he has started working as Chief Financial Officer.

XII. PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalties/ punishments/ compounding of offences for the year ending 31.03.2015

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board of Directors
Mahindra World City (Jaipur) Limited

Anita Arjundas
Director
DIN: 00243215

Sangeeta Prasad
Director
DIN: 02791944

Jaipur, 28th April, 2015

ANNEXURE – 3 TO THE DIRECTORS' REPORT**PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES ,2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015.****A. CONSERVATION OF ENERGY****a) Energy conservation measures taken :**

The Company is regularly pursuing the initiatives taken for energy conservation which include introduction of LED lighting, use of re-cycled water, plantation etc.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

The Company has been working with Mahindra EPC for use of solar power.

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: Energy saving of 30% due to use of LED street lights.**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 specific R&D activities during the year. |
| 2. Benefits derived as a result of the above efforts: | Not Applicable. |
| 3. Future Plan of action: | Further quality improvement |
| 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

Your Company has incurred expenditure in foreign exchange to the extent of Rs. 5,27,938/- during the year under review. Foreign exchange earnings during the year was Nil.

For and on behalf of the Board

Ms. Anita Arjundas
Director (DIN 00243215)

Ms. Sangeeta Prasad
Director (DIN 02791944)

Jaipur, 28th April, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT**Form CSR**

Annual Report on CSR Activities as a part of the Board's Report.

1. A brief outline of the company CSR Policy, including overview of projects or programs proposed to be taken and a reference to the Web link to the CSR Policy and projects or programs.

CSR forms an integral part of the Company. The Company believes that its initiatives and high ethical standards will definitely encourage a positive impact on everyone involved in the project directly or indirectly. During the year, the Company has also re-constituted the CSR Committee consisting of three Directors. With a view to achieve inclusive social development, the Company has taken initiatives of organizing various training programs for school dropouts/unemployed youth and Women Empowerment, who are part of the local community around project area through a well-recognized NGO - Technology Business Incubator.

- Vocational Skill Development Training – Since its inception a total of 1070 candidates have been trained. In FY 14-15 training was given to 230 candidates.
- Formation of Women SHG's – Since its inception 80 SHG's have been formed with 810 women. In FY 14-15 we added 5 new SHG's with 23 women. In addition, 50 women have been given advance training from the existing groups.
- Four medical camps also conducted in the neighbouring villages around the project site of the Company.
- The Company planted 5000 trees in the neighbouring villages around the project office of the company including government schools.

- c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programmes was taken.	Amount outlay (budget) project or program wise.	Amount spent on the projects or programme sub-heads: (1) Direct expenditure on projects or programme (2 overheads)	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementary agency.
1.	Skill Development Activity	Education	Jaipur/Rajasthan	800000	800000	800000	0
2.	Skill Development Activity	Education	Jaipur/Rajasthan	450000	450000	1250000	0
3.	Making safe drinking water available	Education	Jaipur/Rajasthan	50000	38000	1288000	0
4.	Book Fair, Youth awareness camp, Faculty Development Programme	Education	Jaipur/Rajasthan	23000	40566	1328566	0

- Under the Clean India Campaign, the Company took the initiative to clean the Wildlife Zoo. The Company plans to continue this activity by adopting the Wildlife Zoo so that this cleanliness drive can be undertaken on a regular and sustainable basis.

By virtue of these initiative and employee participation, in the same year, the Company received the Skoch Order of Merit for CSR activities and also received Mahindra Group Silver category award for Star Performance and Esops award for CSR activities in non-factory locations.

A details report of all activities in attached for reference. We are happy to inform that 100% of the CSR budget has been consumed for FY 14-15.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 shall be made.

2. The Composition of the CSR Committee.

The Corporate Social Responsibility (CSR) Committee of your Company presently comprises of three Directors, namely Mr Maheswar Sahu, Ms Veenu Gupta and Ms Sangeeta Prasad.

3. Average Net profit of the company for the last three financial years (Before tax).
Rs. 2513.40
4. Prescribed CSR Expenditure (two percent of the amount as in item no. 3).
Rs. 50.27
5. Details of CSR spent during the financial year.
 - a. Total amount to be spent for the financial year;
 - b. Amount unspent, if any;

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programmes was taken.	Amount outlay (budget) project or program wise.	Amount spent on the projects or programme sub-heads: (1) Direct expenditure on projects or programme (2 overheads)	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementary agency.
5.	Class Room Construction	Education	Jaipur/Rajasthan	300000	308343	1636909	0
6.	Education of the girl child	Education	Jaipur/Rajasthan	1200000	1200000	2836909	0
7.	Education of the girl child Amount spent through implementary agency.	Education	Chennai	810000	810000	3646909	0
8.	Education of the girl child Amount through implementary agency.	Education	Chennai	499000	499000	4145909	0
9.	Providing Hygenic Sanitation facility for female students	Education	Jaipur/Rajasthan	187000	318228	4464137	0
10.	Make a Wish	Education	Jaipur/Rajasthan	0	95650	4559787	0
11.	Mid Day Meal Contribution	Health	Jaipur/Rajasthan	200000	174400	4734187	0
12.	Dental Camp	Health	Jaipur/Rajasthan	50000	32814	4767001	0
13.	Eye Camp	Health	Jaipur/Rajasthan	50000	45144	4812145	0
14.	Clean India Campaign (Animal Welfare) Jaipur Zoo	Environment	Jaipur/Rajasthan	200000	77126	4889271	0
15.	Tree Plantation Drive	Environment	Jaipur/Rajasthan	200000	137236	5026507	0

Give Details of implementary agency:

TECHNOLOGY BUSINESS INCUBATOR-KIET is jointly promoted by Department of Science & Technology, Govt. of India & Krishna Institute of Engineering & Technology, Ghaziabad. TBI-KIET is registered under Society Registration Act 1860 initiated by DST support to demonstrate a model of creating knowledge based enterprise & creation of job opportunities through innovation & entrepreneurship and also market oriented skilled trained rural personnel to meet out the requirement of industries thereby uplifting the economics status & livelihood of the people.

The K. C. MAHINDRA EDUCATION TRUST in the year 1953, with an objective of promoting literacy and higher learning in the country. It is registered as a public Charitable Trust under the Bombay Public Trusts Act, 1950. Over the years, the Trust has undertaken a number of education initiatives, which make a difference in the lives of deserving and needy students. The trust has provided more than Rs. 440.34 million (8.81 million \$) in the form of grants, scholarships and loans. These funds are derived from the trusts investment portfolio, the main donor of which is the Mahindra group of companies. Since its inception, the trust has promoted education mainly by way of scholarships and grants to deserving and needy students.

6. In case the company has failed to spend the two percent of average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.
7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the company.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For Mahindra World City (Jaipur) Limited

Ms. Anita Arjundas
Director
(DIN 0243215)

Ms. Sangeeta Prasad
Director
(DIN02791944)

Jaipur, 28th April, 2015

ANNEXURE 5 TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra World City (Jaipur) Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team / Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed :

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure effective conduct of Company's business and implementation of the strategic business plans of the Company.

Board:

The successors for the Independent Directors shall be identified by the NRC atleast one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit. If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

The NRC will accord due consideration for the expertise and other criteria required for the successor. Subject to the applicable statutory provisions, the Board may also

decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

In order to ensure talent readiness as per a ladder approach.

Policy Statement

The Talent Management framework of the Company has been created to address three basic issues:

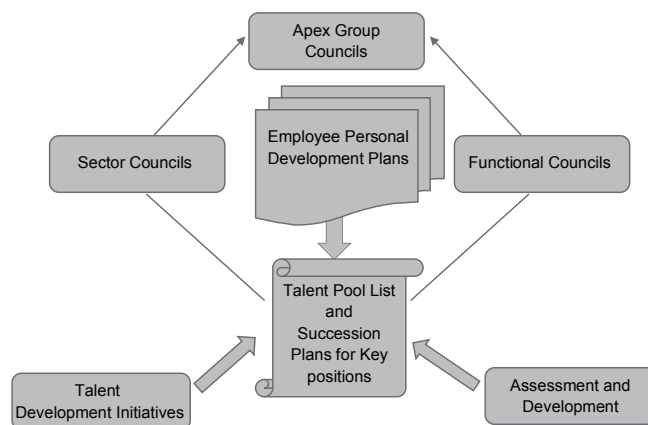
- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the 3E approach:

- a) Experience i.e. both long and short-term assignments. This has 70% weightage
- b) Exposure i.e. coaching and mentoring – 20% weightage
- c) Education i.e. learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Mahindra Group and Real Estate Sector. These Talent Councils, which consist mainly of Senior Business Leaders supported by HR, are a mix of Real Estate Sector and Functional Councils coordinated by an Apex Talent Council of Mahindra Group. The Apex Talent Council of Mahindra Group reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Real Estate Sector / Real Estate Functional Councils meet regularly throughout the year and the Mahindra Group Apex Talent Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

ANNEXURE 6 TO THE DIRECTORS' REPORT

POLICY FOR REMUNERATION OF THE DIRECTORS

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World City (Jaipur) Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including

Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Directors

The Chief Operating Officer is an executive of the Company and draws remuneration from the Company. Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Chief Operating Officer and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report/website as per statutory requirements in this regard.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA WORLD CITY (JAIPUR) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 28 to the financial statements.
 - ii. The Company did not have material foreseeable losses on long term contracts and there were no derivative contracts. Refer note 38 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Jaipur
Date: 28th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra World City (Jaipur) Limited on the accounts for the year ended 31st March 2015)

- (i) Having regard to the nature of the Company's business/ activities/result, clause (v) of the Order is not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases and the sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth

tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) Details of dues of Income Tax and Entry tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Financial Year	Amount involved (₹ in lakhs)
Income Tax Act, 1961	Income Tax including interest	Income Tax Appellate Tribunal	2008-09	6.79
		Commissioner of Income Tax - (Appeals)	2010-11	30.73
Rajasthan Entry Tax Act, 1999	Rajasthan entry tax	High court of Rajasthan	2010-11 to 2014-15	42.93

- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (viii) There are no accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 008072S)

Geetha Suryanarayana
Partner
(Membership No. 29519)

Place: Jaipur
Date: 28th April, 2015

BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	As at March 31, 2015 ₹	As at March 31, 2014 ₹
A EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share capital	3	2,000,000,000	2,000,000,000
(b) Reserves & Surplus.....	4	601,104,936	324,395,332
		<u>2,601,104,936</u>	<u>2,324,395,332</u>
2 Non-Current liabilities			
(a) Long term Borrowings	5	2,400,000,000	3,058,100,000
(b) Deferred tax liabilities (Net).....	6	178,273,043	134,346,578
(c) Other long term liabilities	7	44,542,026	34,958,373
(d) Long term provisions	8	140,686,719	122,416,085
		<u>2,763,501,788</u>	<u>3,349,821,036</u>
3 Current liabilities			
(a) Short term Borrowings	9	7,695,835	—
(b) Trade payables	10	86,035,110	63,089,893
(c) Other current liabilities	11	1,340,341,991	789,916,045
(d) Short term provisions	12	102,966,831	117,501,578
		<u>1,537,039,767</u>	<u>970,507,516</u>
TOTAL.....		<u>6,901,646,491</u>	<u>6,644,723,884</u>
B ASSETS			
1 Non-Current assets			
(a) Fixed Assets			
(i) Tangible assets.....	13	1,590,618,913	1,510,127,131
(ii) Intangible assets	14	1	1
(iii) Capital work in progress.....		65,396,914	103,146,856
		<u>1,656,015,828</u>	<u>1,613,273,988</u>
(b) Long term loans and advances	15	157,428,379	155,714,667
		<u>1,813,444,207</u>	<u>1,768,988,655</u>
2 Current assets			
(a) Current Investments	16	586,379,798	295,472,347
(b) Inventories	17	4,369,752,207	4,369,974,693
(c) Trade receivables	18	62,242,370	100,594,995
(d) Cash and cash equivalents	19	51,720,495	67,763,259
(e) Short term loans and advances	20	8,490,665	25,058,952
(f) Other current assets.....	21	9,616,749	16,870,983
		<u>5,088,202,284</u>	<u>4,875,735,229</u>
TOTAL.....		<u>6,901,646,491</u>	<u>6,644,723,884</u>

See accompanying notes forming part of the Financial Statements
In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjay Srivastava
Manager & COO

Maheswar Sahu
Anita Arjundas

} Directors

Geetha Suryanarayanan
Partner

Sanjay Jain
Chief Financial Officer

Place : Jaipur
Date : April 28, 2015

Prashi Jain
Company Secretary

Place : Jaipur
Date : April 28, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
		₹	₹
INCOME			
1 Revenue from operations	22	1,316,208,689	983,579,758
2 Other income	23	26,617,441	38,089,119
3 Total Revenue		1,342,826,130	1,021,668,877
4 EXPENDITURE			
Cost of land and Project development.....		64,874,951	176,051,475
Changes in Inventories of Work in Progress	24	222,486	(174,381,362)
Employee benefits expense	25	60,899,143	51,129,283
Finance costs.....	26	412,291,682	402,712,255
Depreciation and amortization expense	13	65,989,323	55,585,511
Other expenses.....	27	184,917,218	144,428,165
		789,194,803	655,525,327
Less : Capitalized		(7,903,986)	(4,199,522)
		781,290,817	651,325,805
5 Profit before tax		561,535,313	370,343,072
6 Tax expense:			
(a) Current tax.....		137,267,500	99,800,000
(b) Deferred tax.....		44,377,765	26,070,122
7 Profit for the year		379,890,048	244,472,950
Basic and diluted earnings per share		2.21	1.32

See accompanying notes forming part of the Financial Statements
In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjay Srivastava
Manager & COO

Maheswar Sahu
Anita Arjundas

} *Directors*

Geetha Suryanarayanan
Partner

Sanjay Jain
Chief Financial Officer

Place : Jaipur
Date : April 28, 2015

Prashi Jain
Company Secretary

Place : Jaipur
Date : April 28, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For the year ended March 31, 2015 ₹	For the year ended March 31, 2014 ₹
A. Cash flow from operating activities		
Net Profit before tax	561,535,313	370,343,072
Adjustments for:		
Depreciation and Amortization	65,989,323	55,585,511
Finance costs	412,291,682	402,712,255
Loss on sale of fixed assets (net)	–	559,867
Gain on redemption of Mutual Fund Investments	(20,973,762)	(27,431,814)
Interest income	(5,625,022)	(9,739,952)
Operating profit before working capital changes	1,013,217,534	792,028,939
Changes in working capital:		
<i>Adjustments for (Increase)/decrease in operating assets</i>		
Inventories	(1,832,768)	(174,381,362)
Trade receivables	38,352,625	(5,065,921)
Short Term Loans and advances	16,568,287	7,885,191
Long term Loans and advances	(3,739,562)	(14,899,960)
Other Current Assets	4,039,338	1,639,393
<i>Adjustments for Increase/(Decrease) in operating liabilities</i>		
Trade Payables	22,945,217	15,931,868
Other Current Liabilities	(77,790,748)	(19,718,075)
Other Long term Liabilities	9,583,653	31,819,078
Short Term Provisions	(52,729,251)	(980,879)
Long Term Provision	(4,021,529)	(288,526)
Cash generated from Operations	964,592,796	633,969,746
Income Tax paid	(141,011,150)	(108,641,363)
Net cash flow from operating activities (A)	823,581,646	525,328,383
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(134,018,806)	(157,566,586)
Proceeds from sale of fixed assets	–	40,693
Net movement in deposits not considered as Cash and cash equivalents	12,486,522	137,196,583
Interest received	8,839,919	9,614,435
Gain on redemption of Mutual Fund Investments	20,973,762	27,431,814
Net cash flow from/(used) in Investing activities (B)	(91,718,603)	16,716,939
C. Cash flow from financing activities		
Proceeds from long-term borrowings	650,000,000	60,000,000
Repayment of long-term borrowings	(661,000,000)	(57,900,000)
Proceeds/(Repayment) of working capital borrowings	7,695,835	(21,850,598)
Dividend including dividend distribution tax paid	(116,995,000)	(81,896,500)
Finance costs	(324,212,669)	(333,122,028)
Net cash flow (used) in financing activities (C)	(444,511,834)	(434,769,126)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	287,351,209	107,276,196
Cash and cash equivalents at the beginning of the period	314,182,189	206,905,993
Cash and cash equivalents at the end of the period	601,533,398	314,182,189

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
	₹	₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	51,720,495	67,763,259
Less: Bank balances not considered as Cash and cash equivalents		
(i) in deposit accounts maturing after 3 months.....	12,536,404	—
(ii) in earmarked accounts (Refer Note 19)	24,030,491	49,053,417
Net Cash and cash equivalents.....	15,153,600	18,709,842
Add: Current investments considered as part of Cash and cash equivalents		
Investment in units of Mutual Funds (Refer Note 16)	586,379,798	295,472,347
	601,533,398	314,182,189
Cash and cash equivalents at the end of the period*		
* Comprises:		
(a) Cash on hand.....	62,035	43,055
(b) Balances with banks		
(i) In current accounts.....	15,091,565	18,666,787
(c) Current investments considered as part of Cash and cash equivalents (Refer Note 16).....	586,379,798	295,472,347
	601,533,398	314,182,189

See accompanying notes forming part of the Financial Statements
In terms of our report attached

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Sanjay Srivastava
Manager & COO

Maheswar Sahu
Anita Arjundas

} Directors

Geetha Suryanarayanan
Partner

Sanjay Jain
Chief Financial Officer

Place : Jaipur
Date : April 28, 2015

Prashi Jain
Company Secretary

Place : Jaipur
Date : April 28, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 1. Corporate information

The Company is engaged in the business of development of an Industrial park with a multi product Special Economic Zone (SEZ) and a Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

Note 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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. 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 except for change in the accounting policy for depreciation as more fully described in Note 2.6.

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 period. 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 the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. 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 Depreciation and amortization

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 with effect from April 1, 2014. Accordingly estimated useful life of all tangible fixed assets has been revised and the Company has applied the transition provisions stated in Schedule II.

Leasehold land is amortized over the period of lease i.e. 99 years

Cost of Interiors of building given on lease is amortized over the period of lease.

Assets costing less than ₹ 5,000 is depreciated fully in the year of purchase.

Intangible assets are amortized over their estimated useful life as follows:

Software expenditure incurred is amortized over three years.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

2.7 Revenue recognition

- Land lease premium is recognized as income upon creation of leasehold rights in favor of the lessee or upon an agreement to create leasehold rights with handing over of possession.
- Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight line basis over the non cancellable lease period.
- Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.8 Other income

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

2.9 Fixed assets (Tangible and Intangible 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.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.13 Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such assets are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.14 Segment reporting

The Company has a single reportable segment namely, lease of land and properties constructed thereon.

2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 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 period.

2.17 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 recognized 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 recognized 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized 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 realized. 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.

2.18 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.

2.19 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.

2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

Note 3. Share Capital

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Authorized		
150,000,000 equity shares of ₹ 10 each	1,500,000,000	1,500,000,000
50,000,000 Preference shares of ₹ 10 each	500,000,000	500,000,000
	2,000,000,000	2,000,000,000
Issued, subscribed and fully paid up		
150,000,000 Equity shares of ₹ 10/- each fully paid up	1,500,000,000	1,500,000,000
50,000,000 Preference Share of ₹ 10/- each fully paid up	500,000,000	500,000,000
	2,000,000,000	2,000,000,000
Total	2,000,000,000	2,000,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

3.a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Value of Shares	No of Shares	Value of Shares
Equity Shares				
At the beginning of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued during the year	–	–	–	–
Outstanding at the end of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Preference Shares				
At the beginning of the year	50,000,000	500,000,000	50,000,000	500,000,000
Issued during the year	–	–	–	–
Outstanding at the end of the year	50,000,000	500,000,000	50,000,000	500,000,000

3.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.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

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

3.c Terms of Conversion/redemption of 8% Redeemable Cumulative Preference Shares (RCPS)

- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 23rd December 2008. These Preference Shares are due for redemption on 23rd December, 2016.
- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 4th November, 2011. The Company is entitled to redeem these shares at the end of 5 years i.e., on 4th November, 2016, otherwise redemption can be extended up to the end of 8th year i.e., up to 4th November, 2019, with preference shareholders' approval.
- Each holder of RCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RCPS in case of dividends are in arrear.

3.d Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2015		As at March 31, 2014	
	No of Shares	Value of Shares	No of Shares	Value of Shares
Holding Company (74%)				
Mahindra Lifespace Developers Limited				
Equity	111,000,000	1,110,000,000	111,000,000	1,110,000,000
Preference Shares	37,000,000	370,000,000	37,000,000	370,000,000
Rajasthan State Industrial Development and Investment Corporation Limited (26%)				
Equity	39,000,000	390,000,000	39,000,000	390,000,000
Preference Shares	13,000,000	130,000,000	13,000,000	130,000,000

Note 4. Reserves & Surplus

Particulars	As at	
	March 31, 2015	March 31, 2014
(a) Debenture Redemption Reserve		
Opening Balance	318,750,000	159,375,000
Add: Additions during the year Transferred from surplus in Statement of Profit & Loss	242,708,333	159,375,000
Closing balance	561,458,333	318,750,000
(b) Surplus in Statement of Profit and loss		
Opening Balance	5,645,332	37,542,382
Less: Adjustment of depreciation on tangible fixed assets with remaining useful life ₹ NIL on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax) (Refer Note 32)....	876,444	–
Add: Profit for the year	379,890,048	244,472,950
Less: Appropriations		
Transferred to Debenture Redemption Reserve.....	242,708,333	159,375,000
Dividends proposed to be distributed to equity shareholders..	45,000,000	60,000,000
Dividends proposed to be distributed to preference shareholders.....	40,000,000	40,000,000
Tax on dividend	17,304,000	16,995,000
	39,646,603	5,645,332
Closing balance Total	601,104,936	324,395,332

Note 5. Long Term Borrowings (Secured)**

Term loans from bank	–	558,100,000
10.00% Redeemable Non Convertible Debentures.....	1,750,000,000	2,500,000,000
10.90% Redeemable Non Convertible Debentures.....	650,000,000	–
Total	2,400,000,000	3,058,100,000

** (Refer note 11 for current maturities of long term borrowings)

Term Loans from Bank

5.a The Term loan from Bank has been fully paid in December 2014 before the due date.

10.00% Redeemable Non Convertible Debentures

5.b Company has issued 2,500 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 250 Crores repayable in 3, 4 and 5 years in the ratio of 30:30:40 respectively along with redemption premium as below:-

Series	A	B	C
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	750	750	1,000
Total Value (₹)	750,000,000	750,000,000	1,000,000,000
Redemption Premium per debenture (₹)	77,835	110,794	147,421
Maturity Date	13-Jul-15	13-Jul-16	13-Jul-17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

5.c These Debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 65 Crores as mentioned below in note 5.f. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee/hypothecation. The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 times at all times during the currency of debentures.

5.d Interest on these debentures is payable annually in July.

10.90% Redeemable Non Convertible Debentures

5.e Company has issued 650 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 65 Crores repayable in 3, 4 and 5 years in the ratio of 31:31:38 respectively as below:-

Series	Series I	Series II	Series III
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	200	200	250
Total Value (₹)	200,000,000	200,000,000	250,000,000
Maturity Date	19-Dec-17	19-Dec-18	19-Dec-19

5.f These Debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 250 Crores as mentioned above in note 5.c. on the assets of the project (excluding specified assets) by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee. The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 X at all times during the currency of debentures.

5.g Interest on these debentures is payable annually in December.

Note 6. Deferred Tax Liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liability:		
Fixed Assets.....	182,027,938	132,202,388
Less: Transition Adjustment (Refer Note 32)	(451,300)	—
Income accrued based on lease equalization.....	(1,432,542)	3,429,202
	180,144,096	135,631,590
Deferred Tax Assets:		
Accrued expenses allowable on payment.....	1,871,053	1,285,012
Net Deferred tax liability Total.....	178,273,043	134,346,578
Deferred tax reconciliation:		
Deferred tax expense for the year based on the movement in net deferred tax liability as at the beginning and the end of the year as shown above.....	43,926,465	26,070,122
Add: Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus. Refer Note 4 and 32.....	451,300	—
Deferred tax impact in the Statement of Profit and Loss	44,377,765	26,070,122

Note 7. Other Long Term Liabilities

Deposits from lessees.....	44,542,026	34,958,373
Total	44,542,026	34,958,373

Note 8. Long term Provisions

Particulars	As at March 31, 2015	As at March 31, 2014
Compensated Absences.....	1,869,763	1,309,149
Gratuity.....	2,307,836	1,398,842
Provision for premium on redemption of debentures (Refer Note 5.b).....	136,509,120	119,708,094
Total	140,686,719	122,416,085

Note 9. Short Term borrowings

Overdraft from banks (secured).....	7,695,835	—
Total	7,695,835	—

Overdraft from banks is secured against earmarked Fixed deposits mentioned in note 19. The overdraft is repayable on demand.

Note 10. Trade payables

Trade payables.....	86,035,110	63,089,893
Total	86,035,110	63,089,893

Note 11. Other current Liabilities

Current maturities of Term Loan from Banks*.....	—	102,900,000
Current maturities of NCDs**.....	750,000,000	—
Interest accrued and not due on Debentures.....	199,445,344	179,452,056
Interest accrued and not due on term loan.....	—	7,091,941
Premium on redemption of debentures (Refer Note 5.b***).....	52,885,504	—
Other Payables		
Statutory Remittances.....	3,998,692	3,534,569
Earnest money deposit received.....	497,000	497,000
Advances from customers.....	152,139,193	176,434,310
Deposit from lessees.....	89,706,213	103,354,687
Payable on purchase of Fixed Assets.....	50,982,758	82,767,411
Other liabilities.....	40,687,287	133,884,071
Total	1,340,341,991	789,916,045

*Refer Note 5.a - Long Term Borrowings - This term loan has been fully paid in December 2014 before the due date.

** Refer Note 5.b - Long Term Borrowings - for terms of repayment and security

*** This premium is towards debentures redeemable in July 2015. Refer Note 5.b.

Note 12. Short term provisions

Compensated absences.....	627,669	426,433
Gratuity.....	35,162	80,145
Proposed Equity Dividend.....	45,000,000	60,000,000
Proposed Preference Dividend.....	40,000,000	40,000,000
Tax on Proposed Dividend.....	17,304,000	16,995,000
Total	102,966,831	117,501,578

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**Note 13. Fixed Assets**

₹

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2014	Additions	Adjustments	Deductions	As at 31.03.2015	As at 01.04.2014	Transition Adjustment (Refer Note 1)	For the year (Refer Note 2)	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
Leasehold land	42,253,019	2,055,254	–	–	44,308,273	3,176,032	–	432,075	–	3,608,107	40,700,166	39,076,987
Buildings												
Owned	346,512,637	110,153,910	–	–	456,666,547	20,613,137	–	7,389,900	–	28,003,037	428,663,510	325,899,500
Given under operating lease	988,285,883	5,227,825	–	–	993,513,708	72,691,193	–	20,747,963	–	93,439,156	900,074,552	915,594,690
Plant and machinery												
Owned	73,836,608	28,444,082	–	–	102,280,690	18,775,367	441,053	5,913,760	–	25,130,180	77,150,510	55,061,241
Given under operating lease	118,592,704	–	–	–	118,592,704	22,686,025	–	11,809,898	–	34,495,923	84,096,781	95,906,679
Office equipment	2,191,276	1,147,012	–	–	3,338,288	434,511	463,161	549,942	–	1,447,614	1,890,674	1,756,765
Furniture and fixtures												
Owned	8,461,560	266,558	–	–	8,728,118	2,114,827	–	1,120,181	–	3,235,008	5,493,110	6,346,733
Given under operating lease	139,059,988	–	–	–	139,059,988	73,318,359	–	16,498,247	–	89,816,606	49,243,382	65,741,629
Computers	4,974,345	514,208	–	–	5,488,553	3,413,214	423,530	778,688	–	4,615,432	873,121	1,561,131
Vehicles	4,545,739	–	–	–	4,545,739	1,363,963	–	748,669	–	2,112,632	2,433,107	3,181,776
Total Tangible Assets	1,728,713,759	147,808,849	–	–	1,876,522,608	218,586,628	1,327,744	65,989,323	–	285,903,695	1,590,618,913	1,510,127,131

Note 14. Intangible Assets

Software	5,203,368	–	–	–	5,203,368	5,203,367	–	–	–	5,203,367	1	1
Total Intangible Assets												
Total	5,203,368	–	–	–	5,203,368	5,203,367	–	–	–	5,203,367	1	1
	1,733,917,127	147,808,849	–	–	1,881,725,976	223,789,995	1,327,744	65,989,323	–	291,107,062	1,590,618,914	1,510,127,132

Note 13. Fixed Assets (Previous Year)

₹

Particulars	Gross Block					Depreciation				Net Block	
	As at 01.04.2013	Additions	Adjustments	Deductions	As at 31.03.2014	As at 01.04.2013	For the year	Deductions	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets											
Leasehold land	42,253,019	–	–	–	42,253,019	2,755,472	420,560	–	3,176,032	39,076,987	39,497,547
Buildings											
Owned	251,413,132	95,099,505	–	–	346,512,637	14,076,437	6,536,700	–	20,613,137	325,899,500	237,336,695
Given under operating lease	969,472,638	18,813,245	–	–	988,285,883	52,754,828	19,936,365	–	72,691,193	915,594,690	916,717,810
Plant and machinery											
Owned	69,861,058	3,975,550	–	–	73,836,608	8,191,997	10,583,370	–	18,775,367	55,061,241	61,669,061
Given under operating lease	110,808,530	7,784,174	–	–	118,592,704	20,632,894	2,053,131	–	22,686,025	95,906,679	90,175,636
Office equipment	1,992,588	386,896	–	188,208	2,191,276	381,897	112,606	59,992	434,511	1,756,765	1,610,691
Furniture and fixtures											
Owned	5,294,281	3,167,279	–	–	8,461,560	1,702,700	412,127	–	2,114,827	6,346,733	3,591,581
Given under operating lease	139,059,988	–	–	–	139,059,988	58,665,684	14,652,675	–	73,318,359	65,741,629	80,394,304
Computers	4,574,229	720,916	–	320,800	4,974,345	3,254,170	459,000	299,956	3,413,214	1,561,131	1,320,059
Vehicles	3,688,528	2,096,487	–	1,239,276	4,545,739	1,732,762	418,977	787,776	1,363,963	3,181,776	1,955,766
Total Tangible Assets	1,598,417,991	132,044,052	–	1,748,284	1,728,713,759	164,148,841	55,585,511	1,147,724	218,586,628	1,510,127,131	1,434,269,150

Note 14. Intangible Assets (Previous Year)

Software	5,203,368	–	–	–	5,203,368	5,203,367	–	–	5,203,367	1	1
Total Intangible Assets											
Total	5,203,368	–	–	–	5,203,368	5,203,367	–	–	5,203,367	1	1
	1,603,621,359	132,044,052	–	1,748,284	1,733,917,127	169,352,208	55,585,511	1,147,724	223,789,995	1,510,127,132	1,434,269,151

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 15. Long term Loans and advances (Unsecured unless otherwise stated and considered good.)

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Capital advance (Secured by Bank Guarantee from vendors)	9,117,559	14,887,059
Security deposits	7,051,064	6,817,608
Deposits in respect of premises taken on lease	186,168	126,000
Export duty refund receivable	8,290,887	8,290,887
Advance income tax (net of provisions)	117,936,763	114,193,113
Prepaid expenses	14,845,938	11,400,000
Total	157,428,379	155,714,667

Note 16. Current Investments (At lower of cost and fair value)

Particulars	Units		₹	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Investment in Mutual funds (unquoted & non trade)				
ICICI Prudential Interval Fund II Quarterly Plan F- Growth		7,349,409		99,999,989
ICICI Prudential Interval Fund III Quarterly Plan F- Growth		738,748		9,999,988
ICICI - Ultra Short Term Plan - Direct Growth	5,308,832	—	75,000,000	—
DSP Black Rock Money manager Fund-Direct plan-growth	231	—	431,269	—
JM Money Manager Fund Super Plus Plan - Growth	7,846,192	108,988	152,024,210	2,000,000
IDFC Money Manager Fund - Treasury Plan	3,631,816	—	80,000,000	—
JM High Liquidity Fund - Growth Option (452)	778,187	201,554	29,511,947	7,000,000
JM - Money Manager fund - Super Plan Growth Option		152,579		2,800,000
JM Floater Short Term Fund - Growth Option (448)		445,647		8,827,379
Kotak Liquid scheme plan-A - Growth		2,537		6,442,237
Reliance Interval Fund Quarterly Plan Series- I		4,989,422		50,000,000
Reliance Interval Fund Quarterly Plan Series- II	2,642,371	2,894,591	50,000,000	50,000,000
Reliance Money Manager Fund - Growth Option		1,185		2,000,000
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option	2,063	—	7,000,000	
SBI Ultra Short Term Debt Fund - Growth		2,134		3,500,000
TATA Floater Fund - Growth ...		428		769,841
Tata Floater Fund - Growth		1,663		2,953,898
Tata Treasury Manager Fund Direct Growth		—		—
Templeton India Ultra Short Bond Fund Super Inst. Plan - Growth		1,544,522		25,358,474

Particulars	Units		₹	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Templeton India Ultra Short Bond Fund Super Institutional Plan - Direct Growth	10,631,481	—	192,412,372	—
UTI Banking & PSU Debt Fund - Growth		2,186,728		21,867,283
UTI Money Market Fund-Institutional Plan - Growth		1,382		1,953,258
Balance				
Total	30,841,174	20,621,517	586,379,798	295,472,347

Note 17. Inventories (at lower of cost and net realisable value)

Particulars	₹	
	As at March 31, 2015	As at March 31, 2014
Work In Progress	4,369,752,207	4,369,974,693
<i>(representing cost of land and related expenditure)</i>		
Total	4,369,752,207	4,369,974,693

Note 18. Trade Receivable. (Unsecured considered good)

Trade receivables outstanding for a period exceeding six months from the date they were due for payment ...	48,655,348	21,385,128
Other Trade receivables	13,587,022	79,209,867
Total	62,242,370	100,594,995

Note 19. Cash and cash equivalents

Cash on hand	62,035	43,055
Balances with Banks		
in Current account	15,091,565	18,666,787
In Deposits maturing after 3 months	12,536,404	—
in earmarked deposits (with restriction on usage)*	24,030,491	49,053,417
Total	51,720,495	67,763,259

* The earmarked deposits are given as security against term loan, Bank over draft and other non-fund based facilities.

Note 20. Short term Loans and advances (Unsecured, considered good unless otherwise stated)

Prepaid expenses	2,096,367	7,086,553
Mobilization and other advances given to vendors (secured against bank guarantee)	1,962,834	16,439,861
Balances with Government authorities (Service tax)	1,542,179	1,532,538
Other advances given to vendors	2,889,285	—
Total	8,490,665	25,058,952

Note 21. Other current assets

Deferred lease rent	5,949,519	10,088,857
Interest accrued on Fixed Deposits	2,267,230	5,482,126
Contractually recoverable expenses	1,400,000	1,300,000
Total	9,616,749	16,870,983

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**Note 22. Revenue from operations**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Land Lease Premium	1,032,810,158	761,999,822
Property Rentals	171,009,364	158,430,063
Income from Operation and Maintenance.....	112,389,167	63,149,873
Total	1,316,208,689	983,579,758

22.a During the current year, the company has leased 58.51 (previous year 50.07) acres of land on long term basis. Of this 16.46 (previous year 1.15 Acres) acres in SEZ and 42.05 (previous year 48.91) acres is in the Non SEZ.

Note 23. Other Income

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on		
Deposits from Banks	4,699,001	9,438,387
Others	926,021	301,565
Gain on Redemption of Mutual funds	20,973,762	27,431,814
Miscellaneous Income	18,657	886,781
Liabilities no longer required written back.....	-	30,572
Total	26,617,441	38,089,119

Note 24. Changes in Inventory of Work in Progress

Opening work in progress	4,369,974,693	4,195,593,331
Less: Closing work in progress	4,369,752,207	4,369,974,693
Total	222,486	(174,381,362)

Note 25. Employee Benefit Expenses

Salaries, Wages and Bonus...	55,644,447	47,646,468
Contribution to Provident and other funds.....	1,816,273	1,431,555
Gratuity.....	1,328,020	(4,145)
Staff welfare	2,110,403	2,055,405
Total	60,899,143	51,129,283

Note 26. Finance Costs

Interest on Term Loans.....	54,012,174	82,462,331
Interest on Inter Corporate Deposits	7,085,616	-
Interest on Debentures.....	269,993,288	250,000,000
Premium on Redemption of Debentures.....	69,686,530	69,686,530
Interest - Others.....	1,548,520	47,298
Other Borrowing Costs.....	9,965,554	516,096
Total	412,291,682	402,712,255

Note 27. Other Expenses

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Legal and Professional	4,011,669	8,067,861
Electricity.....	19,578,870	13,289,724
Rent	1,312,846	850,390
Rates and Taxes	711,790	160,634
Insurance	2,838,364	2,223,285
Repairs and Maintenance	5,457,545	4,372,516
Commission	10,536,082	6,434,142
Marketing & Advertisement.....	28,136,807	24,605,527
Operation & Maintenance Expenses.....	93,966,043	66,728,816
Travelling and Conveyance.....	8,883,403	9,778,236
Communication.....	1,283,046	1,120,085
Payments to auditors (Refer Note (i) below)	851,788	811,694
Loss on sale of fixed assets....	-	559,867
Expenditure on Corporate Social Responsibility.....	5,026,506	993,415
Miscellaneous Expenses	2,322,459	4,431,973
Total	184,917,218	144,428,165

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Payment to the auditors comprises (net of service tax refund)		
Statutory Audit	575,000	550,000
Other services	270,000	240,000
Reimbursement of expenses...	6,788	21,694
Total	851,788	811,694

Additional information to the financial statements**Note 28. Contingent liabilities and commitments (to the extent not provided for)**

	As at March 31, 2015	As at March 31, 2014
(i) Contingent liabilities - Tax matters disputed and under appeal		
(i) Income Tax		
By Company.....	3,072,880	3,072,880
By Tax authorities	24,296,357	24,296,357
(ii) Rajasthan Entry Tax.....	4,292,646	-

Note:-

The above amount is based on demands raised, which the company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for on Tangible Assets

	33,197,642	189,203,067
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

Note 29. There are no amounts due to micro enterprises and small enterprises. This is based on the information received from such parties as identified by the company. This has been relied upon by the auditors.

Note 30. Value of imports calculated on CIF basis

	For the year ended March 31, 2015	For the year ended March 31, 2014
Capital Goods.....	6,297,804	–

Note 31. Expenditure in foreign currency

	For the year ended March 31, 2015	For the year ended March 31, 2014
Travel	–	151,018
Advertisement	272,639	571,202
Subscription	255,299	–
	527,938	722,220

Note 32. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014 the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Previous depreciation rate/ useful life (Based on SLM)	Revised useful life based on SLM (schedule 2 rates)
Buildings (other than Factory buildings)	1.63%/~60 years	30 years
Vehicles - Motor cars	9.5%/~10 years	8 years
General Plant and Machinery	4.75%/~20 years	15 years
General Furniture and Fittings	6.33%/~ 15 Years	10 Years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the revised useful life as prescribed by Schedule II) net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ 876,444/- (net of deferred tax of ₹ 451,300/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. (refer note no. 4(C)).

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 49,18,910/- consequent to the adoption of revised useful life as prescribed by schedule II of the Companies Act, 2013.

Disclosures under Accounting Standards**Additional information to the financial statements - Employee benefits****Note Disclosures on Employee share based payments:**

33(a) Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity – settled options to the employees of the Company as per the following details:

Amount Rs.

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Options outstanding as at		Employee compensation cost incurred by the Parent company and not charged to the Company for the	
						March 31 2015	March 31 2014	March 31 2015	March 31 2014
ESOS 2008	April 25, 2008	64,550	49,450	1,250	13,550	49,750	64,550	–	–
ESOS 2012	August 4, 2012	11,000	3,500	1,900	1,500	7,600	11,000	1,073,303	340,316
	October 17, 2014	9,000	–	–	–	9,000	–	474,445	–
Total charge for the year								15,47,748	3,40,316

Other terms

ESOS Scheme	ESOS 2008	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12 ,24 , 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

The Parent company has adopted intrinsic value method for computing the compensation cost for the Options granted. The Intrinsic value, i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period in the books of the parent company. The Parent company has also confirmed that there will be no recovery of the above ESOP cost from the Company.

Note: The above details are as provided by the parent company and the auditors have placed reliance on the same.

Note 33(b) Employee Benefits

	₹	
	Gratuity (Unfunded)	
	2014-15	2013-14
a. Net Asset/(Liability) recognized in the balance sheet as at March 31, 2015		
Liability recognised in the balance sheet	2,342,998	1,478,987
Non current.....	2,307,836	1,398,842
Current	35,162	80,145
b. Expense recognized in the Profit & Loss account		
Past service cost.....	-	-
Current Service cost.....	653,788	403,521
Interest cost	114,722	150,139
Actuarial (gains)/Losses	559,510	(557,805)
Total expenses	1,328,020	(4,145)
c. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	1,478,987	2,270,331
Past service cost.....	-	-
Current Service cost.....	653,788	403,521
Interest Cost.....	114,722	150,139
Actuarial (Gains)/Losses	559,510	(557,805)
Benefits Paid	(464,009)	(787,199)
Present value of the obligation as at the end of the year	2,342,998	1,478,987
d. Principal actuarial assumptions.....		
Discount Rate	7.77%	9.20%
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
e. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		

f. Experience adjustment as provided by actuary:	Year				
	2014-15	2013-14	2012-13	2011-12	2010-11
Present value of obligation	2,342,998	1,478,987	2,270,331	2,527,755	1,809,056
Experience adjustment on plan liabilities	95,631	(162,668)	(169,416)	(126,336)	(761,237)

Note 34. Details of borrowing costs capitalised

	₹	
	For the year ended March 31, 2015	For the year ended March 31, 2014
Borrowing costs capitalized during the year as		
- Inventory.....	183,519,809	180,585,043
- Fixed Assets.....	-	-
- Capital Work in Progress...	-	-

Note 35. Related party transactions

Details of related parties:

Particulars	Names of related parties
Description of relationship	
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited Mahindra EPC Services Private Limited Mahindra Consulting Engineers Limited Mahindra Holidays & Resorts India Limited
Key Management Personnel (KMP)	Mr. B.K. Subbaiah - Chief Operating Officer (Upto June 30, 2013) Mr. Sanjay Srivastava - Chief Operating Officer (From July 01, 2013) Mr Sanjay Jain - Chief Finance Officer (KMP from current year)

Note: Related parties have been identified by the Management and disclosed where transaction entered into.

Details of related party transactions during the year ended March 31, 2015 and balances outstanding as at March 31, 2015:

Particulars	Mahindra & Mahindra Limited	Mahindra Lifespaces Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra EPC Services Private Limited	Mr. B.K. Subbaiah	Mr. Sanjay Srivastava	Mr. Sanjay Jain
Rendering of services	1,585,564 (1,006,732)			12,000 (3,000)			
Land Lease Premium Received	(88,450,646)	(101,640,000)					
Receiving of services	831,740 (480,072)		108,000 (18,000)				
Security Deposit Received	- (319,140)						
Finance (including loans and equity contributions in cash or in kind)							
ICD Taken		20,000,000 (-)					
ICD Repaid		20,000,000 (-)					
Interest on ICD		7,085,616 (-)					
Preference Shares Dividend Paid		29,600,000 (29,600,000)					
Equity Shares Dividend Paid		44,400,000 (22,200,000)					
Remuneration					- (2,269,711)	9,968,046 (7,734,944)	4,680,569 -
Balances outstanding at the end of the year		-	9,315	6,742			
Trade payables	486,757 (791,687)		(-)				
Deposits Payable	699,518 (699,518)						

Note: Figures in bracket relate to the previous year

Note 36. Leases

The Company's leasing arrangements are in respect of commercial premises given under operating lease .

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Gross carrying amount of premises and other assets	1,243,382,226	1,238,154,401
Accumulated depreciation	217,269,532	168,688,468
Depreciation for the year	48,573,955	36,635,062

Future minimum lease payments under non-cancellable operating leases (lock in period of 2 to 3 years for the building and 9 years 5 months for interiors)

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Not later than 1 year	13,703,238	66,228,804
Later than 1 year and not later than 5 years	164,771,545	172,235,624
Later than 5 years	101,559,471	37,346,934

Significant Leasing Arrangements

Lease is non cancellable during the lock in period.

In respect of buildings, primary lease period is for 5 years, renewable for further 2 terms of 5 years each.

Note 37. Earnings per share

₹

Particulars	As at March 31, 2015	As at March 31, 2014
Basic & Diluted		
Net profit for the year from continuing operations	379,890,048	244,472,950
Less: Preference dividend and tax thereon	48,143,059	46,798,000
Net profit for the year from continuing operations attributable to the equity shareholders	331,746,989	197,674,950
Weighted average number of equity shares	150,000,000	150,000,000
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	2.21	1.32

- Note 38.** (i) The Company does not have material foreseeable losses on long term contracts as on March 31, 2015.
- (ii) The Company did not enter into any derivative contracts during the year.
- (iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

Note 39. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Jaipur
Date : April 28, 2015

Sanjay Srivastava
Manager & COO

Sanjay Jain
Chief Financial Officer

Prashi Jain
Company Secretary

For and on behalf of the Board of Directors

Maheswar Sahu
Anita Arjundas

} Directors

Place : Jaipur
Date : April 28, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their tenth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income.....	22,838	28,851
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(26,575)	(32,784)
Less: Depreciation	–	–
Profit/(Loss) Before Interest and Taxation	(26,575)	(32,784)
Less: Interest.....	–	–
Profit/(Loss) Before Taxation	(26,575)	(32,784)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation.....	(26,575)	(32,784)
Add: Balance of Profit/(Loss) for earlier years	(1,13,52,635)	(1,13,19,851)
Balance carried forward	(1,13,79,210)	(1,13,52,635)

Dividend

In view of the carried forward losses, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

In view of loss for the year, no amount has been transferred to Reserves.

Operations

Your Company is looking for suitable business opportunities to undertake large format development, including residential development.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised equity share capital of your Company is ₹ 1.50 crores and Paid-up share capital of the Company is ₹ 1.1704 crores.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 3,51,365 and ₹ 3,24,790 respectively.

Holding Company

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.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Suhas Kulkarni (DIN: 00003936) a Non-executive and Non-independent Director retires by rotation at the 10th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Kulkarni is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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 respective Codes.

Meetings

During the year four Board Meetings were convened and held on following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014 and 20th January, 2015.

The details of the number of Board meetings attended by the respective members of the Board/Committees are given below:

Sr. No.	Name of the Director	No of Board meetings attended
1.	Ms. Anita Arjundas	4
2.	Mr. Suhas Kulkarni	3
3.	Ms. Sangeeta Prasad	3
4.	Mr. Vijay Paradkar	4

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the 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 had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding

the assets of the company and for preventing and detecting fraud and other irregularities;

- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of 9th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 10th AGM till the conclusion of 14th AGM.

As required under the provisions of Section 139 (1) 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 whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructures facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

During the year, the Company had not entered into any contract/arrangement/transaction with any related party. Therefore, the form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report.

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 21st April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

A. CONSERVATION OF ENERGY

- | | | |
|--|---|---|
| (i) the steps taken or impact on conservation of energy; | : | 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. |
| (ii) the steps taken by the company for utilising alternate sources of energy; | : | Not Applicable |
| (iii) the capital investment on energy conservation equipments. | : | Not Applicable |

B. TECHNOLOGY ABSORPTION

- | | | |
|--|---|---|
| (i) the efforts made towards technology absorption; | : | The Company has not carried out any R&D activities during the year. |
| (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; | : | Not Applicable |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year); | : | Nil |
| (iv) the expenditure incurred on Research and Development. | : | Nil |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Anita Arjundas

Chairperson

DIN: 00243215

Mumbai, 21st April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2015

(Pursuant to Section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45309MH2005PLC156225
2.	Registration Date	21/09/2005
3.	Name of the Company	Mahindra World City (Maharashtra) Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: 022-67478600/01 Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintenance service activities	813	Nil

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

The Company is looking out for suitable Business opportunities for large format development and residential developments.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	100	2(46)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	–	1,170,400	1,170,400	100	–	1,170,400	1,170,400	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B) = (B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	1,170,400	1,170,400	100	–	1,170,400	1,170,400	100	–

(ii) Shareholding of Promoters:

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	1,170,340	100	–	1,170,340	100	–	–
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.00	–	10	0.00	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil.

(v) Shareholding of Directors and Key Managerial Personnel: No Directors or Key Managerial Personnel hold any shares in the Company.

5. INDEBTEDNESS

Indebtedness of the Company at the beginning of the year, during the year and at the close of the year was **Nil**.

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors: Not Applicable

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD - Not Applicable

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
Penalty	NONE				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 21st April, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Mahindra World City (Maharashtra) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e. on the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Himanshu Chapsey
Partner
Membership Number: 105731

Place: Mumbai
Date: 21st April, 2015

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 9 of our report of even date on the financial statements to the Members of **Mahindra World City (Maharashtra) Limited** as at and for the year ended 31st March, 2015.

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
2. Since the Company does not have any inventory the provisions of para 3(ii) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. The Company did not have any operations during the year and also did not have any fixed assets or inventory. Hence, the provisions of para 3(iv) of the Order are not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Companies Act, 2013.
7. (i) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respects of tax deducted at source were outstanding, as on 31st March, 2015, for a period of more than six months from the date they become payable.
- (ii) There are no disputed dues outstanding as on 31st March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The accumulated losses of the Company exceed fifty percent of its net worth as at 31st March, 2015. The Company has incurred cash losses in the current and preceding financial year.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. 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.
11. 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 31st March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles 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

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number 105102W

Himanshu Chapsey

Partner

Place: Mumbai

Date: 21st April, 2015

Membership Number: 105731

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note Ref	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	1,17,04,000	1,17,04,000
Reserves and surplus.....	4	(1,13,79,210)	(1,13,52,635)
		<u>3,24,790</u>	<u>3,51,365</u>
Current liabilities			
Other current liabilities.....	5	85,770	57,680
Total		<u>4,10,560</u>	<u>4,09,045</u>
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	6	1	1
		<u>1</u>	<u>1</u>
Current assets			
Cash and cash equivalents.....	7	3,45,885	3,52,634
Short term loans and advances.....	8	64,674	56,410
		<u>4,10,559</u>	<u>4,09,044</u>
Total		<u>4,10,560</u>	<u>4,09,045</u>

See accompanying notes forming part of the Financial Statements

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 21st April, 2015

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

Vijay Paradkar
Suhas Kulkarni
Sangeeta Prasad } *Directors*

Place : Mumbai
Date : 21st April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note Ref	Year ended 31 st March, 2015 ₹	Year ended 31 st March, 2014 ₹
INCOME			
Other Income	9	22,838	28,581
		<u>22,838</u>	<u>28,581</u>
EXPENDITURE			
Depreciation	6	–	–
Other expenses	10	49,413	61,365
		<u>49,413</u>	<u>61,365</u>
Loss before tax		(26,575)	(32,784)
Less : Tax expense		–	–
Loss for the period		(26,575)	(32,784)
Earnings per equity share:			
Basic & diluted		(0.02)	(0.03)

See accompanying notes forming part of the Financial Statements

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 21st April, 2015

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

Vijay Paradkar
Suhas Kulkarni
Sangeeta Prasad } *Directors*

Place : Mumbai
Date : 21st April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31 st March, 2015	Year ended 31 st March, 2014
	₹	₹
A. Cash flow from operating activities:		
Net Loss before tax.....	(26,575)	(32,784)
Finance costs	(22,838)	(28,581)
Operating (loss) before working capital changes.....	(49,413)	(61,365)
Changes in working capital		
Adjustments for increase/(decrease) in operating assets		
Other current assets.....	(8,264)	(40,529)
Increase/(decrease) in current liabilities.....	28,090	28,090
	19,826	(12,439)
Cash used in Operations	(29,587)	(73,804)
Net cash (used in) operating activities.....	(29,587)	(73,804)
B. Cash flow from investing activities:		
Interest received	22,838	28,581
Net cash from investing activities.....	22,838	28,581
Net increase/(decrease) in cash and cash equivalents (A+B)	(6,749)	(45,223)
Cash & cash equivalents		
Opening balance	3,52,634	3,97,857
Closing balance.....	3,45,885	3,52,634
Net increase/(decrease) in cash and cash equivalents	(6,749)	(45,223)

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

Himanshu Chapsey

Partner

Membership No.: 105731

Place : Mumbai

Date : 21st April, 2015

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

Vijay Paradkar**Suhas Kulkarni****Sangeeta Prasad**

} Directors

Place : Mumbai

Date : 21st April, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**1. Corporate information**

₹

The Company was incorporated in 2005 for development of Multi Product SEZ at Karla, Maharashtra as a Joint Venture with Maharashtra Industrial Development Corporation (MIDC). Owing to the issues faced in land acquisition in that region, MIDC has stated in their letter of January 7, 2011 that the project would not be pursued at Karla but it would work with the Company to examine the possibility of a Joint Venture project elsewhere. Accordingly, the project inventory representing cost on preliminary studies, surveys and interest have been charged off resulting in the accumulated losses eroding its networth in the previous year. The company is exploring alternate locations for the project. 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. 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 specified under Section 133 of The Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. 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. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable costs of bringing the assets to its working condition for the intended use.

c. Depreciation

Depreciation on tangible fixed Assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower.

d. Inventories

Inventories are valued at cost which represents expenses attributable to lands to be acquired.

e. 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.

f. 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 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 recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

Authorised

15,00,000 Equity shares of ₹ 10 each **1,50,00,000** 1,50,00,000

Issued, subscribed and paid up.

11,70,400 equity shares of ₹ 10 each
fully paid up **1,17,04,000** 1,17,04,000

1,17,04,000 1,17,04,000

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

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.

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

	As at 31 st March, 2015		As at 31 st March, 2014	
Equity Shares	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)
At the beginning of the period	11,70,400	1,17,04,000	11,70,400	1,17,04,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	11,70,400	1,17,04,000	11,70,400	1,17,04,000

₹

As at
31st March, 2015 31st March, 2014

4. Reserves & Surplus

(Deficit) in the statement of Profit and Loss

Opening Balance **(1,13,52,635)** (1,13,19,851)

Add: Loss for the Year **(26,575)** (32,784)

Closing Balance **(1,13,79,210)** (1,13,52,635)

5. Other Current Liabilities

Other payables **85,770** 57,680

85,770 57,680

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**6. FIXED ASSET****TANGIBLE ASSETS**

₹

	Gross block		Depreciation		Net block	
	As at 1 st April, 2014	As at 31 st March, 2015	As at 1 st April, 2014	For the year April - March 2015	As at 31 st March, 2015	As at 31 st March, 2015
Computers	61,882	61,882	61,881	–	61,881	1
TOTAL	61,882	61,882	61,881	–	61,881	1
Previous year	61,882	61,882	61,881	–	61,881	1

	As at 31 st March, 2015	As at 31 st March, 2014
7. Cash & Cash Equivalents		
Cash on hand	1,549	1,549
Balances with Bank in current account	3,44,336	3,51,085
	3,45,885	3,52,634
8. Short Term Loans & Advances		
TDS Receivable	64,674	56,410
	64,674	56,410
9. Other Income		
Interest income		
Interest on deposits	22,838	28,581
	22,838	28,581
10. Other Expenses		
Rates and taxes	4,909	–
Legal and Professional Charges	16,414	33,275
Auditors' remuneration		
Audit Fees	28,090	28,090
	49,413	61,365

11. 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.

12. Related Parties**a) Details of related parties:**

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

13. Earnings per Share

Particulars	For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2014
<u>Basic & Diluted</u>		
Net profit/(loss) for the year (₹)	(26,575)	(32,784)
Weighted average number of equity shares (Nos.)	11,70,400	11,70,400
Par value per share (₹)	10	10
Earnings per share - Basic & Diluted (₹)	(0.02)	(0.03)

14. 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.

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

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

Himanshu Chapsey

Partner

Membership No.: 105731

Place : Mumbai

Date : 21st April, 2015

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

Vijay Paradkar

Suhas Kulkarni

Sangeeta Prasad

} Directors

Place : Mumbai

Date : 21st April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Eighteenth report together with the Audited Financial Statements of your Company for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS:(Stand-alone)

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income	6421.83	4787.21
Profit/(Loss) Before Depreciation, Interest and Taxation	6311.82	4960.92
Less : Depreciation	291.78	196.50
Profit/(Loss) Before Interest and Taxation	6020.05	4764.43
Less :Interest.....	3894.80	3417.05
Profit/(Loss) Before Taxation.....	2125.25	1347.38
Less : Provision for Taxation	699.64	457.55
Profit/(Loss) for the year after Taxation.....	1425.61	889.83
Add : Balance of Profit/(Loss) for earlier years.....	8485.75	8479.85
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life	8.02	—
Amount available for appropriation	9903.34	9369.68
Proposed Dividend on Equity Shares (including tax on distributed profits).....	240.72	233.99
Proposed Dividend on Preference Shares (including tax on distributed profits)	—	327.63
Dividend paid on redemption of Preference shares (Including tax on distributed profits).....	315.23	322.31
Transferred to General Reserve	—	—
Transferred to Capital Redemption Reserve	6500.00	—
Balance carried forward to the Balance Sheet.....	2847.39	8485.75

Dividend

Your Directors have recommended an equity dividend of Rs.1 per share on 20,000,000 equity shares of face value of Rs.10 per share of the Company for the Financial year 2014-2015. The total Equity dividend recommended (including tax on distributed profits) for the year amounts to Rs. 240.72 Lacs.

Dividend has been paid on redemption of preference shares of Rs. 65 Crores @ 8.5% for the period from April 1, 2014 to September 25, 2014 (including tax on distributed profits) for the year amounting to Rs. 315.23 Lacs.

The dividend distribution shall be made out of profits for the year 2014-15.

Reserves

Profit for the year after appropriation has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations/State of the company's affairs

During the year, your Company added two MNCs to the portfolio, taking the total to 64 industrial customers – of which 27 are in the SEZ and 37 are in the DTA. Currently, 50 companies operate out of Mahindra World City, Chennai of which one started operations in the DTA during the year. During the year,

employment in Mahindra World City increased from 33,000 to around 37,000. Exports also increased from Rs. 7,200 crores in 2013-14 to over Rs. 7,800 crores during 2014-15.

With greater stabilisation in the business zone, the focus is now in developing the residential and social infrastructure. Mahindra World City, Chennai, has allocated ~285 acres for the development of residential and social infrastructure that will cater to the requirements of over 6,000 families. With handing over of units in phases of Aqualily and Iris Court during the year, the city has three operational residential projects which together have ~500 families living there.

On the retail and social infrastructure front, considerable progress was made during the year. The MWC Club – a Sports and leisure Club, the 1st on GST corridor was inaugurated in March 2015. JSP Hospitals started the first phase operations during the year which includes out-patient consultation, diagnostic facilities, a pharmacy and ambulance services. SSBM Realty and Hospitality started construction of the Phase I of the hostel for working professionals which will comprise ~200 rooms. During the year, MWCDL signed an agreement with SPI Cinemas to set up a Multiplex, the development plans for which are currently underway. Also, expansion plans were finalised for Mahindra World School which has been successfully operating in the city since 2008-09.

During the year, Mahindra World School received its second ISA Award from the British Council, which recognizes schools with notable global element in their curriculum.

Your Company continued to build on its community development and engagement initiatives during the year. This included fresh editions of its flagship programmes: The MWC run in aid of 'Nanhi Kali' which had over 1,200 participants, 'MWC Champions Trophy' the inter-company sports tournament that had 38 teams, 4th edition of 'Mind Quest' – the annual MWC Quiz. In addition, the Company launched 'Courtyard Performances', - The Community Building initiative which features music, theatre, dance and other forms of performing arts. These initiatives were received well by the employees of companies, residents and other participants.

Share Capital

Authorised share capital of your company is Rs. 95 crores and Paid-up share capital of the company is Rs. 20 crores.

During the year under review, the Company redeemed 6,500,000-8.50% Cumulative preference shares amounting to Rs. 65 Crores subscribed by Mahindra Lifespace Developers Limited (MLDL) on 26th September, 2014.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The net worth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was Rs. 173.31 Crores and Rs. 116.92 crores respectively.

Holding Company

Your Company continues to be a subsidiary of Mahindra Lifespace Developers Ltd (MLDL) and consequently a subsidiary of the ultimate holding company, viz. Mahindra & Mahindra Limited.

Subsidiaries, Joint Ventures and Associate companies

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided as Annexure A to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

During the year under review, Mahindra Industrial Park Chennai Limited became a wholly owned subsidiary of Mahindra World City Developers Limited and hence also became a 89% subsidiary of Mahindra Lifespace Developers Limited. This company shall be developing an industrial park in North

Chennai, Tamil Nadu, spanning an area of approximately 300 acres. This company is exploring the possibility of tie-up with a strategic investor in this space.

During the year, except Mahindra Industrial Park Chennai Limited which became a subsidiary of the Company, no other company became or ceased to be a Subsidiary/Associate/Joint Venture company of the Company.

Corporate Social Responsibility (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and contribute to their long term social good and welfare.

The Company, in every financial year commencing from 1st April, 2014, in line with the new Companies Act, 2013, pledges to spend, two per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

The Company has constituted Corporate Social Responsibility Committee comprising of Mr. V. Balaraman-Independent Director, Ms. Anita Arjundas-Non Independent director and Ms. Sangeeta Prasad-Non Independent director. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The Company's CSR policy is available on the Company's website: www.mahindraworldcity.com

The Company's CSR activities have traditionally focussed on education, skill development, health, environment and promoting sustainable practices.

The objective of the CSR policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Company's philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called ESOPs.

The Company has spent Rs. 74.63 lakh as against the required CSR expenditure of Rs. 74.58 lakh calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at Annexure 1 to this Report.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas (DIN: 00243215) a Non-executive and Non-independent Director retires by rotation at the 18th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Anita Arjundas is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Hans Raj Verma (DIN : 00130877) resigned as Director of the company with effect from June 18, 2014. The Board places on record its deep appreciation of the valuable services rendered by Mr. Hans Raj Verma during his tenure as Director of the company.

The following policies of the Company are attached herewith and marked as Annexure 2, Annexure 3A and Annexure 3B to this report.

1. Policy on appointment of Directors and Senior Management (Annexure 2)
2. Policy on remuneration of Directors (Annexure 3A)
3. Policy on Remuneration of Key Managerial Personnel and Employees (Annexure 3B)

Key Managerial Personnel

During the year under review, the Company has appointed following persons as Key Managerial Personnel under the Companies Act, 2013.

During the year CSR Committee meeting was convened and held on 10th October 2014 and 21st January, 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/ Committees are given below :

Sr. no.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Mr. N. Vaghul	4	4	1	NA
2.	Mr. A. K. Nanda	3	NA	NA	NA
3.	Mr. V. Balaraman	4	4	1	2
4.	Mr. Sanjiv Kapoor	3	3	NA	NA
5.	Mr. Uday Phadke	4	4	NA	NA
6.	Ms. Anita Arjundas	4	NA	1	2
7.	Ms. Sangeeta Prasad	4	NA	NA	1
8.	Mr. Hans Raj Verma (Resigned w.e.f. 18 th June, 2014)	1	1	NA	NA

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013 the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end

Sr. no.	Name of the person	Designation
1.	Mr. S. Chandru	Manager
2.	Mr. T. S. Krishnan	Chief Financial Officer

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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, Independent Directors and employees of the Company affirming compliance with the respective Codes.

Meetings

During the financial year four Board Meetings were convened and held on the following dates:

18th April, 2014, 22nd July, 2014, 10th October, 2014 and 21st January, 2015

During the year four Audit Committee meetings were convened and held on the following dates :

18th April, 2014, 22nd July, 2014, 10th October, 2014 and 21st January, 2015

During the year Nomination & Remuneration Committee meeting was convened and held on 22nd July, 2014.

of the financial year 31st March, 2015 and of the profit of the Company for that period;

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management and auditors.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted and the terms of reference of the Committee were enhanced in the Board meeting held on 18th April 2014 pursuant to Section 177 of the Companies Act, 2013. The present members of the Committee comprises of three independent Directors, namely Mr. Sanjiv Kapoor (Chairman), Mr. N. Vaghul and Mr. V. Balaraman and one Non-Executive Non-Independent Director, Mr. Uday Y. Phadke. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chief Financial Officer, Internal Auditor and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The committee met four times during the year. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell. The Whistle Blower Policy of the Company is placed on the website of the company at www.mahindraworldcity.com

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, retire as Auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required by the provisions of section 139 and 141 of

Companies Act, 2013 the Company has received written consent and certificate from M/s. A.F. Ferguson & Co, Chartered Accountant, (ICAI Firm Registration Number 112066W), proposed to be re-appointed as Auditors for one year i.e. up to conclusion of the 19th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

The Board has recommended to the shareholders for approval re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Chennai, as the Statutory Auditors to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having Cost auditor is presently not applicable to your Company.

Secretarial Auditor

The Board has appointed Ms. M. Kavitha Surana of M/s. M. K. Surana & Co. practising Company Secretary, to conduct the secretarial audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended March 31, 2015 is annexed herewith and marked as Annexure 4 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 13.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note no. 27.4 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

Your Company has Conservation of Energy initiatives but does not have, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies

Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as Annexure 5 to this report.

Employee Remuneration

The Company had one employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than Rs. Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than Rs. Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the

statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is disclosed below. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Particulars of Employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015

Name of the Employee	Designation/ Nature of Duties	Qualification	Remuneration (Subject to tax) (Rs. Lacs)	Age (years)	Experience (yrs)	Date of Commencement of employment	Last employment held (Designation/ Organisation)
Mr. S. Chandru	Manager & Chief Operating Officer	ACA, ACS, ACMA	73.22	58	34	1 st October 2007 to 15 th April 2013 - Chief Financial Officer From 16 th April 2013 – Manager & Chief Operating Officer	Chief Financial Officer - Mahindra Holidays & Resorts India Limited

Notes:

1. Nature of employment is contractual, subject to termination at three months' notice from either side.
2. The above employee is/are not related to any other Director of the Company.
3. The employee does not hold by himself or along with his/her spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and Conditions of employment are as per Company's rules/contract.
5. Gross remuneration received as shown in the statement includes Salary, Bonus, House Rent Allowance or value of perquisites for accommodation, employer's contribution to Provident fund and Superannuation scheme including group insurance premium, leave travel facility, Reimbursement of medical expenses and all allowances/perquisites and terminal benefits as applicable.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

General

During the year under review, no revision was made in the financial statement of the Company.

During the year ended March 31, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers, joint venture partners and associates of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board,

N. Vaghul
Chairman

Chennai, 18th April, 2015

DIN : 00002014

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

THE ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

- a) The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at all its project locations so as to help the communities around these projects to prosper in all walks of life.
- b) The Company has formed a CSR policy which is available on the website of the company.
- c) The Company has planned the following projects in the identified areas:
 Sponsoring girl child education – Nanhi Kali – Education
 Cleanliness drive – Swachh Bharat – Public health& Sanitation
 Health Check-up camps in Eye care and cataract surgery – Public Health
 Tree Plantation – Project Haryali – Environment and
 Renovation of schools in surrounding areas of Mahindra World City Chennai – Education
 Skill development in surrounding areas of Mahindra World City Chennai – Education

2. The composition of the CSR Committee of the Board of Directors is as under:

- Mr. V. Balaraman – Independent Director
 Ms. Anita Arjundas – Non Executive Non-Independent Director
 Ms. Sangeeta Prasad – Non Executive Non-Independent Director

3. Average net profit of the Company for the last three financial years: Rs. 3729 Lacs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 74.58 Lacs

5. Details of CSR spent during the financial year

- a. Total amount to be spent for the financial year: Rs. 74.58 Lacs
- b. Amount unspent (if any) : Nil
- c. Manner in which the amount spent during the financial year was utilised is detailed below

(All amounts are in Rs. Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to Nanhi Khali	Education of the girl child 2(d)	Pan India where the Company has existing projects	37.20	Direct expenditure – 37.20	37.20	Implementing Agency: K. C. Mahindra Education Trust
2.	Renovation of Government Primary School in Veerapuram Village	Promotion of Education 2(a)	Mahindra World City Chennai, Kancheepuram District, Tamilnadu	6.61	Direct expenditure – 6.61	6.61	NGO: Irula Tribal Women Welfare Society

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct or through implementing agency
3.	Painting work in Govt. Middle School, Paranur	Education 2(a)	Mahindra World City Chennai, Kancheepuram District, Tamilnadu	2.40	Direct expenditure – 2.40	2.40	NGO: World Vision India
4.	Basic Employability skills Training courses	Employment enhancing vocation skills especially among children, women & disabled & livelihood enhancement projects	Villages and Community around Mahindra World City Chennai, Kancheepuram District, Tamilnadu	3.25	Direct expenditure – 3.25	3.25	NGO: Cap Foundation
5.	Tree Plantation (Hariyali Campaign) in villages & Govt approved forest areas	Environment 4(a) & (b)	Villages and Community around Mahindra World City Chennai, Kancheepuram District, Tamilnadu	3.40	Direct expenditure – 3.40	3.40	NGO: Irula Tribal Women Welfare Society
6.	Swach Bharat – Public Convenience in Veerapuram Village	Health – sanitation	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	4.08	Direct expenditure – 4.08	4.08	NGO – Appasaheb Apte Smriti Pratishthan
7.	Cataract Check-up and Surgery Camp	Healthcare including preventive health care	Mahindra World City Chennai, Kancheepuram District, Tamilnadu	6.48	Direct expenditure – 6.48	6.48	NGO – Medical Research Foundation
8.	Swach Bharat – Public Convenience in Paranur Village	Health – sanitation	Mahindra World City Chennai, Paranur Village Kancheepuram District, Tamilnadu	4.08	Direct expenditure – 4.08	4.08	NGO – Appasaheb Apte Smriti Pratishthan
9.	Renovation work and donation of Freezer Box for Govt. Rehabilitation Centre.	Healthcare including preventive health care	Mahindra World City Chennai, Paranur Village Kancheepuram District, Tamilnadu	3.40	Direct expenditure – 3.40	3.40	NGO: World Vision India
10.	Safe Drinking Water Facility in Paranur Village	Health – Supply of safe drinking water	Mahindra World City Chennai, Paranur Village Kancheepuram District, Tamilnadu	2.50	Direct expenditure – 2.50	2.50	NGO: World Vision India

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads	Cumulative spend up to the reporting period	Amount spent: Direct or through implementing agency
11.	School Children Eye Health camp	Healthcare including preventive health care	Mahindra World City Chennai, Surrounding Villages Kancheepuram District, Tamilnadu	1.06	Direct expenditure – 1.06	1.06	NGO – Medical Research Foundation
12.	Physiotherapy Bed, Bed Pans and Physiotherapy ball for a mentally retarded home CSR Good service Trust	Gender Equality/ Old age & Day care homes	Mahindra World City Chennai, Surrounding Community Kancheepuram District, Tamilnadu	0.12	Direct expenditure – 0.12	0.12	Direct contribution
13.	Armed Forces Flag day Fund	Welfare of the armed forces	Not applicable	0.05	Direct expenditure – 0.05	0.05	Direct contribution
			Total	74.63		74.63	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

7. The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Sd

V. Balaraman

Chairman CSR Committee

DIN : **00267829**

Chennai, 18th April, 2015

Sd

Ms. Sangeeta Prasad

Director

DIN : **02791944**

Chennai, 18th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**Policy on appointment of Directors and Senior Management****DEFINITIONS**

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Lifespace Developers Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team/Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Manager based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

N. Vaghul

Chairman

DIN: 00002014

Chennai, 18th April, 2015

ANNEXURE 3A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Policy on remuneration of Directors

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World city Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to become a major player in Indian Real Estate Sector, to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Manager

Remuneration of the Manager reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Manager, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the Manager shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of Manager.

The term of office and remuneration of Manager is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Manager in accordance with the provisions of Schedule V of the Companies Act, 2013.

If a Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration for Manager is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him/her fairly and responsibly. The remuneration to the Manager comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended/approved by the Remuneration Committee/Board.

Directors

The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Non-Independent Director who receives remuneration from the holding company or any other group company is not paid any sitting fees or any remuneration. In addition to the above the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance of the applicable statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Manager and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report/website as per statutory requirements in this regard.

N. Vaghul

Chairman

DIN: 00002014

Chennai, 18th April, 2015

ANNEXURE 3B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2014 – 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it in tune with the market.

For and on behalf of the Board,

N. Vaghul

Chairman

DIN : 00002014

Chennai, 18th April, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
M/s. Mahindra World City Developers Limited
Chennai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Mahindra World City Developers Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Mahindra World City Developers Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra World City Developers Limited for the financial year ended on 31.03.2015, according to the provisions of The Companies Act, 2013 (the Act) and the rules made there under and we report that the Company has generally complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

- (i) Constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
- (ii) Payment of remuneration to Directors and Executive Directors;
- (iii) Appointment and remuneration of Statutory Auditors and maintenance of various statutory registers and documents and making necessary entries therein;
- (iv) Closure of Register of Members;
- (v) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;

- (vi) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- (vii) Notice of Board and various Committee meetings of Directors;
- (viii) Meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- (ix) Notice and convening of Annual General Meeting held on 22.07.2014;
- (x) Minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- (xi) Approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- (xii) Auditors;
- (xiii) Declaration and payment of dividend;
- (xiv) Borrowings and registration of charges;
- (xv) Report of the Board of Directors;
- (xvi) Investment of the Company's funds including inter corporate loans and investments;
- (xvii) Generally, all other applicable provisions of the Act and the Rules thereunder

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

- (i) The Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013.
- (ii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996.
- (iii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Welfare Cess Act 1996.
- (iv) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations
- (v) The Air (Prevention and Control of Pollution) Act, 1981
- (vi) The Competition Act, 2002

- (vii) The Central Sales Tax, 1956
 - (viii) The Central Excise Act at various locations as applicable
 - (ix) The Consumer Protection Act, 1986
 - (x) The Environment Protection Act, 1986
 - (xi) The Public Liability Insurance Act, 1991
 - (xii) The Registration Act, 1908
 - (xiii) The Special Economic Zone Act, 2005 and rules there under
 - (xiv) The Water (Prevention and Control of Pollution) Act, 1974
 - (xv) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under.
 - (xvi) The Child Labour (Prohibition & Regulation) Act, 1986
 - (xvii) The Contract Labour (Regulation & Abolition) Act, 1970
 - (xviii) The Employee's Compensation Act, 1923
 - (xix) The Employees' Provident Funds and Miscellaneous Provision Act, 1952
 - (xx) The Employees State Insurance Act, 1948
 - (xxi) The Employers' Liability Act, 1938
 - (xxii) The Equal Remuneration Act, 1855
 - (xxiii) The Indian Fatal Accidents Act, 1855
 - (xxiv) The Industrial Disputes Act, 1947
 - (xxv) The inter State Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979
 - (xxvi) The Maternity Benefit Act, 1961
 - (xxvii) The Minimum Wages Act, 1948
 - (xxviii) The payment of Bonus Act, 1965
 - (xxix) The payment of Gratuity Act, 1972
 - (xxx) The payment of Wages Act, 1936
 - (xxxi) The Personal Injuries (Compensation Insurance) Act, 1963
 - (xxxii) The Private Security Agency (Regulation) Act, 2005
 - (xxxiii) Town & Country Planning Acts and Development Control Regulation & Building Bye Laws as applicable at various locations.
 - (xxxiv) The Stamp Acts as applicable at various locations.
 - (xxxv) The Co-operative Societies Act, as applicable at various locations
 - (xxxvi) Shops & Establishment Act, as applicable at various locations.
 - (xxxvii) The Consumer Protection Act, 1986
 - (xxxviii) The Income Tax Act, 1961 and Rules thereunder
 - (xxxix) The Information Technology Act, 2000
 - (xl) The Negotiable Instruments Act, 1881
 - (xli) The Prevention of Corruption Act, 1988
 - (xlii) The Prevention of Money Laundering Act, 2002
 - (xliii) The Public Liability Insurance Act, 1991
 - (xliv) The Service Tax (Chapter V of Finance Act, 1994) and Rules
 - (xlv) The Wealth Tax Act, 1956
- During the Audit Period, the below mentioned laws **are not applicable** to the Company as the Company is not listed on any of the Stock Exchanges:
- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings is also not applicable to the Company during the Audit Period.

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India, though not mandatory for the period under review, but have been generally followed by the company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Composition of the Board of Directors is as follows as on 31st March 2015:

Mr. Sanjiv Kapoor	Independent Director & Chairman of Audit Committee
Mr. Narayanan Vaghul	Independent Director & Chairman of the Board of Directors
Mr. V. Balaraman	Independent Director & Chairman of NRC
Mr. Uday Y Phadke	Additional director (Non-Executive and Non-Independent)
Mr. Arun Kumar Nanda	Nominee director (Non-Executive and Non-Independent)
Ms. Anita Arjundas	Director
Ms. Sangeeta Prasad	Director
Mr. S. Chandru	Manager & Company Secretary
Mr. T. S. Krishnan	Chief Financial Officer

Adequate notice were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has constituted the following Committees -

- **Corporate Social Responsibility Committee (CSR Committee)** comprising of the following Members – Mr. V. Balaraman – Chairman & Independent Director, Ms. Anita Arjundas – Director, Ms. Sangeeta Prasad - Director
- The CSR Committee is constituted for the purpose of giving effect to the provisions of Section 135 and relevant Rules of the Companies Act, 2013.

- **Audit Committee** comprising of the following members – Mr. Sanjiv Kapoor – Chairman of Audit Committee and Independent Director, Mr. N. Vaghul – Chairman of the Board and Independent Director, Mr. V. Balaraman – Member and Independent Director, Mr. Uday Y Phadke – Member and Non-Executive Director

The Audit Committee is constituted for the purpose of giving effect to the provisions of Section 177(4) of the new Companies Act, 2013.

- **Remuneration Committee which was renamed as Nomination and Remuneration Committee** of the Board ("the NRC") currently consist of the following Members:

Mr. V. Balaraman – Chairman of the Committee and Independent Director

Mr. N.Vaghul – Chairman of the Board and Independent Director

Ms. Anita Arjundas – Member and Director

NRC is in conformity with the requirements of Section 178 of the Companies Act, 2013 and Rules thereunder as may be applicable from time to time.

We further report that during the audit period, the following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has taken place-

- 8.5% 65,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each issued by the Company to Mahindra Lifespace Developers Limited on 28th September 2013 were redeemed on September 26, 2014 in accordance with the terms of the resolution passed in the Capital issue committee of the Board of directors of the company at their meeting held on September 28, 2013.
- The Company had decided for a Joint Venture with Sumitomo Corporation for Phase 1 of NH 5 Project. In accordance with the terms of the JVA, a Special Purpose Vehicle (SPV) in the name of M/s. Mahindra Industrial Park Chennai Limited had been incorporated on December 22, 2014 which is 100% subsidiary of the Company with an initial authorized and paid up capital of Rs. 5 lacs.
- Mr. T. S. Krishnan was appointed as the Chief Financial Officer at the Board Meeting held on July 22, 2014 and the necessary Forms were filed with ROC on November 18, 2014. The form was filed after 30 days with additional fees.
- Mr. Mario Nazareth, Head of CMS Department, Mahindra & Mahindra Ltd was appointed as Internal Auditors for FY 2014 – 15, pursuant to the provisions of Section 138 of the Companies Act 2013. The necessary form MGT-14 was filed with ROC in compliance with the provisions of the Act except that Form MGT-14 was filed after 30 days from the date of Board Meeting held on July 22, 2014 with additional fees.
- Mr. Hans Raj Verma IAS, Nominee Director of TIDCO resigned from the directorship of the company with effect

from June 18, 2014 and the necessary forms with regard to resignation (form DIR-12) was filed on July 17, 2014 with ROC.

- Nomination and Remuneration Committee also considered and approved the following:

- 1) A Policy on Remuneration of KMPs, Senior Management and other employees effective 1st April, 2014.
- 2) Performance Pay and Revision in CTC to Mr. S. Chandru, Manager and Chief Operating Officer.

- The Company had various related party transactions which had been carried out in the ordinary course of business at arm's length and has been recorded both at Board Meeting and Audit Committee Meeting.

- Pursuant to Sec 179(3) & 204 of Companies Act, 2013 read with rule 8, Mrs. M. Kavitha SURANA of M/s. M. K. Surana & Co., was appointed as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the FY 2014 – 2015. The necessary form MGT-14 was filed with ROC in compliance with the provisions of the Act except that Form MGT-14 was filed after 30 days (additional fees paid on March 17, 2015) from the date of Board Meeting held on January 21, 2015.

- Vigil Mechanism was established by the Company as required by Section 177(9) of the Companies Act, 2013.

- The Company, as a Developer of the SEZ, had received a **Show Cause Notice** from the **Development Commissioner (DC) MEPZ** concerning perpetual Lease of Residential Units by Co Developers to people not connected with the SEZ and alleging violation of Instruction 65 and SEZ act and Rules. Reply to the show cause notice had been sent to Development Commissioner. Personal hearing was also given. Development Commissioner had asked for further information from co-developers. A Writ Petition was filed in Madras High Court to restrain DC from passing orders under the show cause notice. The Court was pleased to order status quo on the matter i.e., DC not to pass order on the Show cause notice. DC is yet to file the counter.

- Show Cause Notice** had been received from **Service Tax Authorities** demanding about Rs. 40.86 Crores towards service tax on land lease premium and water charges and the reply has been furnished by the Company. Personal Hearing was given by the Commissioner of Service Tax and the orders are awaited.

Place: Chennai
Date: 18.04.2015

For M K Surana & Co.,
Company Secretaries

M. Kavitha SURANA
Proprietor
FCS No 5926, C P No. 5269

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

‘Annexure A’

To,

The Members

M/s. Mahindra World City Developers Limited
Chennai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for M K Surana & Co.,
Company Secretaries

M. Kavitha Surana
Proprietor
FCS No 5926, C P No. 5269

Place: Chennai
Date:18.04.2015

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	The operations of your Company are not energy intensive. However, as a part of sustainable development adequate measures have been initiated to reduce energy consumption like installation of Solar street lights.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	The first off-grid solar power plant in the state of Tamil Nadu was set up at Mahindra World City, Chennai in FY 11-12. Installed over 800 sq. mt. and equipped with a remote monitoring system, the 75 kW rooftop solar plant is expected to generate approximately 116,000 units (kWh) of clean electrical energy annually.
			Other initiatives to reduce energy consumption at MWC include use of energy efficient LED/Induction lighting. These LED/Induction lights, come with dimmable controllers which have a significant impact in maximising overall energy efficiency of the area. During the year, an MOU has been signed between World Resources India (WRI) and Mahindra World City Chennai (MWCC) to explore options for Green Energy Procurement to fulfil the peak demand of energy for customers within the city through Renewable sources
(iii)	the capital investment on energy conservation equipments	:	The above measures and the 75KW solar initiative has resulted in saving of around 2.58 lakh units of electricity this year.

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not applicable
(iv)	the expenditure incurred on Research and Development	:	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no earnings from Foreign Exchange in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are Nil.

For and on behalf of the Board,

N. Vaghul

Chairman

DIN : 00002014

Chennai, 18th April, 2015

ANNEXURE 6 TO THE DIRECTORS' REPORT**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31ST March, 2015*(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)***1. REGISTRATION AND OTHER DETAILS:**

1.	CIN	U92490TN1997PLC037551
2.	Registration Date	19 th February, 1997
3.	Name of the Company	Mahindra World City Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No. 17/18 Patullos Road, Chennai 600 002
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
	Builders - Property Developers	0403	95

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding co. (Holding co. of Mahindra Lifespace Developers Limited)	Nil	2(46)
2	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	89.00	2(46)
3	Mahindra Integrated Township Limited	U45200TN2008PLC066292	Associate/Joint Venture	25.78	2(6)
4	Mahindra Industrial Park Chennai Limited	U45209TN2014PLC098543	Subsidiary	100	2(87)(ii)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	Nil
e) Banks/FI									
f) Any Other....									
Sub-total (A) (1):-	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	Nil
(2) Foreign									
a) NRIs-Individuals									
b) Other -Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other....									
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
c) Others (Non Resident Individuals)									
d) Others Trust									
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	20,000,000	20,000,000	100%	-	20,000,000	20,000,000	100%	-

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
Body Corporate – Mahindra Lifespace Developers Ltd	17,799,999	89	Nil	17,799,999	89	Nil	-
Body corporate – Tamilnadu Industrial Development Corporation Ltd	22,00,000	11	Nil	22,00,000	11	Nil	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Promoters hold 100% of the share capital of the company.

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
3.	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

Directors and KMP do not hold any shares in the company.

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
3.	At the End of the year (or on the date of separation, if separated during the year)				

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				
3.	At the End of the year (or on the date of separation, if separated during the year)				
1.	At the beginning of the year				
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				

I) INDEBTEDNESS

Indebtedness of the company including outstanding/accrued but not due for payment

(Rs. in Crs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	173.75	107.50	–	281.25
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	173.75	107.50		281.25
Change in Indebtedness during the financial year				
• Addition	27.50	75		102.50
• Reduction		15		15.00
Net Change	27.50	60		87.50
Indebtedness at the end of the financial year				
i) Principal Amount	201.25	167.50		368.75
ii) Interest due but not paid	–	4.49	–	4.49
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	201.25	171.99	–	373.24

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	(Rs. in Lakhs)				
		Name of MD/WTD/MANAGER				
		S. Chandru				Total Amt
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64.43				64.43
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8.79				8.79
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–				
2.	Stock Option					

		(Rs. in Lakhs)			
Sr. No.	Particulars of Remuneration	Name of MD/WTD/MANAGER			
		S. Chandru			Total Amt
3.	Sweat Equity			–	
4.	Commission	–			
	- as % of profit				
	- others, specify...				
5.	Others, please specify				
	Total (A)	73.22			73.22
	Ceiling as per the Act				106.26

B. Remuneration of other directors:

					(Rs. in Lakhs)
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amt
1	Independent Directors	N. Vaghul	V. Balaraman	Sanjiv Kapoor	
	• Fee for attending board/committee meetings	0.40	0.55	0.30	1.25
	• Commission	4	4	4	12.00
	• Others, please specify				
	Total (1)	4.40	4.55	4.30	13.25
2	Other Non-Executive Directors	A. K. Nanda	Hans Raj Verma (TIDCO Ltd)		
	• Fee for attending board/committee meetings	0.15	0.10		0.25
	• Commission	4	0.87		4.87
	• Others, please specify	–	–		
	Total (2)	4.15	0.97		5.12
	Total (B)=(1 + 2)	8.55	5.52	4.30	18.37
	Total (A)				73.22
	Total Managerial Remuneration				91.59
	Overall Ceiling as per the Act				233.78

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD.

		(Rs. in Lakhs)			
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–		17.37	17.37
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–		0.28	0.28
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–		–	
2.	Stock Option			–	
3.	Sweat Equity			–	
4.	Commission		–	–	–
	- as % of profit		–	–	–
	- others, specify...		–	–	–
5.	Others, please Specify		–	–	–
	Total	–	–	17.65	17.65

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board,

N. Vaghul

Chairman

DIN : 00002014

Chennai, 18th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA WORLD CITY DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 26.1 to the financial statements.
 - ii. The Company did not have material foreseeable losses on long term contracts and there were no derivative contracts. Refer note 29 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 29 to the financial statements.

For **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No.: 112066W)

Geetha Suryanarayanan
Partner
(Membership No.: 29519)

CHENNAI, April 18, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra World City Developers Limited on the accounts for the year ended 31st March 2015)

- (i) Having regard to the nature of the Company's business/ activities/result, clause (v) of the Order are not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventory:
 - (a) As explained to us, the saleable inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of inventories and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed statutory dues including income tax, wealth tax, sales tax, service tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) Details of dues of Income tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Income Tax including interest	Commissioner (Appeals)	2009-10	174.91

- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (viii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No.: 112066W)

Geetha Suryanarayanan
Partner
(Membership No.: 29519)

CHENNAI, April 18, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note No.	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital.....	3	200,000,000	850,000,000
(b) Reserves and surplus.....	4	969,239,171	883,074,877
		<u>1,169,239,171</u>	<u>1,733,074,877</u>
Non-current liabilities			
(a) Long-term borrowings.....	5	3,519,791,667	1,737,500,000
(b) Deferred tax liabilities (net)	27.7	390,690,777	321,139,815
(c) Other long-term liabilities	6	38,301,970	39,665,396
(d) Long-term provisions	7	3,825,189	—
		<u>3,952,609,603</u>	<u>2,098,305,211</u>
Current liabilities			
(a) Short-term borrowings	8	—	1,075,000,000
(b) Trade payables	9	24,167,235	28,419,297
(c) Other current liabilities	10	453,949,888	140,006,966
(d) Short-term provisions	11	25,383,910	61,322,700
		<u>503,501,033</u>	<u>1,304,748,963</u>
TOTAL		<u>5,625,349,807</u>	<u>5,136,129,051</u>
ASSETS			
Non-current assets			
(a) Fixed assets.....	12		
(i) Tangible assets.....		564,836,391	366,047,317
(ii) Intangible assets		356,875	1
(iii) Capital work-in-progress		949,716	46,905,632
(b) Non-current investments	13	130,500,000	130,000,000
(c) Long-term loans and advances.....	14	278,894,510	224,574,152
		<u>975,537,492</u>	<u>767,527,102</u>
Current assets			
(a) Inventories	15	4,087,710,715	3,828,377,624
(b) Trade receivables	16	13,558,123	17,627,172
(c) Cash and cash equivalents	17	15,929,253	7,223,815
(d) Short-term loans and advances.....	18	494,961,711	483,926,704
(e) Other current assets.....	19	37,652,513	31,446,634
		<u>4,649,812,315</u>	<u>4,368,601,949</u>
TOTAL		<u>5,625,349,807</u>	<u>5,136,129,051</u>

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **A. F. Ferguson & Co**

Chartered Accountants

Firm's Registration No.: 112066W

Geetha Suryanarayanan

Partner

Membership No.: 29519

Place : Chennai

Date : 18th April, 2015**T. S. Krishnan**
Chief Financial Officer**S. Chandru**
Manager & Company Secretary

For and on behalf of the Board of Directors

N. Vaghul Chairman

Anita Arjundas
Sangeeta Prasad } Directors

Place : Chennai

Date : 18th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		₹	₹
Revenue from operations.....	20	608,685,754	465,048,435
Other income.....	21	33,497,041	13,672,689
Total revenue		642,182,795	478,721,124
Expenses			
Cost of land and project development.....		12,313,960	86,098,867
Changes in inventories.....	22	(259,333,091)	(329,249,767)
Employee benefits expense.....	23	34,888,480	41,119,166
Finance costs.....	24	389,479,701	341,704,874
Depreciation and amortisation expense.....	12	29,177,715	19,649,461
Other expenses.....	25	223,131,124	184,660,868
Total expenses		429,657,889	343,983,469
Profit Before Tax.....		212,524,906	134,737,655
Tax expense:			
(a) Current tax expense.....		39,194,620	28,242,000
(b) (Less): MAT credit.....		(39,194,620)	(28,242,000)
Net current tax expenses.....		-	-
(c) Deferred tax.....		69,963,978	45,754,580
Net tax expenses.....		69,963,978	45,754,580
Profit for the year		142,560,928	88,983,075
Basic and diluted earnings per share.....		5.55	1.20

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **A. F. Ferguson & Co**

Chartered Accountants

Firm's Registration No.: 112066W

Geetha Suryanarayanan

Partner

Membership No.: 29519

Place : Chennai

Date : 18th April, 2015

T. S. Krishnan
Chief Financial Officer

S. Chandru
Manager & Company Secretary

For and on behalf of the Board of Directors

N. Vaghul Chairman

Anita Arjundas
Sangeeta Prasad } Directors

Place : Chennai

Date : 18th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
A. Cash flow from operating activities		
Net Profit before tax	212,524,906	134,737,655
Adjustments for:		
Depreciation and amortisation	29,177,715	19,649,461
Loss on sale/write off of assets	155,918	979,184
Finance costs	389,479,701	341,704,874
Interest income	(7,162,419)	(13,566,689)
Dividend Income	(26,000,000)	—
Provision for Doubtful debts	467,763	—
Bad debts written off	209,237	—
Operating profit before working capital changes	598,852,821	483,504,485
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(269,391,719)	(329,249,767)
Trade receivables	3,392,049	16,488,919
Short-term loans and advances	(11,035,007)	(117,603,753)
Long-term loans and advances	(1,011,527)	4,500
	(278,046,204)	(430,360,101)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(4,252,062)	13,060,235
Other current liabilities	55,644,055	(23,629,459)
Other long-term liabilities	(1,363,426)	(39,574,821)
Short-term provisions	(3,848,783)	(1,523,429)
Long-term provisions	3,825,189	—
	50,004,973	(51,667,474)
Cash generated from operations	370,811,590	1,476,910
Net income tax (paid)/refunded	(62,150,364)	(22,763,070)
Net cash flow from/(used in) operating activities (A)	308,661,226	(21,286,160)
B. Cash flow from investing activities		
Investment in share capital of subsidiary company	(500,000)	—
Capital expenditure on fixed assets, including capital advances	(119,533,787)	(53,893,165)
Proceeds from sale of fixed assets	347,352	266,550
Inter-corporate deposits	—	73,300,000
Bank balances not considered as Cash and cash equivalents		
- Placed	(25,000)	—
Interest received		
- Joint ventures	—	6,499,920
- Others	956,540	752,921
Dividend Received	26,000,000	—
Net cash flow from investing activities (B)	(92,754,895)	26,926,226

Particulars	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
C. Cash flow from financing activities		
Proceeds from the issue of preference share capital.....	–	650,000,000
Redemption of preference shares	(650,000,000)	(650,000,000)
Borrowings from Related Parties (net)	1,675,000,000	425,000,000
Proceeds from long-term borrowings	275,000,000	350,000,000
Repayment of inter-corporate deposits	(1,075,000,000)	–
Repayment of current maturities of long term borrowings	–	(345,000,000)
Finance cost	(344,541,345)	(341,704,874)
Dividends paid including tax.....	(87,684,548)	(117,645,684)
Net cash flow (used in) financing activities (C)	(207,225,893)	(29,350,558)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	8,680,438	(23,710,492)
Cash and cash equivalents at the beginning of the year	7,223,815	30,934,307
Cash and cash equivalents at the end of the year.....	15,904,253	7,223,815
 Cash and cash equivalents at the end of the year.....	 15,904,253	 7,223,815
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 17)	15,929,253	7,223,815
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: #	25,000	–
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	15,904,253	7,223,815

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **A. F. Ferguson & Co**

Chartered Accountants

Firm's Registration No.: 112066W

Geetha Suryanarayanan

Partner

Membership No.: 29519

Place : Chennai

Date : 18th April, 2015

T. S. Krishnan

Chief Financial Officer

S. Chandru

Manager & Company Secretary

For and on behalf of the Board of Directors

N. Vaghul

Chairman

Anita Arjundas

Sangeeta Prasad

} Directors

Place : Chennai

Date : 18th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1 Corporate information

The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. 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 except for change in the accounting policy for depreciation as more fully described in Note 2.6.

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 recognised in the periods in which the results are known/materialise.

2.3 Inventories

Inventories are valued at lower of cost and net realisable 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 Depreciation and amortisation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 with effect from April 1, 2014. Accordingly estimated useful life of all tangible fixed assets has been revised and the Company has applied the transition provisions stated in Schedule II.

Intangible assets are amortised over their estimated useful life as follows:
Software expenditure incurred is amortised over three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

- Land lease premium is recognised as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.
- Property lease rentals, income from operation & maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

2.8 Other income

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

2.9 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.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are adjusted to the carrying value of the assets.

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made as and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

The company has a single reportable segment namely, lease of land and properties constructed thereon.

2.17 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) by the weighted average number of equity shares outstanding during the year.

2.18 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.

2.19 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 recognised, 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 recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.20 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 disclosed in the Notes.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

3 Share capital

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
Unclassified shares of ₹10 each	5,000,000	50,000,000	5,000,000	50,000,000
Cumulative Redeemable preference shares of ₹100 each	6,500,000	650,000,000	6,500,000	650,000,000
Total		950,000,000		950,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights (Refer Note i Below)	20,000,000	200,000,000	20,000,000	200,000,000
8.5% (previous year 8.5%) Cumulative Redeemable preference shares of ₹100 each (Refer Note ii Below)	—	—	6,500,000	650,000,000
Total		200,000,000		850,000,000

Notes:

(i) 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.

The dividends proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

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

(ii) Terms/rights attached to Preference Shares

8.5% Cumulative Preference Shares have been redeemed on September 26, 2014 at par and dividend of ₹26,943,836 paid for the period up to September 25, 2014.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

(iii) Details of Preference shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Equity shares with voting rights	8.5% Cumulative Redeemable preference shares	Equity shares with voting rights	8.5% Cumulative Redeemable preference shares
	Number of shares		Number of shares	
Mahindra Lifespace Developers Limited, the holding company	17,799,999	–	17,799,999	6,500,000

(iv) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights –Mahindra Lifespace Developers Limited	17,799,999	89.00%	17,799,999	89.00%
–Tamil Nadu Industrial Development Corporation Limited	2,200,000	11.00%	2,200,000	11.00%

4 Reserves and surplus

	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
(a) General reserve		
Opening balance.....	34,500,000	34,500,000
Addition during the year.....	–	–
Transfer from surplus in Statement of Profit and Loss.....	–	–
Closing balance.....	34,500,000	34,500,000
(b) Capital Redemption Reserve.....	650,000,000	–
(c) Surplus in Statement of Profit and Loss		
Opening balance.....	848,574,877	847,984,730
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax) (Refer Note 28).....	802,093	–
Add: Profit for the year.....	142,560,928	88,983,075
Less:		
Dividends proposed to be distributed to equity shareholders (₹1.00 per share) (previous year - ₹1 per share).....	20,000,000	20,000,000
Dividends proposed to be distributed to preference shareholders - (previous year - ₹8.50 per share from September 28, 2013 upto March 31, 2014).....	–	28,003,425
Tax on proposed dividend.....	4,071,600	8,158,182
Dividend paid on redemption of preference shares @ 8.5% for the period from April 1, 2014 to September 25, 2014.....	26,943,836	27,549,315
Tax on dividend.....	4,579,105	4,682,006
Transferred to General reserve.....	–	–
Transferred to Capital Redemption Reserve.....	650,000,000	–
Closing balance.....	284,739,171	848,574,877
Total	969,239,171	883,074,877

5 Long-term borrowings

Term loans (Secured)		
From HDFC Limited.....	1,844,791,667	1,737,500,000
Loans From related parties (Unsecured)		
from Holding Company (Interest @ 12.50%).....	1,620,000,000	–
from Mahindra Residential Developers Limited (Interest @ 12.00%).....	55,000,000	–
Total	3,519,791,667	1,737,500,000

Notes:

Term loan from HDFC Ltd

- (i) Term loan carries an interest @ 12.35% - Principal to be repaid in 12 equal quarterly instalments, commencing from March 31, 2016. The rate of interest is revised to 12.10% with effect from February 1, 2015.
- (ii) Term loans are secured by equitable Mortgage of specified lands.
- (iii) For current maturities of long term borrowings, refer Note No. 10 in Other current liabilities.

Loan from Related parties

- (iv) Inter corporate deposits held with these parties as at the end of the previous year have been converted into term loans during the current year. Refer Note No. 8 (i). These loans are repayable by March 31, 2019.

	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹
6 Other long-term liabilities		
Security deposit received (From Lessees).....	38,301,970	39,665,396
Total	38,301,970	39,665,396
7 Long-term provisions		
(a) Provision for employee benefits:		
(i) Compensated absences.....	2,639,187	–
(ii) Gratuity.....	1,186,002	–
Total	3,825,189	–
8 Short-term provisions		
From related parties (Unsecured)		
Intercompany Deposit from Holding Company.....	–	920,000,000
Intercompany Deposit from Mahindra Residential Developers Limited.....	–	155,000,000
Total	–	1,075,000,000
8 (i) The above inter corporate deposits have been converted into term loans net of repayments made of ₹5 Crores in case of the holding company and ₹10 crore in respect of MRDL. Refer Note No. 5(iv)		
9 Trade payables		
Trade payables.....	24,167,235	28,419,297
Total	24,167,235	28,419,297
10 Other current liabilities		
Current maturities of long term loan HDFC Ltd (Refer note 10.1).....	167,708,333	–
Advance received from Ultimate Holding Company (towards club membership).....	122,500,000	90,000,000
Interest payable to related parties on borrowings... Statutory remittances (Contributions to PF, Withholding Taxes, VAT, Service Tax, etc.).....	44,938,356	–
Other payables.....	7,298,312	2,848,130
Payable on purchase of fixed assets.....	42,848,428	28,773,623
Earnest money deposit received.....	52,640,503	6,988,325
Advances from customers (refer note No. 10.(ii)....	1,339,300	822,600
Rental/other deposits from customers.....	5,352,937	1,173,632
Total	9,323,719	9,400,656
10. (i) Refer Note No. 5.(i) & (ii) for terms of repayment and interest		
10. (ii) Includes advance towards club membership Rs. 4,180,163/-		
	As at 31 st March, 2015	As at 31 st March, 2014
11 Short-term provisions		
(a) Provision for employee benefits:		
(i) Compensated absences.....	1,312,310	4,174,183
(ii) Gratuity.....	–	986,910
	1,312,310	5,161,093
(i) Proposed equity dividend.....	20,000,000	20,000,000
(ii) Proposed preference dividend.....	–	28,003,425
(iii) Tax on proposed dividends.....	4,071,600	8,158,182
Total	24,071,600	56,161,607
Total	25,383,910	61,322,700

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

12 Fixed Asset

Particulars	Gross block					Depreciation					Net block		
	As at 01.04.2014	Additions	Deletions	Adjustments	As at 31.03.2015	As at 01.04.2014	Transition Adjustment (Refer Note 1)	For the period (Refer Note 2)	Deletions	Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
A. Tangible assets													
Land	10,779,777	10,058,628	—	—	20,838,405	—	—	—	—	—	—	20,838,405	10,779,777
(Previous year)	10,779,777	—	—	—	10,779,777	—	—	—	—	—	—	10,779,777	10,779,777
Buildings													
- Own use	112,097,794	118,156,491	—	—	230,254,285	26,150,260	—	3,688,977	—	—	29,839,237	200,415,048	85,947,534
(Previous year)	112,097,794	—	—	—	112,097,794	22,508,304	—	3,641,956	—	—	26,150,260	85,947,534	89,589,490
- Given under operating lease	116,977,826	—	—	—	116,977,826	24,796,988	—	3,886,861	—	—	28,683,849	88,293,977	92,180,838
(Previous year)	116,977,826	—	—	—	116,977,826	20,889,928	—	3,907,060	—	—	24,796,988	92,180,838	96,087,898
Plant and machinery	221,357,958	29,465,243	—	316,575	251,139,776	52,625,097	154,879	18,982,177	—	—	71,762,153	179,377,623	168,732,861
(Previous year)	221,357,958	—	—	—	221,357,958	42,084,911	—	10,540,186	—	—	52,625,097	168,732,861	179,273,047
Office equipment	1,651,328	8,253,841	—	(316,575)	9,588,594	887,110	629,150	696,423	—	—	2,212,683	7,375,911	764,218
(Previous year)	2,651,401	35,400	1,035,473	—	1,651,328	1,084,015	—	349,519	546,424	—	887,110	764,218	1,567,386
Furniture and fixtures	2,274,007	61,139,326	—	—	63,413,333	1,800,734	72,264	208,586	—	—	2,081,584	61,331,749	473,273
(Previous year)	3,465,561	—	1,191,554	—	2,274,007	2,742,528	—	107,165	1,048,959	—	1,800,734	473,273	723,033
Computers	1,726,668	2,611,313	—	—	4,337,981	717,238	358,816	646,646	—	—	1,722,700	2,615,281	1,009,430
(Previous year)	6,223,453	176,356	4,673,141	—	1,726,668	4,774,802	—	378,943	4,436,507	—	717,238	1,009,430	1,448,651
Vehicles	8,046,092	—	616,249	—	7,429,843	1,886,706	—	1,067,719	112,979	—	2,841,446	4,588,397	6,159,386
(Previous year)	6,782,645	3,007,367	1,743,920	—	8,046,092	2,528,538	—	724,632	1,366,464	—	1,886,706	6,159,386	4,254,107
Total	474,911,450	229,684,842	616,249	—	703,980,043	108,864,133	1,215,109	29,177,389	112,979	—	139,143,652	564,836,391	366,047,317
Total (Previous year)	480,336,415	3,219,123	8,644,088	—	474,911,450	96,613,026	—	19,649,461	7,398,354	—	108,864,133	366,047,317	383,723,389
B. Intangible assets													
Software	5,558,724	357,200	—	—	5,915,924	5,558,723	—	326	—	—	5,559,049	356,875	1
(Previous year)	5,558,724	—	—	—	5,558,724	5,558,723	—	—	—	—	5,558,723	1	1
Total	5,558,724	357,200	—	—	5,915,924	5,558,723	—	326	—	—	5,559,049	356,875	1
Total (Previous year)	5,558,724	—	—	—	5,558,724	5,558,723	—	—	—	—	5,558,723	1	1
Total (A+B)	480,470,174	230,042,042	616,249	—	709,895,967	114,422,856	1,215,109	29,177,715	112,979	—	144,702,701	565,193,266	366,047,318
Total (A+B) Previous year	485,895,139	3,219,123	8,644,088	—	480,470,174	102,171,749	—	19,649,461	7,398,354	—	114,422,856	366,047,318	383,723,390

	As at 31 st March, 2015		As at 31 st March, 2014	
13 Non-current investments	Nos:	₹	Nos:	₹
Investments (At cost):				
Unquoted, Trade				
<u>Long Term</u>				
Investment in equity instruments				
in Subsidiary company				
- Mahindra Industrial Park				
Chennai Limited	50,000	500,000	—	—
(50,000 Equity shares of				
Rs 10 each subscribed				
during the year at par)				
Investment in equity instruments				
in Joint venture company				
- Mahindra Integrated				
Township Limited	13,000,000	130,000,000	13,000,000	130,000,000
Total	13,050,000	130,500,000	13,000,000	130,000,000

	As at 31 st March, 2015		As at 31 st March, 2014	
14 Long-term loans and advances (Unsecured, Considered good)				
Capital advances	219,192	9,060,725		
Security deposits	4,414,887	3,403,360		
Advance income tax (net of provisions)	138,723,811	115,768,067		
MAT credit entitlement	135,536,620	96,342,000		
Total	278,894,510	224,574,152		

15 Inventories		
(at lower of cost and net realisable value)		
Work-in-progress		
(representing cost of land and related expenditure)	4,084,203,280	3,828,377,624
Inventory procured for the Club	3,507,435	—
Total	4,087,710,715	3,828,377,624

	As at 31 st March, 2015	As at 31 st March, 2014
	₹	₹

16 Trade receivables (Unsecured)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	1,629,419	2,075,611
Doubtful	467,763	—
Less: Provision for doubtful trade receivables	467,763	—
Total	1,629,419	2,075,611
Other Trade receivables	11,928,704	15,551,561
Total	13,558,123	17,627,172

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	As at 31 st March, 2015	As at 31 st March, 2014		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹		₹	₹
17 Cash and cash equivalents			22 Changes in inventories		
(a) Cash on hand.....	57,273	15,435	<u>Inventories at the end of the year:</u>		
(b) Balances with banks			Work-in-progress	4,084,203,280	3,828,377,624
In current accounts	15,846,980	7,208,380	Inventory procured for the Club	3,507,435	—
In earmarked deposits (Refer Note 17(i) ...	25,000	—		4,087,710,715	3,828,377,624
Total.....	15,929,253	7,223,815	<u>Inventories at the beginning of the year:</u>		
			Work-in-progress	3,828,377,624	3,499,127,857
				3,828,377,624	3,499,127,857
Note : 17.(i) Fixed deposit of Rs. 25,000 has been given as security towards luxury tax registration for the club.			Net (increase)/decrease	(259,333,091)	(329,249,767)
	As at 31 st March, 2015	As at 31 st March, 2014		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹		₹	₹
18 Short-term loans and advances			23 Employee benefits expense		
(Unsecured unless specifically stated, Considered good)			Salaries and wages.....	29,586,534	34,983,910
(a) Security deposits.....	675,000	675,000	Contributions to provident and other funds	1,725,236	1,762,585
(b) Loans and advances to employees.....	128,712	10,760	Commission to non-whole time directors.....	1,686,575	2,000,000
(c) Prepaid expenses	3,158,976	2,550,775	Staff welfare expenses.....	1,890,135	2,372,671
(d) Balances with government authorities			Total.....	34,888,480	41,119,166
Service Tax input credit	5,681,313	2,813,825			
(e) Advances for purchase of land				For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Secured.....	473,263,192	473,263,192		₹	₹
Unsecured	3,405,000	3,405,000	24 Finance costs		
(r) Other advances	8,649,518	1,208,152	(a) Interest expense on:		
Total.....	494,961,711	483,926,704	(i) Term loan from HDFC Limited	223,117,993	222,080,286
			(ii) TLoan from Related parties	166,358,493	—
	As at 31 st March, 2015	As at 31 st March, 2014	(iii) Intercompany Deposit.....	—	119,624,588
	₹	₹	(iv) Delayed payment of service tax...	3,215	—
19 Other current assets			Total.....	389,479,701	341,704,874
Interest accrued on Advance for purchase of land	37,652,513	31,446,634			
Total.....	37,652,513	31,446,634		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
				₹	₹
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014	25 Other expenses		
	₹	₹	Power and fuel.....	29,673,587	27,722,764
20 Revenue from operations			Rent including lease rentals	1,039,107	664,606
(a) Land Lease Premium/sale of land (Refer Note below)	369,040,460	250,625,000	Repairs and maintenance		
(b) Rental income.....	14,890,581	12,147,671	- Machinery.....	309,778	83,930
(c) Operation and maintenance income.....	224,754,713	202,275,764	- Others.....	888,889	2,881,411
Total.....	608,685,754	465,048,435	Insurance	1,748,469	2,050,533
			Rates and taxes	874,080	1,919,687
Note: Revenue is net of reversal of land lease premium towards land surrendered by the lessee during the year.			Communication	3,347,796	1,611,054
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014	Travelling and conveyance.....	7,722,208	7,744,292
	₹	₹	Printing and stationery	767,596	1,441,540
21 Other income			Sales commission	2,611,913	—
Interest on Advance for purchase of land.....	6,912,556	7,066,769	Business promotion	13,514,209	8,656,640
Interest on Intercompany Deposit.....	—	6,499,920	Legal and professional	25,036,702	19,923,735
Interest on Fixed deposits with bank	249,863	—	Directors sitting fees.....	150,000	105,000
Dividend income from shares	26,000,000	—	Payments to auditors	1,054,947	1,033,054
Miscellaneous income	334,622	106,000	Loss on Sale of Fixed Assets.....	155,918	979,184
Total.....	33,497,041	13,672,689	Operation and Maintenance Expenses.....	119,978,717	104,359,486
			Provision for Doubtful Trade Receivables	467,763	—
			Bad debts	209,237	—
			Corporate social Responsibility (CSR) activities ...	7,471,763	2,175,441
			Miscellaneous expenses	6,108,445	1,308,511
			Total.....	223,131,124	184,660,868

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit)		
Statutory audit.....	750,000	700,000
Other services.....	301,442	330,000
Reimbursement of expenses.....	3,505	3,054
Total	<u>1,054,947</u>	<u>1,033,054</u>

26 Additional information to the financial statements

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹

26.1 Contingent liabilities and commitments

(i) Contingent liabilities

Income Tax matters disputed and not provided for - under appeal

Borrowing costs inventorised in books but claimed as expenditure under Income Tax and disputed by the department - ₹135,350,545 (for the years ended March 31, 2012 and March 31, 2011 is ₹75,743,139 and ₹59,607,406/- respectively. However even if this liability crystallizes, there would be future tax benefits available on account of timing difference except for interest and income tax rate differences.

Other Matters disputed..... **768,833** 768,833

Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets..... - 53,029,878

26.2 There are no dues to Micro and Small Enterprises and these have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹
Expenditure in foreign currency		
Total.....	-	-

27 Disclosures under Accounting Standards

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
	₹	₹
27.1 Details of borrowing costs inventorised		
Borrowing costs inventorised during the year	287,113,236	289,347,683

27.2 The Company has a single reportable segment namely, lease of land and properties constructed thereon.

27.3 Additional information to the financial statements - Employee benefits

1. Gratuity

a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized ₹ 1,178 (In 000's) (PY ₹ 1,484 (In 000's) for Provident fund contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Contributions to provident and other funds' in Note 23 Employee benefits expense. The details of actuarial valuation are given below:

	Gratuity (Funded)	
	2014-15	2013-14
	₹	₹
a. Net Asset/(Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	3,597,239	3,217,102
Fair Value of Plan assets.....	2,411,237	2,230,192
Liability recognised in the balance sheet	1,186,002	986,910
b. Expense recognized in the Statement of Profit & Loss		
Past service cost.....	-	-
Current Service cost.....	378,879	456,695
Interest cost.....	277,384	265,784
Expected return on plan assets.....	(172,172)	(192,012)
Actuarial (gains)/Losses	(103,250)	(434,430)
Total expenses	380,841	96,037
c. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	3,217,102	3,800,161
Past service cost.....	-	-
Current Service cost	378,879	456,695
Interest Cost	277,384	265,784
Actuarial (Gains)/Losses.....	61,720	(349,807)
Benefits Paid.....	(337,846)	(955,731)
Present value of the obligation as at the end of the year	3,597,239	3,217,102

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

	Gratuity (Funded)	
	2014-15	2013-14
	₹	₹
d. Change in fair value of plan assets		
Present value of plan assets as the beginning of the year.....	2,230,192	2,846,742
Expected return on plan assets.....	172,172	192,012
Contributions made.....	181,750	62,546
Benefits paid.....	(337,846)	(955,731)
Actuarial Gains/(Losses).....	164,969	84,623
Present value of plan assets at the end of the year...	2,411,237	2,230,192
e. Principal actuarial assumptions		
Discount Rate.....	7.80%	9.10%
Expected return on plan assets.....	8.00%	8.00%
Mortality.....	LIC (2006-08) Ultimate mortality tables	
f. Estimate of amount of contribution in the immediate next year.....	–	50,000
g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.		

i.	Experience adjustment as provided by actuary:	For the years:				
		2014-15	2013-14	2012-13	2011-12	2010-11
	Present value of DBO...	3,597,239	3,217,102	3,800,161	4,024,903	2,636,907
	Fair value of plan assets.....	2,411,237	2,230,192	2,846,742	1,177,668	2,022,143
	Experience gain/(loss) adjustments on plan liabilities.....	449,490	(29,123)	1,647,213	(1,646,523)	536,483
	Experience gain/(loss) adjustments on plan assets.....	164,969	84,623	(160,976)	(127,992)	(80,886)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
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Actuarial assumptions for long-term compensated absences

Discount rate.....	7.80%	9.10%
Expected return on plan assets.....	0.00%	0.00%
Salary escalation.....	12.00%	12.00%
Attrition.....	5.00%	2.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

27.3 Additional information to the financial statements - Employee benefits**2 Disclosures on Employee share based payments:**

Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity - settled options to the employees of the Company as per the following details:

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Options outstanding as at	Amount ₹	
							Employee compensation cost incurred by the Parent company and not charged to the Company for the	
							March 31 2015	March 31 2014
ESOS 2008	25-Apr-08	31,050	26,450	–	4,600	26,450	29,626	–
ESOS 2012	4-Aug-12	9,000	3,600	3,600	–	5,400	9,000	7,06,809
Total charge for the year							7,06,809	7,06,809

Other terms

ESOS Scheme	ESOS 2008	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12, 24, 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

The Parent company has adopted intrinsic value method for computing the compensation cost for the Options granted. The Intrinsic value, i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period in the books of the parent company. The Parent company has also confirmed that there will be no recovery of the above ESOP cost from the Company.

Note: The above details are as provided by the parent company and the auditors have placed reliance on the same.

27.4 Related party transactions**27.4 a. Details of related parties:**

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Subsidiaries	Mahindra Industrial Park Chennai Ltd
Fellow Subsidiaries with whom transactions have been entered into during the year	Mahindra Residential Developers Limited (Subsidiary of MITL)
	Mahindra Consulting Engineers Limited
	Mahindra Integrated Business Solutions Private Ltd.
	Mahindra Holidays & Resorts (India) Ltd
Joint Venture	Mahindra Integrated Township Limited (MITL)
Key Management Personnel (KMP)	Mr. S Chandru, Manager and Chief Operating Officer
	Mr. T. S. Krishnan, Chief Financial Officer

Note: Related parties have been identified by the Management and relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**27.4 b. Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:**

	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Joint Venture	KMP
Transactions during the year						
Operation and maintenance Income	16,973,220 (15,430,200)	2,442,717 (2,539,708)			21,166,860 (19,689,000)	
- Mahindra Residential Developers Limited				6,298,644 (6,552,840)		
Water charges	7,340,630 (5,201,600)	-			6,829,507 (4,097,820)	
- Mahindra Residential Developers Limited				7,014,211 (6,728,520)		
Rent received		2,471,304 (2,337,719)				
Interest received					-	
Dividend income from shares					(6,499,920) 26,000,000	
Professional Charges	15,000 (42,000)				-	
- Mahindra Consulting Engineers Limited				9,394,000 (8,854,972)		
- Mahindra Integrated Business Solutions Pvt Ltd.				108,200 (108,000)		
Travelling Expenses						
- Mahindra Holidays and Resorts India Limited				1,098,155 (1,956,406)		
Rent Paid	687,177 (161,280)					
Interest Paid		158,318,493 (105,157,191)				
- Mahindra Residential Developers Limited				8,040,000 (14,467,396)		
Purchase of DG set	4,257,307 -					
Inter Corporate Deposit received		750,000,000 (410,000,000)				
- Mahindra Residential Developers Limited				10,000,000 (240,000,000)		
Inter Corporate Deposit repaid		50,000,000 (140,000,000)				
- Mahindra Residential Developers Limited				110,000,000 (85,000,000)		
Advances received	32,500,000 (50,000,000)					
Investment in share capital			500,000 -			
Incorporation Expenses Recoverable			59,608 -			
Managerial Remuneration*						9,610,811 (7,088,958)
Dividend Paid on Equity & Preference Shares		72,747,260 (95,343,654)				
Balance Outstanding as at the year end						
Receivables	801,680 (422,650)		59,608		-	
Payables	131,137,669 (95,288,966)	1,666,841,928 (923,414,098)			6,650,775 (6,650,775)	
- Mahindra Residential Developers Limited				57,306,889 (157,306,889)		
- Mahindra Holidays and Resorts India Limited				-		
- Mahindra Integrated Business Solutions Private Ltd.				(25,173) 10,053		

Note: Figures in bracket relates to the previous year

* Remuneration payable to Manager is approved by Nomination & Remuneration committee

27.5 The Company's leasing arrangements are in respect of commercial premises given under operating lease.

Lease income from operating leases is recognized on a straight-line basis over the period of lease. The particulars of the premises given under cancellable operating leases are as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015**27.5 Leases**

	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
Gross carrying amount of premises	116,977,826	116,977,826
Accumulated depreciation.....	28,683,849	24,796,988
Depreciation for the year.....	3,886,861	3,907,060

27.6 Earnings per share

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	₹	₹
Basic and diluted		
Net profit for the year	142,560,928	88,983,075
Less: Preference dividend and tax thereon	—	64,993,928
Less: Preference dividend and tax thereon paid on redemption	31,522,941	—
Net profit for the year attributable to the equity shareholders	111,037,987	23,989,147
Weighted average number of equity shares.....	20,000,000	20,000,000
Par value per share	10.00	10
Earnings per share - Basic and diluted...	5.55	1.20

27.7 Deferred tax (liability)/asset

Particulars	As at 31st March, 2015	As at 31st March, 2014
	₹	₹
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(53,840,252)	(50,352,968)
Interest inventorised but claimed as allowable for tax purposes.....	(434,117,014)	(328,775,135)
Less: Transition Adjustment on depreciation (Refer Note 4 & 28).....	413,016	—
Tax effect of items constituting deferred tax liability	(487,544,250)	(379,128,103)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits....	1,777,986	1,754,256
Brought forward business losses	94,913,604	56,234,032
Provision for Doubtful Debts	161,883	—
Tax effect of items constituting deferred tax assets	96,853,473	57,988,288
Net deferred tax (liability)/asset	(390,690,777)	(321,139,815)

Deferred tax reconciliation:

Deferred tax expense for the year based on the movement in net deferred tax liability as at the beginning and the end of the year as shown above	69,550,962	45,754,580
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Add: Deferred tax impact netted off from depreciation on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus. Refer Note 4 and 28	413,016	—
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Deferred tax impact in the Statement of Profit and Loss	69,963,978	45,754,580
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27.8 Joint Venture Disclosures**i. Interest in Joint Ventures**

Name of the Company	Country of Incorporation	Proportion of ownership interest
Mahindra Integrated Township Limited	India	25.78%

ii. Interest in assets, liabilities, income, expenses and capital commitment with respect to the Joint Ventures

Particulars	2014-15	2013-14
Tangible fixed assets	57,191	104,134
Non-current Investments	170,905,601	170,905,601
Long term loans and advances	17,850,223	8,852,674
Inventories.....	238,052,206	250,807,078
Trade receivables.....	33,208,962	33,470,328
Cash and cash equivalents.....	28,848,994	12,495,826
Short term loans and advances.....	23,834,579	14,925,191
Other Current Assets	49,357,212	2,829,146
Trade payables	71,603,490	44,526,579
Other Current Liabilities.....	79,480,301	97,698,087
Short term borrowings.....	69,594,528	238,941,211
Short term provisions	2,618,816	1,546,545
Long term Borrowings.....	148,726,083	—
Income	401,253,693	161,337,127
Expenses.....	293,008,298	174,637,065
Contingent liabilities	—	—
Capital commitments	—	—

28 During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014 the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Previous depreciation rate/useful life (Based on SLM)	Revised useful life based on SLM (schedule 2 rates)
Buildings (other than Factory buildings)	1.63%/~60 years	30 years
Vehicles - Motor cars	9.5%/~10 years	8 years
General Plant and Machinery	4.75%/~20 years	15 years
General Furniture and Fittings	6.33%/~15 Years	10 Years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets (determined after considering the revised useful life as prescribed by Schedule II) net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹802,093/- (net of deferred tax of ₹413,016/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. (refer note no. 4(C))

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹94,10,876/- consequent to the adoption of revised useful life as prescribed by schedule II of the Companies Act, 2013.

29 Other disclosures

29.1 The Company does not have material foreseeable losses on the long term contracts as on March 31, 2015.

29.2 The Company did not enter into any derivative contracts during the year.

29.3. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

30 Previous year's figures

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

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **A. F. Ferguson & Co**

Chartered Accountants

Firm's Registration No.: 112066W

Geetha Suryanarayanan

Partner

Membership No.: 29519

Place : Chennai

Date : 18th April, 2015

T. S. Krishnan

Chief Financial Officer

S. Chandru

Manager & Company Secretary

For and on behalf of the Board of Directors

N. Vaghul

Chairman

Anita Arjundas

Sangeeta Prasad

} Directors

Place : Chennai

Date : 18th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their sixth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income	–	–
Profit/(Loss) Before Depreciation, Interest and Taxation	(51,187)	(49,850)
Less: Depreciation	–	–
Profit/(Loss) Before Interest and Taxation	(51,187)	(49,850)
Less: Interest	–	–
Profit/(Loss) Before Taxation	(51,187)	(49,850)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	(51,187)	(49,850)
Add: Balance of Profit/(Loss) for earlier years	(9,59,437)	(9,09,587)
Balance carried forward to the Balance Sheet	(10,10,624)	(9,59,437)

Dividend

In view of the carried forward losses, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

In view of loss for the year, no amount has been transferred to Reserves.

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. No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

The Authorised Equity Share Capital of your Company is ₹ 5 crore and the paid-up equity capital of your Company is ₹ 11 lakhs.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 1,40,563 and ₹ 89,376 respectively.

Holding Company

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.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Suhas Kulkarni (DIN: 00003936) a Non-executive and Non-independent Director retires by rotation at the 6th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Kulkarni is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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 respective Codes.

Meetings

During the year four Board Meetings were convened and held on following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014 and 20th January, 2015.

All Directors attended all the meetings during the year.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee

of the Board periodically reviews the internal control systems with the management and auditors.

Audit Committee

As the Company does not meet any of the criteria prescribed under Section 177 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Audit Committee are currently not applicable to the Company.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of 5th Annual general meeting till the conclusion of 10th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 6th AGM till the conclusion of 10th AGM.

As required under the provisions of Section 139 (1) 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 whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Your Directors draw attention to Note no. 8 to the financial statement which sets out details of transactions with related parties. During the year there were no material related party transactions, hence the requirement of form AOC-2 are not applicable for the year under review.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report.

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this

report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN: 03044559

Mumbai, 16th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	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
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not applicable
(iii)	the capital investment on energy conservation equipments	:	Not applicable

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not applicable
(iv)	the expenditure incurred on Research and Development	:	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN: 03044559

Mumbai, 16th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U70102MH2009PLC193399
2.	Registration Date	18/06/2009
3.	Name of the Company	Raigad Industrial & Business Park Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018. Tel No: 022-67478600/8601, Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintenance service activities	813	Nil

* As per National Industrial Classification- Ministry of Statistics and Programme Implementation

The Company is looking out for suitable Business opportunities for large format development and residential developments.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	100	2(46)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	1,10,000	1,10,000	100	–	1,10,000	1,10,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-		1,10,000	1,10,000	100	–	1,10,000	1,10,000	100	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	1,10,000	1,10,000	100	–	1,10,000	1,10,000	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (Non Resident Individuals)	—	—	—	—	—	—	—	—	—
d) Others Trust	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	—	—	—	—	—	—	—	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	1,10,000	1,10,000	100	—	1,10,000	1,10,000	100	—

(ii) Shareholding of Promoters

	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	1,09,940	99.94	—	1,09,940	99.94	—	—
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.01	—	10	0.00	—	—
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.01	—	10	0.00	—	—
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.01	—	10	0.00	—	—
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.01	—	10	0.00	—	—
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.01	—	10	0.00	—	—
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.01	—	10	0.00	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil.

(v) Shareholding of Directors and Key Managerial Personnel: No Directors or Key Managerial Personnel hold any shares in the Company.

1. INDEBTNESS

Indebtness of the Company at the beginning of the year, during the year and at the close of the year was nil.

2. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors: Not Applicable

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD - not applicable

I) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN: 03044559

Mumbai, 16th April, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAIGAD INDUSTRIAL & BUSINESS PARK LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Raigad Industrial and Business Park Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2015, the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on 31st March, 2015 taken on record

by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company does not have any pending litigations which would impact its financial position.

- ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Himanshu Chapsey
Partner
Membership Number: 105731

Place: Mumbai
Date: 16th April, 2015

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 9 of our report of even date on the financial statements to the Members of **Raigad Industrial and Business Park Limited** as at and for the year ended 31st March, 2015

1. The company did not have any fixed assets during the year. Hence, the provisions of para 3(i) of the Order are not applicable.
2. Since the Company does not have any inventory the provisions of para 3(ii) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. The Company did not have any operations during the year and also did not have any fixed assets or inventory. Hence, the provisions of para 3(iv) of the Order are not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Companies Act, 2013.
7. (i) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respects of tax deducted at source were outstanding, as on 31st March, 2015, for a period of more than six months from the date they become payable.
- (ii) There are no disputed dues outstanding as on 31st March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
8. The accumulated losses of the Company exceed fifty percent of its net worth as at 31st March, 2015. The Company has incurred cash losses in the current and in the immediately preceding financial year.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. 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.
11. 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 31st March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles 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

Himanshu Chapsey

Partner

Place: Mumbai

Date: 16th April, 2015

Membership Number: 105731

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note Ref	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	11,00,000	11,00,000
Reserves and surplus	4	(10,10,624)	(9,59,437)
		89,376	1,40,563
Current liabilities			
Other current liabilities	5	5,43,413	5,15,323
Total		6,32,789	6,55,886
ASSETS			
Current assets			
Cash and Cash equivalents	6	6,32,789	6,55,886
Total		6,32,789	6,55,886

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

Himanshu Chapsey

Partner

Membership No.: 105731

Place : Mumbai

Date : 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

Suhas Kulkarni

Rajan Narayan

Directors

Place : Mumbai

Date : 16th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note Ref	Year ended 31 st March, 2015 ₹	Year ended 31 st March, 2014 ₹
EXPENDITURE			
Other expenses.....	7	<u>51,187</u>	<u>49,850</u>
		51,187	49,850
Loss before tax		(51,187)	(49,850)
Less : Tax expense		<u>-</u>	<u>-</u>
Loss for the year.....		(51,187)	(49,850)
Earnings per equity share:			
Basic & diluted.....		(0.47)	(0.90)

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

Himanshu Chapsey

Partner

Membership No.: 105731

Place : Mumbai

Date : 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

Suhas Kulkarni

Rajan Narayan

} Directors

Place : Mumbai

Date : 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31 st March, 2015	Year ended 31 st March, 2014
	₹	₹
A. Cash flow from operating activities		
(Loss) before tax	(51,187)	(49,850)
Adjustments for:		
Operating (loss) before working capital changes.....	(51,187)	(49,850)
Increase/(decrease) in current liabilities.....	28,090	28,090
Cash (used in) operations	(23,097)	(21,760)
B. Cash flow from financing activities:		
Proceeds from issue of shares	–	600,000
Net cash from financing activities	–	600,000
Net increase/(decrease) in cash and cash equivalents (A+B)	(23,097)	578,240
Cash & cash equivalents		
Opening balance	6,55,886	77,646
Closing balance.....	6,32,789	6,55,886
Net increase/(decrease) in cash and cash equivalents	(23,097)	5,78,240

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

Himanshu Chapsey

Partner

Membership No.: 105731

Place : Mumbai

Date : 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

Suhas Kulkarni

Rajan Narayan

Directors

Place : Mumbai

Date : 16th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Corporate Information

The Company was incorporated on 18th 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 specified under Section 133 of The Companies Act, 2013, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. 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 of 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 st March, 2015	As at 31 st March, 2014
3. Share Capital:		
Authorised	₹	₹
50,00,000 Equity shares of ₹10 each	5,00,00,000	5,00,00,000
Issued, subscribed and paid up.		
1,10,000 equity shares of ₹10 each fully paid up		
(1,10,000 equity shares of ₹10 each fully paid up as on March'14.....)	11,00,000	1,10,000
	11,00,000	1,10,000

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 st March, 2015		As at 31 st March, 2014	
	No. of Shares	Value of Shares (₹)	No. of Shares	Value of Shares (₹)
Equity Shares				
At the beginning of the period	1,10,000	11,00,000	50,000	5,00,000
Issued during the period	—	—	60,000	6,00,000
Outstanding at the end of the period	1,10,000	11,00,000	1,10,000	11,00,000

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 st March, 2015	As at 31 st March, 2014
4. Reserves & Surplus:		
Surplus in Statement of Profit and Loss		
Opening balance of Profit & Loss Account....	(9,59,437)	(9,09,587)
Add: (Loss) for the Current Year	(51,187)	(49,850)
Closing Balance.....	(10,10,624)	(9,59,437)
5. Other Current Liabilities:		
Expenses reimbursable to Holding Company ...	4,59,143	4,59,143
Other payables	84,270	56,180
	5,43,413	5,15,323
6. Cash & cash equivalents:		
Bank Balances		
In current account	6,32,789	6,55,886
	6,32,789	6,55,886
7. Other Expenses:	Year ended 31st March, 2015	Year ended 31st March, 2014
Rates and taxes	610	9,401
Legal and Professional Charges.....	16,291	12,359
Miscellaneous expenses	674	—
ROC Filing Fees.....	5,522	—
Audit Fee.....	28,090	28,090
	51,187	49,850

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

	As at 31 st March, 2015	As at 31 st March, 2014
Mahindra Lifespace Developers Limited		
Payable as at the year end (₹)	4,59,143	4,59,143
Shares issued (₹)	—	6,00,000

9. Earnings per Share:

	2014-15	2013-14
Net (loss) after tax (₹)	(51,187)	(49,850)
Weighted average number of equity shares (Nos.)	1,10,000	55,425
Basic and Diluted Earnings per share (₹) ...	(0.47)	(0.90)
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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman

Suhas Kulkarni
Rajan Narayan } Directors

Place : Mumbai
Date : 16th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their second report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income	–	–
Profit/(Loss) Before Depreciation, Interest and Taxation	(57,263)	(62,699)
Less : Depreciation	–	–
Profit/(Loss) Before Interest and Taxation	(57,263)	(62,699)
Less: Interest	–	–
Profit/(Loss) Before Taxation	(57,263)	(62,699)
Less : Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	(57,263)	(62,699)
Add: Balance of Profit/(Loss) for earlier years	(62,699)	–
Balance carried forward to the Balance Sheet	(119,962)	(62,699)

Dividend

In view of the carried forward losses, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

In view of loss for the year, no amount has been transferred to Reserves.

Operations

During the year under review, your Company identified an opportunity in Gujarat to develop a multi-product, non-polluting industrial park. Upon satisfactory completion of due diligence and subject to requisite approvals, the Company intends to take further steps in this regard.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised share capital of your Company is ₹ 10 Lakhs and Paid-up share capital of the Company is ₹ 5 Lakhs.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Network

The network of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 4,37,301 and ₹ 3,80,038 respectively.

Holding Company

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.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayant Manmadkar (DIN: 03044559) a Non-executive and Non-independent Director retires by rotation at the 2nd Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Manmadkar is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and should 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 respective Codes.

Meetings

During the year Six Board Meetings were convened and held on following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014, 2nd January, 2015, 23rd January, 2015 and 3rd February, 2015.

All Directors attended all the meetings held during the year 2014-15.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements, the Board periodically reviews the internal control systems with the auditors.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of the 1st Annual General Meeting till the conclusion of the 6th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 2nd AGM till the conclusion of 6th AGM.

As required under the provisions of Section 139 (1) 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 whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

During the year, the Company had not entered into any contract/arrangement/transaction with any related party. Therefore, the form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than Rs. Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than Rs. Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board

Jayant Manmadkar
Chairman

Mumbai, 16th April, 2015

DIN: 03044559

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

A. CONSERVATION OF ENERGY:

- (i) the steps taken or impact on conservation of energy; : 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
- (ii) the steps taken by the company for utilising alternate sources of energy; : Not Applicable
- (iii) the capital investment on energy conservation equipments : Not Applicable

B. TECHNOLOGY ABSORPTION

- (i) the efforts made towards technology absorption : The Company has not carried out any R&D activities during the year.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution : Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil
- (iv) the expenditure incurred on Research and Development : Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 16th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U70102MH2013PTC241512
2.	Registration Date	29/03/2013
3.	Name of the Company	Industrial Cluster Private Limited (Formerly known as Mahindra Housing Private Limited)
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018. Tel No: 022-67478600/8601, Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	Nil
2	Real estate activities with own or leased property	681	Nil
3	Landscape care and maintainance service activities	813	Nil

* As per National Industrial Classification-Ministry of Statistics and Programme Implementation.

During the year under review, the Company had no turnover. During the year under review, the Company identified an opportunity in Gujarat to develop a multi-product, non-polluting industrial park. Upon satisfactory completion of due diligence and subject to requisite approvals, the Company intends to take further steps in this regard.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	100	2(46)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	50,000	50,000	100	–	50,000	50,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–

INDUSTRIAL CLUSTER PRIVATE LIMITED
(Formerly known as Mahindra Housing Private Limited)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	50,000	50,000	100	–	50,000	50,000	100	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/Fl	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	50,000	50,000	100	–	50,000	50,000	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/Fl	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B) = (B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A + B + C)	–	50,000	50,000	100	–	50,000	50,000	100	–

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	49,990	99.98	–	49,990	99.98	–	–
2	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.02	–	10	0.02	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

(v) Shareholding of Directors and Key Managerial Personnel: No Directors or Key Managerial Personnel hold any shares in the Company

5. INDEBTNESS

Indebtness of the Company at the beginning of the year, during the year and at the close of the year was nil.

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
(Not Applicable Confirmed from Santosh)

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors: Not Applicable

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD - Not Applicable

I) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
Penalty	NONE				
Punishment					
Compounding					

II) OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (give details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 16th April, 2015

INDEPENDENT AUDITORS' REPORT

**To the Members of Industrial Cluster Private Limited
(formerly Mahindra Housing Private Limited)**

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **INDUSTRIAL CLUSTER PRIVATE LIMITED** (formerly **Mahindra Housing Private Limited**) ("the Company"), which comprise the balance sheet as at 31st March, 2015, the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e. on the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Himanshu Chapsey
Partner
Membership Number: 105731

MUMBAI, 16th April, 2015

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 9 of our report of even date on the financial statements to the Members of **INDUSTRIAL CLUSTER PRIVATE LIMITED** (formerly **Mahindra Housing Private Limited**) as at and for the year ended 31st March, 2015

1. The Company did not have any fixed assets during the year. Hence, the provisions of para 3(i) of the Order are not applicable.
2. Since the Company does not hold any inventory the provisions of para 3 (ii) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. The Company did not have any operations during the year and also did not have any fixed assets or inventory. Hence, the provisions of para 3(iv) of the Order are not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Act.
7. (i) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respects of tax deducted at source were outstanding, as on 31st March, 2015, for a period of more than six months from the date they become payable.
(ii) There are no disputed amounts outstanding as on 31st March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. 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.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. 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.
11. 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 31st March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles 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 No. 105102W

Himanshu Chapsey
Partner
Membership Number: 105731

MUMBAI, 16th April, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

	Note Ref	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	5,00,000	5,00,000
Reserves and surplus.....	4	(1,19,962)	(62,699)
		<u>3,80,038</u>	<u>4,37,301</u>
Current liabilities			
Other current liabilities	5	28,090	62,699
		<u>28,090</u>	<u>62,699</u>
TOTAL		<u>4,08,128</u>	<u>5,00,000</u>
ASSETS			
Current assets			
Cash and Cash equivalents.....	6	4,08,128	5,00,000
		<u>4,08,128</u>	<u>5,00,000</u>
TOTAL		<u>4,08,128</u>	<u>5,00,000</u>

See accompanying notes forming part of the financial statements

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

Himanshu Chapsey
Partner
Membership No. : 105731
Place: Mumbai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman

Suhas Kulkarni Director

Place: Mumbai
Date: 16th April, 2015

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note Ref	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
EXPENDITURE			
Other expenses.....	7	57,263	62,699
		<u>57,263</u>	<u>62,699</u>
Loss before tax		<u>(57,263)</u>	<u>(62,699)</u>
Less: Tax expense		<u>-</u>	<u>-</u>
Loss for the year.....		<u>(57,263)</u>	<u>(62,699)</u>
Earnings per equity share:			
Basic/diluted (not annualised)		(1.15)	(1.25)

See accompanying notes forming part of the financial statements

For B K Khare & Co.

Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey

Partner
Membership No. : 105731
Place: Mumbai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman
Suhas Kulkarni Director

Place: Mumbai
Date: 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
A. Cash flow from operating activities		
(Loss) before tax.....	(57,263)	(62,699)
<i>Adjustments for:</i>		
Operating (loss) before working capital changes.....	(57,263)	(62,699)
Increase/(decrease) in current liabilities.....	(34,609)	62,699
Cash (used in) operations.....	(91,872)	—
B. Cash flow from financing activities:		
Proceeds from issue of shares	—	5,00,000
Net cash from financing activities	—	5,00,000
Net increase/(decrease) in cash and cash equivalents (A+B)	(91,872)	5,00,000
Cash & cash equivalents		
Opening balance	5,00,000	
Closing balance	4,08,128	5,00,000
Net increase/(decrease) in cash and cash equivalents	(91,872)	5,00,000

See accompanying notes forming part of the financial statements

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

Himanshu Chapsey
Partner
Membership No. : 105731
Place: Mumbai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman
Suhas Kulkarni Director

Place: Mumbai
Date: 16th April, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

1 CORPORATE INFORMATION

The Company was incorporated on March 29, 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 specified under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of 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 applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence 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
31st March,
2015
₹

As at
31st March,
2014
₹

3. Share Capital

Authorised		
1,00,000 Equity shares of ₹ 10 each	10,00,000	10,00,000
Issued, subscribed and paid up.		
50,000 equity shares of ₹10 each fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

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 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)
Equity Shares				
At the beginning of the period	50,000	5,00,000	–	–
Issued during the period	–	–	50,000	5,00,000
Outstanding at the end of the period	50,000	5,00,000	50,000	5,00,000

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
31st March,
2015
₹

As at
31st March,
2014
₹

4 Reserves & Surplus

Deficit in Statement of Profit and Loss		
Opening balance of Profit & Loss Account	(62,699)	–
Add: (Loss) for the Current Year	(57,263)	(62,699)
Closing Balance of Profit and Loss Account	(1,19,962)	(62,699)

5 Other Current Liabilities

Other payables	28,090	62,699
	28,090	62,699

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.

As at
31st March,
2015
₹

As at
31st March,
2014
₹

6 Cash & cash equivalents

Bank Balances		
– on current account	4,08,128	5,00,000
	4,08,128	5,00,000

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

7 Other Expenses

	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
Rates and taxes	–	32,923
Legal and Professional Charges	25,895	1,686
Miscellaneous expenses	3,278	–
Audit Fee	28,090	28,090
	<u>57,263</u>	<u>62,699</u>

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

9 Earnings per Share

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Net (loss) after tax (₹)	(57,263)	(62,699)
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and Diluted Earnings per share (₹)	(1.15)	(1.25)
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.

For B K Khare & Co.

Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey

Partner
Membership No. : 105731
Place: Mumbai
Date: 16th April, 2015

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman
Suhas Kulkarni Director

Place: Mumbai
Date: 16th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their seventh report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income	–	–
Profit/(Loss) Before Depreciation, Interest and Taxation	(1,06,335)	(43,158)
Less: Depreciation	–	–
Profit/(Loss) Before Interest and Taxation	(1,06,335)	(43,158)
Less: Interest	–	–
Profit/(Loss) Before Taxation	(1,06,335)	(43,158)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	(1,06,335)	(43,158)
Add: Balance of Profit/(Loss) for earlier years	(13,78,651)	(13,35,493)
Balance carried forward to the Balance Sheet	(14,84,986)	(13,78,651)

Dividend

In view of the carried forward losses, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

In view of loss for the year, no amount has been transferred to Reserves.

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 a total of 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 the process of completing re-conveyance of the 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.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised share capital of your Company is ₹ 10 crores and Paid-up share capital of the Company is ₹ 5 crores.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 4,86,21,349 and ₹ 4,85,15,014 respectively.

Holding Company

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.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Rajan Narayan (DIN: 00213953) a Non-executive and Non-independent Director retires by rotation at the 7th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Rajan Narayan is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Ms. Anita Arjundas resigned from the Board. The Board puts on record its sincere appreciation for the valuable services rendered by her during her tenure.

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Key Managerial Personnel

During the year under review, the Company has appointed Ms. Dhara Modi as Company Secretary under the Companies Act, 2013. Ms. Modi does not draw any remuneration from the Company. She receives remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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 respective Codes.

Meetings

During the year six Board Meetings were convened and held on following dates:

17th April, 2014, 30th July, 2014, 14th August, 2014, 13th October, 2014, 20th January, 2015 and 31st March, 2015.

During the year 4 Audit Committee meetings were convened and held on the following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014 and 20th January, 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/ Committees are given below:

Sr. no.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended
1.	Anita Arjundas	2 (resigned on 14 th August, 2014)	2 (resigned on 14 th August, 2014)
2.	Rajan Narayan	6	4
3.	Suhas Kulkarni	6	4
4.	Sangeeta Prasad	3	1

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the 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 had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements, the Audit Committee of the Board periodically reviews the internal control systems with the auditors.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of three Non-Executive Non-Independent Director, namely Mr. Rajan Narayan, Mr. Suhas Kulkarni and Ms. Sangeeta Prasad. Ms. Sangeeta Prasad is the Chairperson of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 7th AGM till the conclusion of 11th AGM.

As required under the provisions of Section 139 (1) 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 whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Your Directors draw attention to Note no. 12 to the financial statement which sets out details of transactions with related

parties. During the year there were no material related party transactions, hence the requirement of form AOC-2 are not applicable for the year under review.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report.

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material

orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai, 16th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**A. CONSERVATION OF ENERGY**

(i)	the steps taken or impact on conservation of energy;	:	The operations of your Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	NIL

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R&D activities during the year. The Company intends to initiate quality improvement measures at an appropriate time.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflow.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai, 16th April, 2015

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
 As on the financial year ended on 31st March, 2015

(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45203MH2008PLC184190
2.	Registration Date	02/07/2008
3.	Name of the Company	Industrial Township (Maharashtra) Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018. Tel No: 022-67478600/8601, Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintainance service activities	813	Nil

* As per National Industrial Classification- Ministry of Statistics and Programme Implementation.

The Company is looking out for suitable Business opportunities for large format development and residential developments.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	100	2(46)

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	50,00,000	50,00,000	100	–	50,00,000	50,00,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	50,00,000	50,00,000	100	–	50,00,000	50,00,000	100	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	50,00,000	50,00,000	100	–	50,00,000	50,00,000	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	—	—	—	—	—	—	—	—	—
c) Others (Non Resident Individuals)	—	—	—	—	—	—	—	—	—
d) Others Trust	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	—	—	—	—	—	—	—	—
Total Public Shareholding (B)=(B)(1)+(B)(2)	—	—	—	—	—	—	—	—	—
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	—	50,00,000	50,00,000	100	—	50,00,000	50,00,000	100	—

(ii) Shareholding of Promoters

	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	49,99,940	100	—	49,99,940	100	—	—
2	Mahindra Lifespace Developers Ltd & Mr.Arun Nanda	10	0	—	10	0	—	—
3	Mahindra Lifespace Developers Ltd & Mr.Suhas Kulkarni	10	0	—	10	0	—	—
4	Mahindra Lifespace Developers Ltd & Mr.Rajan Narayan	10	0	—	10	0	—	—
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0	—	10	0	—	—
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0	—	10	0	—	—
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0	—	10	0	—	—

(iii) **Change in Promoters' Shareholding (please specify, if there is no change):** There is no change in the Shareholding of Promoter Group.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):** Nil.

(v) **Shareholding of Directors and Key Managerial Personnel:** No Directors or Key Managerial Personnel hold any shares in the Company.

5. INDEBTNESS

Indebtness of the Company at the beginning of the year, during the year and at the close of the year was **Nil**.

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors: Not Applicable

C. Remuneration to Key Managerial personnel other than MD/Manager/WTD -

None of the Key Managerial Perosnnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

I) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE					
Punishment						
Compounding						

OTHER OFFICERS IN DEFAULT

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NONE					
Punishment						
Compounding						

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai, 16th April, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED** ("the Company"), which comprise the balance sheet as at 31st March, 2015, the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its loss and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Himanshu Chapsey
Partner

Place: Mumbai
Dated: 16th April, 2015

Membership Number: 105731

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Industrial Township (Maharashtra) Limited as at and for the year ended 31st March, 2015

1. The Company did not have any fixed assets during the year. Hence, the provisions of para 3(i) of the Order are not applicable.
2. The Company's inventory comprises only construction work in progress. The Company does not have any inventory of raw material, finished goods, stores, and spares. Hence para 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. The Company did not have any operations during the year and also did not have any fixed assets or inventory. Hence, the provisions of para 3(iv) of the Order are not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Act.
7. (i) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respects of tax deducted at source were outstanding, as on 31st March, 2015, for a period of more than six months from the date they become payable.
- (ii) There are no disputed dues outstanding as on 31st March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
8. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31st March, 2015. The Company has incurred cash losses in the current and in the immediately preceding financial year.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. 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.
11. 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 31st March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles 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 Number 105102W

Himanshu Chapsey

Partner

Place: Mumbai

Dated: 16th April, 2015

Membership Number: 105731

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note Ref	Current Year ₹	Previous Year ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	5,00,00,000	5,00,00,000
Reserves and Surplus	4	(14,84,986)	(13,78,651)
		4,85,15,014	4,86,21,349
Current Liabilities			
Other Current liabilities	5	32,18,840	32,41,312
TOTAL		5,17,33,855	5,18,62,662
ASSETS			
Current assets			
Inventories	6	4,89,88,635	4,89,88,635
Cash and cash equivalents	7	24,70,323	25,99,130
Short term loans and advances	8	2,74,897	2,74,897
		5,17,33,855	5,18,62,662
TOTAL		5,17,33,855	5,18,62,662

See accompanying notes forming part of Financial Statements

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 105102W

For and on behalf of the Board of Directors

Himanshu Chapsey

Partner

Membership No. 105731

Dhara Modi

Company Secretary

Sangeeta Prasad**Rajan Narayan****Suhas Kulkarni**

Chairperson

Directors

Place: Mumbai

Date: 16th April, 2015

Place: Mumbai

Date: 16th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note Ref	Current Year ₹	Previous Year ₹
EXPENDITURE			
Operating Expenses	9	—	—
Other expenses.....	10	1,06,335	43,158
		<u>1,06,335</u>	<u>43,158</u>
(Loss) before tax		(1,06,335)	(43,158)
Less: Tax expense		—	—
(Loss) after tax		<u>(1,06,335)</u>	<u>(43,158)</u>
Earning per equity share:			
Basic and Diluted		(0.02)	(0.01)

See accompanying notes forming part of Financial Statements

In terms of our report attached

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

For and on behalf of the Board of Directors

Himanshu Chapsey
Partner
Membership No. 105731

Place: Mumbai
Date: 16th April, 2015

Dhara Modi
Company Secretary

Sangeeta Prasad *Chairperson*
Rajan Narayan
Suhas Kulkarni } *Directors*

Place: Mumbai
Date: 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit/(Loss) before tax.....	(1,06,335)	(43,158)
Operating loss before working capital changes.....	(1,06,335)	(43,158)
Changes in Working capital:		
Adjustments for (increase)/decrease in operating assets		
(Increase)/decrease in short term loans and advances.....	-	6,49,52,083
(Increase)/decrease in inventories	-	4,16,08,584
Adjustments for (increase)/decrease in operating liabilities		
Increase/(decrease) other in current liabilities.....	(22,472)	(1,60,97,832)
	(22,472)	9,04,62,835
Cash used in operations.....	(1,28,807)	9,04,19,678
Taxes paid.....	-	-
Net cash used in operating activities	(1,28,807)	9,04,19,678
B. Cash flow from financing activities:		
Proceeds from short term borrowings	-	(8,82,00,000)
Net cash from financing activities.....	-	(8,82,00,000)
Net increase/(decrease) in cash and cash equivalents	(1,28,807)	22,19,678
Cash & cash equivalents		
Opening balance	25,99,130	3,79,452
Closing balance.....	24,70,323	25,99,130
Net increase/(decrease) in cash and cash equivalents	(1,28,807)	22,19,678

See accompanying notes forming part of Financial Statements

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 105102W

For and on behalf of the Board of Directors

Himanshu Chapsey

Partner

Membership No. 105731

Dhara Modi

Company Secretary

Sangeeta Prasad**Rajan Narayan****Suhas Kulkarni**

Chairperson

Directors

Place: Mumbai

Date: 16th April, 2015

Place: Mumbai

Date: 16th April, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1 Corporate information

The Company was incorporated on 2nd 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 specified under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of 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.

Current Year Previous Year
₹ ₹

3 Share Capital

Authorised		
1,00,00,000 equity shares of ₹ 10 each.....	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid up.		
50,00,000 equity shares of ₹ 10 each.....	5,00,00,000	5,00,00,000
	5,00,00,000	5,00,00,000

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 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares ₹	No of Shares	Value of Shares ₹
Equity Shares				
At the beginning of the period	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued during the period	—	—	—	—
Outstanding at the end of the period	50,00,000	5,00,00,000	50,00,000	5,00,00,000

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.

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:

	Current Year		Previous Year	
	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)
Holding Company (100%) Mahindra Lifespace Developers Limited				
Equity	50,00,000	5,00,00,000	50,00,000	5,00,00,000

Current Year Previous Year
₹ ₹

4 Reserves & Surplus

Deficit from the statement of Profit and loss

Opening balance	(13,78,651)	(13,35,493)
Add: Loss for the Current Year	(1,06,335)	(43,158)
Closing Balance of Profit and Loss Account	(14,84,986)	(13,78,651)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
5			10		
Other Current Liabilities			Other Expenses		
Statutory remittances			Legal and Professional Charges	78,245	14,045
Withholding tax	5,618	–	Auditors' remuneration		
Other	1,12,413	1,40,503	Audit fees	28,090	28,090
Received from Land Aggregator	31,00,809	31,00,809	Other Expenses	–	1,023
	32,18,840	32,41,312		1,06,335	43,158
6			11		
Inventories (at lower of Cost and Net Realisable Value)			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.		
Work In Progress (represents Land and related expenses)	4,89,88,635	4,89,88,635	12		
	4,89,88,635	4,89,88,635	Related Party Transaction		
7			12a		
Cash and Cash Equivalents			List of Related Parties		
Cash on hand	20,000	20,000	Description of relationship	Names of related parties	
Balances with Bank			Ultimate Holding Company	Mahindra & Mahindra Limited	
In current accounts	24,50,323	25,79,130	Holding Company	Mahindra Lifespace Developers Limited	
	24,70,323	25,99,130	12b		
8			Related Party Transactions		
Short Term Loans and Advances (Unsecured, considered good)			Mahindra Lifespace Developers Limited	Current Year ₹	Previous Year ₹
TDS Receivable	2,74,897	2,74,897	Inter-Corporate Deposit taken/(repaid) Net	–	(8,82,00,000)
	2,74,897	2,74,897	Interest on Inter Corporate Deposit taken	–	–
9			Outstanding balance	–	–
Operating Expenses			13		
Opening Work In Progress 01.04.2014	4,89,88,635	9,05,97,219	Earnings Per Share		
Add : Consumption During 2014-15			Particulars	Current Year	Previous Year
Land	–	(4,16,72,211)	Net Profit/(Loss) after tax (₹)	(1,06,335)	(43,158)
Travelling Expenses Domestic - Fare	–	6,952	Weighted average number of equity shares (Nos.)	50,00,000	50,00,000
Professional Fees	–	56,180	Par value per share (₹)	10	10
Bank Charges	–	494	Earnings per share - Basic and diluted (₹)	(0.02)	(0.01)
Total Consumption in FY 2014-15	–	(4,16,08,585)	14		
Less : Closing WIP 31.03.2015	4,89,88,635	4,89,88,635	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.		
	–	–	15		
			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 **B.K.Khare & Co**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Place: Mumbai
Date: 16th April, 2015

Dhara Modi
Company Secretary

For and on behalf of the Board of Directors

Sangeeta Prasad
Rajan Narayan
Suhas Kulkarni

Chairperson

Directors

Place: Mumbai
Date: 16th April, 2015

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their eighth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights

(Amount in ₹)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Total Income.....	84,270	—
Profit/(Loss) Before Depreciation, Interest and Taxation.....	26,395	(46,064)
Less: Depreciation	5,130	17,803
Profit/(Loss) Before Interest and Taxation	21,265	(63,867)
Less: Interest.....	—	—
Profit/(Loss) Before Taxation	21,265	(63,867)
Less: Provision for Taxation	—	—
Profit/(Loss) for the year after Taxation.....	21,265	(63,867)
Add: Balance of Profit/(Loss) for earlier years	(44,15,899)	(43,52,032)
Balance carried forward to the Balance Sheet	(43,94,634)	(44,15,899)

Dividend

In view of the carried forward losses, no dividend has been recommended by your Directors during the financial year 2014-15.

Reserves

Profit for the year has been carried forward to P & L account and no amount has been transferred to Reserves.

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. Due to procedural difficulties related to various approvals required for acquisition of land, which are being sorted out, the progress in land acquisition was very slow.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised share capital of your Company is ₹ 50 crores and Paid-up share capital of the Company is ₹ 21 crores.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme and therefore the requirement of disclosures in respect of

voting rights not exercised directly by the employees are not applicable to your Company.

Non-Convertible Debentures

During the year, Company has not issued/allotted any non-convertible debentures.

Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 20,55,84,101 and ₹ 20,56,05,366 respectively.

Holding Company

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.

During the year, no company became/ceased to be subsidiary, associate or joint venture company of your Company. Therefore the requirement of consolidated financial statement are not applicable to your Company.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions with respect to CSR are currently not applicable to the Company.

Directors

During the year, Mr. Raghunath Murti (DIN: 00082761) and Mr. Vijay Khetan (DIN: 00465161) were appointed as Independent Directors not liable to retire by rotation, to hold

the office for a term up to 5 (five) consecutive years commencing from 24th March, 2015. Mr. Murti and Mr. Khetan have given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas (DIN: 00243215) Non-executive and Non-independent Director retires by rotation at the 8th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Anita Arjundas is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Arun Nanda (DIN: 00010029) and Mr. Brij Mohan Kataria (DIN: 00549567) resigned as Directors of the Company with effect from 24th March, 2015. The Board places on record its deep appreciation of the valuable services rendered by Mr. Nanda and Mr. Kataria during their tenure as Directors of the Company.

During the year, the Nomination and Remuneration Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. Vijay Khetan, Mr. Raghunath Murti and two non-independent Directors, namely Ms. Anita Arjundas and Ms. Sangeeta Prasad.

Mr. Raghunath Murti is the Chairman of the Committee.

Pursuant to the provisions of the Companies Act, 2013 evaluation of every Director's performance was done by Nomination and Remuneration Committee.

The following policies of the Company are attached herewith and marked as **Annexure 1**, **Annexure 2A** and **Annexure 2B** to this report.

1. Policy on appointment of Directors and Senior Management (**Annexure 1**)
2. Policy on remuneration of Directors (**Annexure 2A**)
3. Policy on remuneration of Key Managerial Personnel & Employees (**Annexure 2B**)

Key Managerial Personnel

During the year under review, the Company has appointed following persons as Key Managerial Personnel under the Companies Act, 2013. None of the Key Managerial Personnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

Sr. No.	Name of the person	Designation
1.	Mr. Suhas Kulkarni	Manager
2.	Ms. Sejal Shah	Company Secretary
3.	Mr. Jasmin Suchak	Chief Financial Officer

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek 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, Independent Directors and employees of the Company affirming compliance with the respective Codes.

Meetings

During the year, five Board Meetings were convened and held on following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014, 20th January, 2015 and 24th March, 2015.

During the year, four Audit Committee meetings were convened and held on the following dates:

17th April, 2014, 30th July, 2014, 13th October, 2014 and 20th January, 2015.

During the year, three Nomination & Remuneration Committee meetings were convened and held on the following dates:

13th October, 2014, 20th January, 2015 and 24th March, 2015.

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/Committees are given below:

Sr. No.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1.	Anita Arjundas	5	4	3
2.	Arun Nanda	4	–	–
3.	Brij Mohan Kataria	5	4	2
4.	Sangeeta Prasad	4	3	2
5.	Raghunath Murti	–	–	–
6.	Vijay Khetan	1	–	1

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates

that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the Company for that period;

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management and auditors.

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. Vijay Khetan, Mr. Raghunath Murti and one Non-Executive Non-Independent Director, Ms. Sangeeta Prasad. Mr. Vijay Khetan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Financial Officer and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Board has accepted all recommendations of the Audit Committee made from time to time.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirements for establishment of vigil mechanism are currently not applicable to your Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

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 9th Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity within the limits specified in the said Section.

The Board has recommended to the shareholders for approval of re-appointment of M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, as the Statutory Auditors to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to your Company.

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

During the year, the Company has not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013. In any case, as your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 relating to loans made, guarantees given or securities provided are not applicable to the Company.

Contracts and Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Your Directors draw attention to Note no. 17 to the financial statement which sets out details of transactions with related parties. During the year there were no material related party transactions, hence the requirement of form AOC-2 are not applicable for the year under review.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013

read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 3** to this report

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 4** and forms part of this Report.

General

During the year ended 31st March, 2015, there were no cases filed / reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

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,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. APPOINTMENT OF DIRECTORS

- The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 2A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY FOR REMUNERATION OF THE DIRECTORS

Purpose

This Policy sets out the approach to Compensation of Directors in Knowledge Township Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation

to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 2B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance

is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy	:	The operations of your Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time
(ii)	the steps taken by the company for utilising alternate sources of energy	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	NIL

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R&D activities during the year. The Company intends to initiate quality improvement measures at an appropriate time
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2015**

[Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014]

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U72900MH2007PLC173137
2.	Registration Date	16/08/2007
3.	Name of the Company	Knowledge Township Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: 022-67478600/01 Fax: 022-24975084
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company [#]
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintenance service activities	813	Nil

* As per National Industrial Classification - Ministry of Statistics and Programme Implementation.

[#] During the year under review, the Company had no turnover. Presently the Company is in process of acquiring land for its project. Business activities will commence after the targeted land area for the project is acquired.**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	100	2(46)

The Company does not have any subsidiary or associate company.

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i. Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Non Resident Individuals)									
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–

(ii) Shareholding of Promoters:

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. Of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. Of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	2,09,99,940	100	–	2,09,99,940	100	–	–
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Ltd & Mr. Narayan Shankar	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.00	–	10	0.00	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

(v) Shareholding of Directors and Key Managerial Personnel: No Director or Key Managerial Personnel hold any shares in the Company

5. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Crores)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	18.95	–	18.95
ii) Interest due but not paid	–	0	–	0
iii) Interest accrued but not due	–	5.18	–	5.18
Total of (i+ii+iii)	–	24.13	–	24.13
Change in Indebtedness during the financial year				
• Addition	–	0.02	–	0.02
• Reduction	–	–	–	–
Net change	–	0.02	–	0.02
Indebtedness at the end of the financial year				
i) Principal Amount	–	18.97	–	0.02
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	5.18	–	5.18
Total (i + ii + iii)	–	24.15	–	24.15

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

None of the Key Managerial Personnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

B. Remuneration of other directors:

None of the Directors draw any remuneration from the Company or receive any sitting fees for attending the meetings of the Board/Committees of the Board.

C. Remuneration to Key Managerial Personnel other than MD/Manager/MTD:

None of the Key Managerial Personnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

I. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 16th April, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **KNOWLEDGE TOWNSHIP LTD** ("the Company"), which comprise the balance sheet as at 31st March, 2015, the statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2015, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 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 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Himanshu Chapsey

Partner

Place: Mumbai

Dated: 16th April, 2015

Membership Number: 105731

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements to the Members of Knowledge Township Ltd as at and for the year ended 31st March, 2015

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
2. The Company's inventory comprises only construction work in progress. The Company does not have any inventory of raw material, finished goods, stores, and spares. Hence para 3(ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets. The Company's project is yet to be developed and hence it does not have any 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 system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Companies Act, 2013.
7. (i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it. The provisions

of Excise Duty are not applicable to the operations of the Company. The Company did not have any employees and hence the provisions of Provident fund and Employee's State Insurance are not applicable.

- (ii) There are no disputed dues outstanding as on 31st March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31st March, 2015. The Company has incurred cash losses in the current and immediately preceding financial year.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. 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.
11. 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 31st March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles 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

Himanshu Chapsey
Partner
Membership Number: 105731

Place: Mumbai
Dated: 16th April, 2015

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note Ref	Current Year ₹	Previous Year ₹
EQUITY AND LIABILITIES			
Shareholders Funds			
Share capital	3	21,00,00,000	21,00,00,000
Reserves & Surplus	4	(43,94,634)	(44,15,899)
		20,56,05,366	20,55,84,101
Current Liabilities			
Short term Borrowings	5	18,97,00,000	18,95,00,000
Other current liabilities.....	6	5,18,57,872	5,19,74,196
Short term provisions	7	4,63,092	5,15,470
		24,20,20,964	24,19,89,666
TOTAL		44,76,26,330	44,75,73,767
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	8	38,232	43,362
		38,232	43,362
Long Term Loans and advances	9	1,298	1,298
Current Assets			
Inventories.....	10	22,27,35,942	22,26,86,966
Cash and cash equivalents.....	11	1,44,454	1,75,737
Short term loans and advances.....	12	22,47,06,404	22,46,66,404
		44,75,86,800	44,75,29,107
TOTAL		44,76,26,330	44,75,73,767

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

Jasmin Suchak
Chief Financial Officer

Himanshu Chapsey
Partner
Membership No. 105731

Sejal Shah
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Sangeeta Prasad
Raghunath Murti
Vijay Khetan } Director's

Place : Mumbai
Date : 16th April, 2015

Place : Mumbai
Date : 16th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	Note Ref	Current Year ₹	Previous Year ₹
INCOME			
Other Income		84,270	—
		84,270	—
EXPENDITURE			
Operating Expenses	13	—	—
Employee benefit expense	14	—	—
Depreciation and amortization expense		5,130	17,803
Other expenses	15	57,875	46,064
		63,005	63,867
Profit/(Loss) before tax		21,265	(63,867)
Less: Tax expense		—	—
Profit/(Loss) after tax		21,265	(63,867)
Earning per equity share:			
Basic and Diluted		0.00	(0.00)

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

Himanshu Chapsey
Partner
Membership No. 105731

Place : Mumbai
Date : 16th April, 2015

Jasmin Suchak
Chief Financial Officer

Sejal Shah
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

**Sangeeta Prasad
Raghunath Murti
Vijay Khetan** } Director's

Place : Mumbai
Date : 16th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit/(Loss) before tax.....	21,265	(63,867)
Adjustments for:		
Depreciation.....	5,130	17,803
Operating Profit/(Loss) before working capital changes.....	26,395	(46,064)
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets		
(Increase)/decrease in short term loans and advances.....	(40,000)	(5,70,706)
(Increase)/decrease in inventories.....	(48,976)	(28,76,590)
Adjustment for increase/(decrease) in operating liabilities		
Increase/(decrease) in other current liabilities.....	(1,68,702)	23,266
	(2,57,678)	(34,24,030)
Cash (used in) operations	(2,31,283)	(34,70,094)
Taxes paid.....	–	–
Net cash (used in) operating activities.....	(2,31,283)	(34,70,094)
B. Cash flow from financing activities:		
Proceeds from borrowings	2,00,000	35,00,000
Net cash from financing activities.....	2,00,000	35,00,000
Net increase/(decrease) in cash and cash equivalents	(31,283)	29,906
Cash & cash equivalents		
Opening balance	1,75,737	1,45,831
Closing balance.....	1,44,454	1,75,737
Net increase/(decrease) in cash and cash equivalents	(31,283)	29,906

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

Jasmin Suchak
Chief Financial Officer

Himanshu Chapsey
Partner
Membership No. 105731

Sejal Shah
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

Sangeeta Prasad
Raghunath Murti
Vijay Khetan } Director's

Place : Mumbai
Date : 16th April, 2015

Place : Mumbai
Date : 16th April, 2015

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1 Corporate information

The company was incorporated on 16th August, 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 specified under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of 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 II to the Companies Act, 2013.

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.

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower

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.

	Current Year ₹	Previous Year ₹
3 Share Capital		
Authorised		
5,00,00,000 equity shares of ₹ 10 each....	50,00,00,000	50,00,00,000
Issued, subscribed and fully paid up.		
2,10,00,000 equity shares fully paid up of ₹ 10 each.....	21,00,00,000	21,00,00,000
	<u>21,00,00,000</u>	<u>21,00,00,000</u>

- 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 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares ₹	No of Shares	Value of Shares ₹
Equity Shares				
At the beginning of the period.....	2,10,00,000	21,00,00,000	2,10,00,000	21,00,00,000
Issued during the period	—	—	—	—
Outstanding at the end of the period.....	2,10,00,000	21,00,00,000	2,10,00,000	21,00,00,000

- 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.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
4 Reserves & Surplus			6 Other Current Liabilities		
Deficit in the Statement of Profit and Loss.....			Interest Accrued but not due on loan (from Holding Company repayable on demand).....	5,18,25,298	5,18,25,298
Opening balance.....	(44,15,898)	(43,52,031)	Other liabilities	32,574	1,48,898
Add: Profit/(Loss) for the Current Year	21,265	(63,867)	Statutory remittances		
Closing Balance	(43,94,633)	(44,15,898)	Withholding Taxes	-	6,297
			Profession Taxes.....	-	600
			Other	32,450	1,42,001
				5,18,57,872	5,19,74,196
5 Short Term Borrowings			7 Short Term Provisions		
Loan from Holding company repayable on demand	18,97,00,000	18,95,00,000	Compensated absences.....	2,11,432	2,11,432
	18,97,00,000	18,95,00,000	Provision for bonus.....	2,51,660	3,04,038
				4,63,092	5,15,470

8 Fixed Assets Amount in ₹

	Gross Block				Accumulated Depreciation			Net Block	
Description of Assets	As at April 1, 2014	Addition	Deduction during the year	As at March 31, 2015	As at April 1, 2014	For the year	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets									
Computers	51,683	-	-	51,683	51,680	-	51,680	3	3
Furniture & Fixture	62,703	-	-	62,703	19,344	5,130	24,474	38,229	43,359
TOTAL	1,14,386	-	-	1,14,386	71,024	5,130	76,154	38,232	
Previous Year	1,14,386	-	-	1,14,386	53,221	17,803	71,024		43,362

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
9 Long Term Loans And Advances			13 Operating Expenses		
Income Tax Payment.....	1,298	1,298	Opening Work In Progress 01.04.2014.....	22,26,86,966	21,98,10,376
	1,298	1,298	Add : CONSUMPTION DURING 2014-15		
10 Inventories			Employee Remuneration	-	26,91,075
(at lower of cost and net realisable value)			Staff Welfare.....	-	2,285
Work in progress.....	22,27,35,942	22,26,86,966	Telephone Expenses - Mobile.....	-	28,245
(represents land and other related expenses)			Travelling Expenses Domestic - Fare	-	53,882
	22,27,35,942	22,26,86,966	Travelling Expenses Domestic - Lodging/Boarding.....	-	12,573
11 Cash and Cash Equivalents			Conveyance	-	16,809
Cash on hand	16,364	18,089	Printing & Stationery.....	2,055	5,688
Balances with Banks			Professional Fees	64,045	56,180
in current accounts.....	1,28,090	1,57,648	Laisoning/Statutory Fees.....	5,600	-
	1,44,454	1,75,737	Bank Charges	6	353
12 Short Term Loans and Advances (Unsecured, considered good)			Gen & Misc Expenses.....	(22,730)	9,500
Advance for purchase of land.....	22,28,13,226	22,28,13,226	TOTAL CONSUMPTION IN FY 2014-15.....	48,976	28,76,590
Advance given to Sundry Creditor.....	40,000	-	LESS : CLOSING WIP 31.03.2015.....	22,27,35,942	22,26,86,966
TDS Receivable.....	5,80,706	5,80,706		-	-
Claims recoverable	12,72,472	12,72,472			
	22,47,06,404	22,46,66,404			

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	Current Year ₹	Previous Year ₹
14 Employee Benefit Expense		
Salaries, wages and bonus	-	2,691,075
Staff welfare	-	2,285
	-	2,693,360
Less: Allocated to Projects	-	(2,693,360)
	-	-
15 Other Expenses		
Legal and Professional Charges	27,994	14,606
Auditors' remuneration		
Audit Fee	28,090	28,090
Other Expenses	1,791	3,368
Total	57,875	46,064

16 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.

17 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 31st March, 2015 and balances outstanding as at 31st March, 2015:

Particulars	Current Year ₹	Previous Year ₹
Inter Corporate Deposit taken ...	2,00,000	35,00,000
Interest on Inter Corporate Deposit	-	-
Outstanding Payables as at the year end	24,15,25,298	24,13,25,298

The above related party transaction is with Mahindra Lifespace Developers Limited.

18 Earnings per share

Particulars	Current Year	Previous Year
Basic and Diluted:		
Net Profit/Loss for the year (₹)	21,265	(63,867)
Weighted average number of equity shares (No's)	2,10,00,000	2,10,00,000
Par value per share (₹)	10	10
Earnings per share (₹)	0.00	(0.00)

19 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.

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

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 105102W

Jasmin Suchak

Chief Financial Officer

Himanshu Chapsey

Partner

Membership No. 105731

Sejal Shah

Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson

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Raghunath Murti

Vijay Khetan

} Director's

Place : Mumbai

Date : 16th April, 2015

Place : Mumbai

Date : 16th April, 2015