

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, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	7,52,400	2,94,690
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	6,94,661	2,47,334
Less: Depreciation	—	—
Profit/(Loss) Before Finance Cost and Taxation	6,94,661	2,47,334
Less: Finance Cost	—	—
Profit/(Loss) Before Taxation	6,94,661	2,47,334
Less: Provision for Taxation	2,14,650	—
Profit/(Loss) for the year after Taxation	4,80,011	2,47,334
Add: Balance of Profit/(Loss) for earlier years	649	(2,46,684)
Balance carried forward	4,80,660	649

DIVIDEND

With a view to conserve the resources of the Company for its growth plan, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

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

OPERATIONS

During the year, the Company reviewed various proposals to undertake residential developments. The Company is evaluating suitable 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, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 10 lakh and Paid-up equity share capital of the Company is ₹ 5 lakh.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 5,00,649 and ₹ 9,80,660 respectively.

HOLDING COMPANY

The 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 the Company. Therefore the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of the following:

Name of Director	DIN	Designation
Mr. Jayantt Manmadkar	03044559	Chairman, Non-Executive Non-Independent Director
Mr. Ramesh Ranganathan	03118598	Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Additional Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayantt Manmadkar (DIN: 03044559), 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. Jayantt Manmadkar is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, the Board of Directors at its meeting held on 26th October, 2015 had appointed Mr. Suhas Kulkarni (DIN: 00003936) as the Additional Non-Executive Non-Independent Director of the Company with effect from 26th October, 2015. In terms of the said Section and Articles of Association of the Company, Mr. Suhas Kulkarni holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Mr. Suhas Kulkarni's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Mr. Suhas Kulkarni as Director of the Company at the ensuing Annual General Meeting of the Company. Pursuant to Section 160 of the Act, the Company has received a notice from shareholder along with prescribed deposit proposing candidature of Mr. Suhas Kulkarni as a Director of the Company.

Accordingly, appointment of Mr. Suhas Kulkarni as a Director of the Company is proposed at the ensuing Annual General Meeting for shareholders' approval.

All the above Directors are not disqualified from being appointed/re-appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Rajan Narayan, effective 26th October, 2016, resigned from the Board due to pre-occupation. The Board puts on record its sincere appreciation for the valuable services rendered by him during his tenure.

KEY MANAGERIAL PERSONNEL

As the Company does not meet threshold limit for the paid-up share capital, the provisions of Section 203 of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

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

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.

NOMINATION & REMUNERATION COMMITTEE

As the Company does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules

made thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

MEETINGS

During the year, four Board Meetings were convened and held on 16th April, 2015, 21st July, 2015, 26th October, 2015, and 25th January, 2016.

Sr. No.	Name of the Director	No of Board meetings attended
1.	Mr. Jayantt Manmadkar	4
2.	Mr. Ramesh Ranganathan	4
3.	Mr. Suhas Kulkarni (Appointed w.e.f. 26 th October, 2015)	2
4.	Mr. Rajan Narayan (Resigned w.e.f. 26 th October, 2015)	2

The previous Annual General Meeting of the Company was held on 21st July, 2015.

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.

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, 2016 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 statement. The Board 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 the Company.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The 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 reviews implementation and monitoring of the risk management plan for the Company.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number: 105102W), were appointed as auditors for a term of five consecutive years from the conclusion of the 4th Annual General Meeting till the conclusion of the 9th Annual General Meeting to be held in the calendar year 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 Annual General Meeting till the conclusion of 9th AGM to be held in 2019.

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, adverse remark or disclaimer 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 the 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 the 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 1** in the form AOC-2. The Directors draw attention to Note no. 11 to the financial statement which sets out details of transactions with related parties.

DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 are given in the prescribed format in the **Annexure 2** to this report.

EMPLOYEE REMUNERATION

Being an unlisted company, the details of employee remuneration 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 are not applicable to 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 3** and forms part of this Report.

GENERAL

- During the year, there were no cases filed/reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.
- 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.
- No fraud has been reported during the audit conducted by the Statutory Auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board,

Jayantt Manmadkar

Chairman

DIN: 03044559

Mumbai, 25th April, 2016

ANNEXURE 1**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:- Mahindra Homes Private Limited – Mr. Ramesh Ranganathan a common Director on the Board of the Company and Mahindra Homes Private Limited.
 - b) Nature of contracts/arrangements/transactions:- Leave and Licence Agreement.
 - c) Duration of the contracts/arrangements/transactions and salient terms of the contracts or arrangements or transactions including the value, if any: The arrangement is for use of vacant plot of land for five terms of eleven months each for a monthly consideration of ₹ 62,700/-.
 - d) Date(s) of approval by the Board, if any: 13th October, 2014.
 - e) Amount received as advances, if any: ₹ 27,19,910/-

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 25th April, 2016

ANNEXURE 2**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy	:	The Company is looking out for a suitable opportunity in the Real Estate Development and adequate Energy Conservation measures will be undertaken 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,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 25th April, 2016

ANNEXURE 3**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2016**

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

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U70109MH2010PLC203619
2.	Registration Date	02/06/2010
3.	Name of the Company	Anthurium 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: (022) 67478600/8601
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

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

During the year under review, the Company had no turnover. During the year, the Company reviewed various proposals to undertake residential developments. The Company is evaluating suitable opportunities in this area.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100	2(46)
2	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	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.	–	50,000	50,000	100	–	50,000	50,000	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 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) 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	–	50,000	50,000	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) FIIs	–	–	–	–	–	–	–	–	–
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	–	50,000	50,000	100	–

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	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	49,940	100.00	0.00	49,940	100.00	0.00	0.00
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	0.00	10	0.00	0.00	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	0.00	10	0.00	0.00	0.00
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.00	0.00	10	0.00	0.00	0.00
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	0.00	10	0.00	0.00	0.00
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	0.00	10	0.00	0.00	0.00
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.00	0.00	10	0.00	0.00	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:

For each of 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
Suhas Kulkarni – Director At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00
Jayant Manmadkar – Director At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00

Note:

* Jointly with Mahindra Lifespace Developers Limited (first shareholder).

5. INDEBTEDNESS**Indebtedness of the Company including 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	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–

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: Nil****C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director: 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)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN : 03044559

Mumbai, 25th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANTHURIUM DEVELOPERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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", a statement on the matters specified in the 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 purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and 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 (as amended);
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

- g) With respect to the other matters 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
- Place: Mumbai
Dated: 25th April, 2016

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Anthurium Developers Limited for the year ended 31st March, 2016

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the 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) 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.
- 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 Section 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 generally 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, Customs 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 respect of tax deducted at source were outstanding as on March 31, 2016, for a period of more than 6 months from the date they become payable.
ii) There are no disputed dues outstanding as on 31st March, 2016 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
- 8) 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(viii) of the Order are not applicable to the Company.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Company has not obtained any term loans during the year ended 31st March, 2016.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, all transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

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

Firm’s Registration Number : 105102W

Himanshu Chapsey
Partner

Membership Number : 105731

Place: Mumbai
Dated: 25th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ANTHURIUM DEVELOPERS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Anthurium Developers Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare & Co.**
Chartered Accountants
Firm’s Registration Number : 105102W

Himanshu Chapsey
Partner
Membership Number : 105731

Place: Mumbai
Dated: 25th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note Ref	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital	3	5,00,000	5,00,000
Reserves and surplus	4	4,80,660	649
		9,80,660	5,00,649
Current liabilities			
Other current liabilities.....	5	2,29,51,298	2,35,06,591
Total		2,39,31,958	2,40,07,240
ASSETS			
Current assets			
Cash and Cash equivalents	6	34,67,499	15,94,923
Short term loans and advances.....	7	4,64,459	24,12,317
Inventory	8	2,00,00,000	2,00,00,000
		2,39,31,958	2,40,07,240
Total		2,39,31,958	2,40,07,240

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 : 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Ramesh Ranganathan Director (DIN-03118598)

Place : Mumbai
Date : 25th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Ref	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
Other Income			
Rent Income.....	9	7,52,400	2,94,690
EXPENDITURE			
Other expenses.....	10	57,739	47,356
Profit before tax		6,94,661	2,47,334
Less : Tax expense		2,14,650	—
Profit for the year.....		4,80,011	2,47,334
Earnings per equity share (₹):			
Basic/diluted		9.60	4.95

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 : 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Ramesh Ranganathan Director (DIN-03118598)

Place : Mumbai
Date : 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
A. Cash flow from operating activities		
Profit before tax.....	6,94,661	2,47,334
Adjustments for:		
Operating Profit before working capital changes	6,94,661	2,47,334
(Increase)/decrease in Inventories	–	(2,00,00,000)
(Increase)/decrease in short term loans & advances.....	19,47,858	1,76,23,300
Increase/(decrease) in current liabilities.....	(5,55,293)	2,34,33,866
	13,92,565	2,10,57,166
Cash (used in) operations	20,87,226	2,13,04,500
Tax paid	(2,14,650)	–
Net cash (used in) operating activities (A).....	18,72,576	2,13,04,500
B. Cash flow from financing activities:		
Repayment of borrowings.....	–	(2,00,00,000)
Net cash from financing activities (B)	–	(2,00,00,000)
Net increase/(decrease) in cash and cash equivalents (A+B).....	18,72,576	13,04,500
Cash & cash equivalents		
Opening balance.....	15,94,923	2,90,424
Closing balance.....	34,67,499	15,94,923
Net increase/(decrease) in cash and cash equivalents	18,72,576	13,04,500

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 : 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Ramesh Ranganathan Director (DIN-03118598)

Place : Mumbai
Date : 25th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. Corporate Information

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

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

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

c. Provisions and contingencies

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

3. Share Capital

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
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
	<u>5,00,000</u>	<u>5,00,000</u>

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

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

	As at 31 st March, 2016		As at 31 st March, 2015	
	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	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

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.

4. Reserves & Surplus

Surplus in Statement of Profit and Loss

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Opening balance of Profit & Loss Account...	649	(2,46,684)
Add: Profit/(Loss) for the Current Year	4,80,011	2,47,334
Closing Balance.....	<u>4,80,660</u>	<u>649</u>

5. Other Current Liabilities:

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deposit Received.....	2,00,00,000	2,00,00,000
Advance Rent Received	27,19,910	34,72,310
Other payables	49,738	34,281
Provision for Current Tax.....	1,81,650	—
	<u>22,951,298</u>	<u>2,35,06,591</u>

6. Cash & cash equivalents

Bank Balances

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
In current accounts.....	34,67,499	15,94,923
	<u>34,67,499</u>	<u>15,94,923</u>

7. Short-term Loans & Advances:

Loans and advances to related parties
(Refer 'Related Parties' balances' sheet)

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Advance Tax.....	4,64,459	4,12,317
Other Receivable	—	20,00,000
	<u>4,64,459</u>	<u>24,12,317</u>

8. Inventory

Inventory comprises entirely land in respect of which the transfer of title is pending to be completed.

9. Other Income:

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Rent Income.....	7,52,400	2,94,690
	<u>7,52,400</u>	<u>2,94,690</u>

The rent income arises from a short term operating lease of the Company's land (See Note 9) with a company which is related to the Company under the Companies Act, 2013. The lease term is for a period of 11 months and is renewal by mutual consent between the parties

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

10. Other Expenses:

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Legal and Professional Charges.....	26,457	16,291
Roc Fees.....	1,600	—
Miscellaneous expenses	1,057	2,975
Audit Fee.....	28,625	28,090
	57,739	47,356

11. List of related parties:

Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Holding Company
Mahindra Homes Private Limited	Private Company in which Mr. Ramesh Ranganathan a director, is a director

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Mahindra Homes Private Limited	2015-2016 ₹	2014-2015 ₹
Deposit Received	—	2,00,00,000
Rent Received	7,52,400	2,94,690
Advance Rent Received	—	34,72,310

Balances with related parties

Mahindra Homes Private Limited	As on 31st March, 2016 ₹	As on 31st March, 2015 ₹
Trade Receivable	—	20,00,000
Advance Rent	27,19,910	34,72,310
Deposit	2,00,00,000	2,00,00,000

12. Earnings per Share

	2015-16	2014-15
Net Profit/(loss) after tax (₹)	4,80,011	2,47,334
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and Diluted Earnings per share (₹)	9.60	4.95
Nominal value of shares (₹)	10	10

13. 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 business unabsorbed losses.

14. 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 : 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)
Ramesh Ranganathan Director (DIN-03118598)

Place : Mumbai
Date : 25th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Third report together with the audited financial statement of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	Nil	Nil
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	(45,601)	(57,263)
Less: Depreciation	Nil	Nil
Profit/(Loss) Before Finance Cost and Taxation	(45,601)	(57,263)
Less: Finance Cost	Nil	Nil
Profit/(Loss) Before Taxation	(45,601)	(57,263)
Less: Provision for Taxation	Nil	Nil
Profit/(Loss) for the year after Taxation	(45,601)	(57,263)
Add: Balance of Profit/(Loss) for earlier years	(1,19,962)	(62,699)
Balance carried forward	(1,65,563)	(1,19,962)

DIVIDEND

In view of the carried forward lossess, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

In view of loss for the year, no amount has been transferred to Reserves.

OPERATIONS

During the year, the Company identified an opportunity in Gujarat to develop an 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, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 10 lakh and paid-up equity share capital of the Company is ₹ 5 lakh.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 3,80,038 and ₹ 3,34,437 respectively.

HOLDING COMPANY

The 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 the Company. Therefore the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Mr. Jayantt Manmadkar	03044559	Chairman, Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Non-Executive Non-Independent Director

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 3rd 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.

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 the 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 and Rules made thereunder, the provisions with respect to CSR are currently not applicable to the Company.

AUDIT COMMITTEE

As the Company does not meet any of the criteria prescribed under Section 177 and Rules made thereunder, the provisions with respect to Audit Committee are currently not applicable to the Company.

NOMINATION & REMUNERATION COMMITTEE

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

MEETINGS

During the year, four Board Meetings were convened and held on 16th April, 2015, 24th July, 2015, 26th October, 2015 and 27th January, 2016.

All Directors attended all the meetings during the year.

The previous Annual General Meeting of the Company was held on 24th July, 2015.

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 financial year 2015-2016, received declarations under the Codes from the Board members of the Company affirming compliance with the respective Codes.

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, 2016 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 statement. The Board 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 the 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 reviews implementation and monitoring of the risk management plan for the Company.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number: 105102W), 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 the calendar year 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 the 3rd Annual General Meeting till the conclusion of the 6th Annual General Meeting to be held in 2019.

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 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, adverse remark or disclaimer 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 the 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 the Company is engaged in the business of providing Infra structural 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, there were no contracts/arrangements with related parties of the Company referred under Sub-section (1) of Section 188 of the Companies Act, 2013, hence the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOAN AND ADVANCES

The Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 Out go 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 are given in the prescribed format in the **Annexure 1** to this report.

EMPLOYEE REMUNERATION

Being an unlisted company, the details of employee remuneration 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 are not applicable to 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, 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.
- No fraud has been reported during the audit conducted by the Statutory Auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board

Jayant Manmadkar

Chairman

Mumbai, 25th April, 2016

DIN : 03044559

ANNEXURE 1

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	The Company is looking out for suitable opportunity to develop an Industrial Park 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	:	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,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 25th April, 2016

ANNEXURE 2

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

(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: (022) 67478600/8601
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. 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/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100%	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	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	–	–	–	–	–	–	–	–	–

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	
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	50,000	50,000	100	–	50,000	50,000	100	–
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) 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	–	50,000	50,000	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 ₹ 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.		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

Indebtedness of the Company including 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	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	—	—	—	—
Change in Indebtedness during the financial year				
• Addition	—	—	—	—
• Reduction	—	—	—	—
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i + ii + iii)	—	—	—	—

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)
A. Company					
Penalty	NONE				
Punishment					
Compounding					
B. Directors					
Penalty	NONE				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN : 03044559

Mumbai, 25th April, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Industrial Cluster Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of **INDUSTRIAL CLUSTER PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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" a statement on the matters specified in the 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 purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and 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 (as amended);
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

- g) With respect to the other matters 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 No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date : 25th April, 2016

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Industrial Cluster Private Limited for the year ended 31st March, 2016

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the 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) 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.
- 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 section 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, Customs 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 respect of tax deducted at source were outstanding as on 31st March, 2016, for a period of more than 6 months from the date they become payable.
ii) There are no disputed dues outstanding as on 31st March, 2016 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
- 8) 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(viii) of the Order are not applicable to the Company.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Company has not obtained any term loans during the year ended 31st March, 2016.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, there are no transactions with related parties during the year. Hence, the provisions of para 3(xiii) of the Order are not applicable to the Company.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date : 25th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDUSTRIAL CLUSTER PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Industrial Cluster Private Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm’s Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date : 25th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note Ref	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	5,00,000	5,00,000
Reserves and surplus.....	4	(1,65,563)	(1,19,962)
		<u>3,34,437</u>	<u>3,80,038</u>
Current liabilities			
Other current liabilities	5	31,634	28,090
		<u>31,634</u>	<u>28,090</u>
TOTAL		<u>3,66,071</u>	<u>4,08,128</u>
ASSETS			
Current assets			
Cash and Cash equivalents.....	6	3,66,071	4,08,128
		<u>3,66,071</u>	<u>4,08,128</u>
TOTAL		<u>3,66,071</u>	<u>4,08,128</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

Himanshu Chapsey
Partner
Membership No.: 105731
Place: Mumbai
Date: 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)
Suhas Kulkarni Director (DIN-00003936)

Place: Mumbai
Date: 25th April, 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Ref	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
EXPENDITURE			
Other expenses.....	7	45,601	57,263
		<u>45,601</u>	<u>57,263</u>
Loss before tax		<u>(45,601)</u>	<u>(57,263)</u>
Less: Tax expense		<u>-</u>	<u>-</u>
Loss for the year.....		<u>(45,601)</u>	<u>(57,263)</u>
Earnings per equity share:			
Basic/diluted		(0.91)	(1.15)

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: 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)
Suhas Kulkarni Director (DIN-00003936)

Place: Mumbai
Date: 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Cash flow from operating activities		
(Loss) before tax.....	(45,601)	(57,263)
<i>Adjustments for:</i>		
Operating (loss) before working capital changes.....	(45,601)	(57,263)
Increase/(decrease) in current liabilities.....	3,544	(34,609)
Cash (used in) operations.....	(42,057)	(91,872)
Net increase/(decrease) in cash and cash equivalents	(42,057)	(91,872)
Cash & cash equivalents		
Opening balance	4,08,128	5,00,000
Closing balance	3,66,071	4,08,128
Net increase/(decrease) in cash and cash equivalents	(42,057)	(91,872)

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: 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)
Suhas Kulkarni Director (DIN-00003936)

Place: Mumbai
Date: 25th April, 2016

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. CORPORATE INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

a Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards 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 31 st March, 2016	As at 31 st March, 2015
	₹	₹
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
	<u>5,00,000</u>	<u>5,00,000</u>

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

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

	As at 31 st March, 2016		As at 31 st March, 2015	
	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	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

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, 2016	As at 31 st March, 2015
	₹	₹
4. Reserves & Surplus		
Surplus in Statement of Profit and Loss		
Opening balance of Profit & Loss Account	(1,19,962)	(62,699)
Add: (Loss) for the Current Year	(45,601)	(57,263)
Closing Balance of Profit & Loss Account	<u>(1,65,563)</u>	<u>(1,19,962)</u>
	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
5. Other Current Liabilities		
Other payables	31,634	28,090
	<u>31,634</u>	<u>28,090</u>

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

	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
6. Cash & cash equivalents		
Bank Balances		
on current account	3,66,071	4,08,128
	<u>3,66,071</u>	<u>4,08,128</u>

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
7. Other Expenses	₹	₹
Legal and Professional Charges	13,741	25,895
Miscellaneous expenses	3,235	3,278
Audit Fee	28,625	28,090
Reimbursement of expenses/levies	—	—
	<u>45,601</u>	<u>57,263</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

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
9. Earnings per Share		
Net (loss) after tax (₹)	(45,601)	(57,263)
Weighted average number of equity shares (Nos.)	50,000	50,000
Basic and Diluted Earnings per share (₹)	(0.91)	(1.15)
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: 25th April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place: Mumbai

Date: 25th April, 2016

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, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	84,270	–
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	38,950	(1,06,335)
Less: Depreciation	–	–
Profit/(Loss) Before Finance Cost and Taxation	38,950	(1,06,335)
Less: Finance Cost	–	–
Profit/(Loss) Before Taxation	38,950	(1,06,335)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	38,950	(1,06,335)
Add: Balance of Profit/(Loss) for earlier years	(14,84,986)	(13,78,651)
Balance carried forward	(14,46,036)	(14,84,986)

DIVIDEND

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

In view of loss for the year, no amount has been transferred to Reserves.

Operations

The Company had identified a land parcel in Maharashtra for the development of an industrial park. As no 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 the land. The Company is in the process of completing re-conveyance of the balance 26.82 acres during the current year.

The Company will explore other suitable opportunities for large format developments/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, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 10 crores and paid-up equity share capital of the Company is ₹ 5 crores.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 4,85,53,964 and ₹ 4,85,15,014 respectively.

HOLDING COMPANY

The 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 the Company. Therefore the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of following:

Name of the Director	DIN	Designation
Ms. Sangeeta Prasad	02791944	Chairperson, Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Non-Executive Non-Independent Director
Mr. Jayant Manmadkar	03044559	Non-Executive Non-Independent Director

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 8th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Suhas Kulkarni is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, the Board of Directors at its meeting held on 26th October, 2015 had appointed Mr. Jayant Manmadkar (DIN: 03044559) as the Additional Non-Executive Non-Independent Director of the Company with effect from 26th October, 2015. In terms of said Section and Articles of Association of the Company, Mr. Jayant Manmadkar holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Mr. Jayant Manmadkar's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Mr. Manmadkar as Director of the Company at the ensuing Annual General Meeting of the Company. Pursuant to Section 160 of the Act, the Company has received a notice from shareholder along with prescribed deposit proposing candidature of Mr. Manmadkar as Director of the Company.

Accordingly, appointment of Mr. Jayant Manmadkar as Director of the Company is proposed at the ensuing Annual General Meeting for shareholders approval.

All the above Directors are not disqualified from being appointed/re-appointed as Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Rajan Narayan effective 26th October, 2015 resigned from the Board due to pre-occupation. The Board puts on record its sincere appreciation for the valuable services rendered by him during his tenure.

KEY MANAGERIAL PERSONNEL

During the year, there are no changes in the position of Key Managerial Personnel. Ms. Dhara Modi is the Company Secretary and Key Managerial Personnel 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

AUDIT COMMITTEE

In accordance with the requirement under the Companies Act, 1956, the Audit Committee of the Board of Directors was constituted on 15th February, 2010. However, with the advent of Companies Act, 2013 the erstwhile provisions relating to requirement of Audit Committee provided in the Companies Act, 1956 were repealed by Section 177 of the Companies Act, 2013 and Rules made thereunder. In terms of Section 177 and Rules made thereunder, the provisions relating to Audit Committee are not applicable to the Company.

In view thereof, the Board of Directors at its meeting held on 26th October, 2015 decided to disband the Audit Committee with effect from 26th October, 2015.

Previously, the Audit Committee comprised of three Non-executive Non-Independent Directors, namely Ms. Sangeeta Prasad, Mr. Rajan Narayan, Mr. Suhas Kulkarni. Ms. Sangeeta Prasad was the Chairperson of the Committee. All members of the Audit Committee possessed strong knowledge of accounting and financial management. The Chairperson and Statutory Auditors were invited to attend the Audit Committee Meetings. The Board accepted all recommendations of the Audit Committee made from time to time.

NOMINATION & REMUNERATION COMMITTEE

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

MEETINGS

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

16th April, 2015, 23rd July, 2015, 26th October, 2015 and 27th January, 2016.

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

16th April, 2015, 23rd July, 2015 and 26th October, 2015.

The details of the number of meetings of the Board and the Committees thereof 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.	Ms. Sangeeta Prasad	4	3
2.	Mr. Suhas Kulkarni	4	3
3.	Mr. Jayant Manmadkar (Appointed with effect from 26 th October, 2015)	2	NA
4.	Mr. Rajan Narayan (Resigned with effect from 26 th October, 2015)	2	3

The previous Annual General Meeting of the Company was held on 23rd July, 2015.

CODE OF CONDUCT

The Company has 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.

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, 2016 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 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 the Company.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The 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 reviews

implementation and monitoring of the risk management plan for the Company.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, (ICAI Registration No: 105102W) 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 ratify the appointment of statutory auditors from the conclusion of the 8th Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in 2019.

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, adverse remark, or disclaimer 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 the 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 the 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, there were no contracts/arrangements with related parties of the Company referred under sub-section (1) of Section 188 of the Companies Act, 2013, hence the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 are given in the prescribed format in the **Annexure 1** to this report.

EMPLOYEE REMUNERATION

Being an unlisted company, the details of employee remuneration 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 are not applicable to 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, 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.

- No fraud has been reported during the audit conducted by the statutory auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board,

Sangeeta Prasad

Chairperson
DIN: 02791944

Mumbai, 25th April, 2016

ANNEXURE 1**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	The operations of the 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, 25th April, 2016

ANNEXURE 2**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2016

(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, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
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/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	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	100.00	–	50,00,000	50,00,000	100.00	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-		50,00,000	50,00,000	100.00	–	50,00,000	50,00,000	100.00	–
(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	100.00	–	50,00,000	50,00,000	100.00	–
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	–	–	–	–	–	–	–	–	–

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	
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	100,00	–

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	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	100.00	–	49,99,940	100.00	–	–
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	–	–	10	–	–	–
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	–	–	10	–	–	–
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	–	–	10	–	–	–
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	–	–	10	–	–	–
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	–	–	10	–	–	–
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	–	–	10	–	–	–

(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:**

For each of 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
Suhas Kulkarni – Director	10*	–	10*	–
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	10*	–	10*	–
Jayant Manmadkar – Director	10*	–	10*	–
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	10*	–	10*	–

Note:

* Jointly held with Mahindra Lifespace Developers Limited (first shareholder).
None of the Key Managerial Personnel holds any shares in the Company.

5. INDEBTEDNESS**Indebtedness of the Company including 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	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–

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 Personnel draw any remuneration from the Company.

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)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

Sangeeta Prasad

Chairperson

DIN: 02791944

Mumbai, 25th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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 the 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 purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and 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 written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g. With respect to the other matters 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 our 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.
11. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Dated: 25th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDUSTRIAL TOWNSHIP (MAHARASHTRA) LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Industrial Township (Maharashtra) Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Dated: 25th April, 2016

ANNEXURE “B” 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 for the year ended 31st March, 2016

- 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.
- iii) The title deeds of immovable properties are held in the name of the Company.
- 2) i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- ii) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 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) 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 Provident Fund, Employees’ State Insurance, Income Tax, Sales 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, 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 has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm’s Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Dated: 25th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	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	(14,46,036)	(14,84,986)
		4,85,53,964	4,85,15,014
CURRENT LIABILITIES			
Other Current liabilities	5	31,32,296	32,18,840
		31,32,296	32,18,840
TOTAL		5,16,86,261	5,17,33,855
ASSETS			
CURRENT ASSETS			
Inventories	6	4,89,88,635	4,89,88,635
Cash and cash equivalents	7	24,22,729	24,70,323
Short term loans and advances	8	2,74,897	2,74,897
		5,16,86,261	5,17,33,855
TOTAL		5,16,86,261	5,17,33,855

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

Himanshu Chapsey

Partner

Membership No.: 105731

Dhara Modi

Company Secretary

(ACS: 31725)

Sangeeta Prasad

Director

(DIN:02791944)

Jayant Manmadkar

Director

(DIN:03044559)

Suhas Kulkarni

Director

(DIN:00003936)

Place: Mumbai

Date: 25th April, 2016

Place: Mumbai

Date: 25th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Ref	Current Year ₹	Previous Year ₹
REVENUE			
Other Income		84,270	—
TOTAL REVENUE		84,270	—
EXPENDITURE			
Operating Expenses	9	—	—
Other expenses.....	10	45,320	1,06,335
TOTAL EXPENDITURE		45,320	1,06,335
Profit/(Loss) before exceptional and extraordinary items and tax.....		38,950	(1,06,335)
Exceptional Items		—	—
Profit/(Loss) before extraordinary items and tax		38,950	(1,06,335)
Extraordinary Items.....		—	—
Profit/(Loss) before tax		38,950	(1,06,335)
Less: Tax expense		—	—
Profit/(Loss) after tax		38,950	(1,06,335)
Earning per equity share:			
Basic and Diluted		0.01	(0.02)

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

Himanshu Chapsey

Partner

Membership No.: 105731

Dhara Modi

Company Secretary

(ACS: 31725)

Sangeeta Prasad

Director

(DIN:02791944)

Jayant Manmadkar

Director

(DIN:03044559)

Suhas Kulkarni

Director

(DIN:00003936)

Place: Mumbai

Date: 25th April, 2016

Place: Mumbai

Date: 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit/(Loss) before tax.....	38,950	(1,06,335)
Adjustments.....	—	—
Operating loss before working capital changes.....	38,950	(1,06,335)
Changes in Working capital:		
Adjustments for (increase)/decrease in operating assets		
(Increase)/decrease in short term loans and advances.....	—	—
(Increase)/decrease in inventories	—	—
Adjustments for (increase)/decrease in operating liabilities		
Increase/(decrease) other in current liabilities.....	(86,544)	(22,472)
	(86,544)	(22,472)
Cash used in operations.....	(47,594)	(1,28,807)
Net cash used in operating activities	(47,594)	(1,28,807)
B. Cash flow from financing activities:	—	—
Net increase/(decrease) in cash and cash equivalents	(47,594)	(1,28,807)
Cash & cash equivalents		
Opening balance	24,70,323	25,99,130
Closing balance.....	24,22,729	24,70,323
Net increase/(decrease) in cash and cash equivalents	(47,594)	(1,28,807)

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date: 25th April, 2016

Dhara Modi
Company Secretary
(PAN:BYTPM1518H)

For and on behalf of the Board

Directors
Sangeeta Prasad (DIN:02791944)
Jayant Manmadkar (DIN:03044559)
Suhas Kulkarni (DIN:00003936)

Place: Mumbai
Date: 25th April, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

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 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. Actual results could differ from those estimates.

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 Revenue

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

2.5 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.

2.6 Provisions and contingencies

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.

2.7 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.

	Current Year ₹	Previous Year ₹
3 Share Capital		
Authorised		
10,000,000 equity shares of ₹ 10 each.....	10,00,00,000	10,00,00,000
Issued, subscribed and fully paid up.		
5,000,000 equity shares of ₹ 10 each.....	5,00,00,000	5,00,00,000
	<u>5,00,00,000</u>	<u>5,00,00,000</u>
3a. The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees		
There has been no movement in the equity share capital during the year.		
3b. Terms/Rights attached to Equity Shares		
The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.		
Repayment of capital on liquidation will be in proportion to the number of equity shares held.		
4 Reserves & Surplus	Current Year ₹	Previous Year ₹
Deficit from the statement of Profit and loss		
Opening balance	(14,84,986)	(13,78,651)
Add: Profit/(Loss) for the Current Year	38,950	(1,06,335)
Closing Balance of Profit and Loss Account	<u>(14,46,036)</u>	<u>(14,84,986)</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹															
5 Other Current Liabilities			10 Other Expenses																	
Statutory remittances			Rates and taxes	—	—															
Withholding tax	2,809	5,618	Legal and Professional Charges	16,695	78,245															
Other	28,678	1,12,413	Auditors' remuneration																	
Received from Land Aggregator	31,00,809	31,00,809	Audit fees	28,625	28,090															
	<u>31,32,296</u>	<u>32,18,840</u>	Total	<u>45,320</u>	<u>1,06,335</u>															
6 Inventories (at lower of Cost and Net Realisable Value)			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.																
Work In Progress			12 Related Party Transaction																	
(represents Land and related expenses)	4,89,88,635	4,89,88,635	List of Related Parties																	
	<u>4,89,88,635</u>	<u>4,89,88,635</u>	<table><tr><th>Description of relationship</th><th>Names of related parties</th></tr><tr><td>Ultimate Holding Company</td><td>Mahindra & Mahindra Limited</td></tr><tr><td>Holding Company</td><td>Mahindra Lifespace Developers Limited</td></tr></table>	Description of relationship	Names of related parties	Ultimate Holding Company	Mahindra & Mahindra Limited	Holding Company	Mahindra Lifespace Developers Limited											
Description of relationship	Names of related parties																			
Ultimate Holding Company	Mahindra & Mahindra Limited																			
Holding Company	Mahindra Lifespace Developers Limited																			
7 Cash and Cash Equivalents			13 Earnings Per Share																	
Cash on hand	20,000	20,000	<table><tr><th>Particulars</th><th>Current Year ₹</th><th>Previous Year ₹</th></tr><tr><td>Net Profit/(Loss) after tax</td><td>38,950</td><td>(1,06,335)</td></tr><tr><td>Weighted average number of equity shares</td><td>50,00,000</td><td>50,00,000</td></tr><tr><td>Par value per share</td><td>10</td><td>10</td></tr><tr><td>Earnings per share - Basic and diluted</td><td>0.01</td><td>(0.02)</td></tr></table>	Particulars	Current Year ₹	Previous Year ₹	Net Profit/(Loss) after tax	38,950	(1,06,335)	Weighted average number of equity shares	50,00,000	50,00,000	Par value per share	10	10	Earnings per share - Basic and diluted	0.01	(0.02)		
Particulars	Current Year ₹	Previous Year ₹																		
Net Profit/(Loss) after tax	38,950	(1,06,335)																		
Weighted average number of equity shares	50,00,000	50,00,000																		
Par value per share	10	10																		
Earnings per share - Basic and diluted	0.01	(0.02)																		
Balances with Bank			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.																
In current accounts	24,02,729	24,50,323	15	Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.																
	<u>24,22,729</u>	<u>24,70,323</u>																		
8 Short Term Loans and Advances																				
(Unsecured, considered good)																				
TDS Receivable	2,74,897	2,74,897																		
	<u>2,74,897</u>	<u>2,74,897</u>																		
9 Operating Expenses																				
Opening Work In Progress 01.04.2015	4,89,88,635	4,89,88,635																		
Add : Consumption during 2015-16	—	—																		
Total Consumption in FY 2015-16	—	—																		
Less : Closing WIP 31.03.2016	4,89,88,635	4,89,88,635																		
	<u>—</u>	<u>—</u>																		

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date: 25th April, 2016

For and on behalf of the Board

Dhara Modi
Company Secretary
(ACS: 31725)

Sangeeta Prasad Director (DIN:02791944)
Jayant Manmadkar Director (DIN:03044559)
Suhas Kulkarni Director (DIN:00003936)

Place: Mumbai
Date: 25th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Ninth report together with the audited financial statement of your Company for the financial year ended on 31st March, 2016.

FINANCIAL HIGHLIGHTS

(Amount in ₹)

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	Nil	84,270
Profit/(Loss) Before Depreciation, Finance Cost and Taxation.....	(54,993)	26,395
Less: Depreciation.....	5,130	5,130
Profit/(Loss) Before Finance Cost and Taxation.....	(60,123)	21,265
Less: Finance Cost.....	Nil	Nil
Profit/(Loss) Before Taxation	(60,123)	21,265
Less: Provision for Taxation	Nil	Nil
Profit/(Loss) for the year after Taxation.....	(60,123)	21,265
Add: Balance of Profit/(Loss) for earlier years	(43,94,634)	(44,15,899)
Balance carried forward to the Balance Sheet	(44,54,757)	(43,94,634)

DIVIDEND

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

In view of loss for the year, no amount has been transferred to Reserves.

OPERATIONS

The Company is acquiring land to set up an integrated township in Maharashtra. During the year, the Company continued land acquisition 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 has been slow.

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

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

During the year, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 50 crore and Paid-up equity share capital of the Company is ₹ 21 crore.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 20,56,05,336 and ₹ 20,55,45,243 respectively.

HOLDING COMPANY

The Company is a wholly owned subsidiary 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 the Company. Therefore, the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of the following:

Name	DIN	Designation
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive Non-Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Vijay Khetan	00465161	Independent Director
Ms. Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad, a Non-executive and Non-independent Director retires by rotation at the 9th 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.

Pursuant to Section 149(7) of the Act, declarations from all the Independent Directors have been received affirming their independence in accordance with the Section 149(6) of the Act.

KEY MANAGERIAL PERSONNEL

As at 31st March, 2016, the Key Managerial Personnel of the Company comprise of the following:

Sr. No.	Name	Designation
1.	Mr. Suhas Kulkarni	Manager
2.	Mr. Jasmin Suchak	Chief Financial Officer
3.	Ms. Arti Shinde	Company Secretary

During the year, Ms. Sejal Shah resigned as the Company Secretary w.e.f. 10th July, 2015. The Board places on record its sincere appreciation of the association of Ms. Sejal Shah with the Company.

Consequent to the aforesaid resignation, Ms. Arti Shinde was appointed as the Company Secretary w.e.f. 21st October, 2015.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of two independent Directors, namely Mr. Vijay Khetan and 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.

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.

NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of two Independent Directors, namely Mr. Vijay Khetan and Mr. Raghunath Murti and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Ms. Sangeeta Prasad. Mr. Raghunath Murti is the Chairman of the Committee.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of

Directors and Key Managerial Personnel and Employees, as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 1**, **Annexure 2** and **Annexure 3**, respectively to this report:

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

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once without the presence of the Non-Independent Director(s) or Chief Financial Officer or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and that Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION

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 Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. Structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices, etc. were circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

MEETINGS

During the year, four meetings of the Board were convened and held on following dates:

16th April, 2015, 10th July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, four meetings of Audit Committee were convened and held on the following dates:

16th April, 2015, 10th July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, two meetings of Nomination & Remuneration Committee were convened and held on the following dates:

16th April, 2015 and 21st October, 2015.

The details of the number of meetings of the Board and the Committees attended thereof 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	4	–	2
2.	Ms. Sangeeta Prasad	4	4	2
3.	Mr. Raghunath Murti	3	3	1
4.	Mr. Vijay Khetan	2	2	2

The previous Annual General Meeting of the Company was held on 10th July, 2015.

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 including Independent Directors of the Company affirming compliance with the respective Codes.

DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (“the Act”), 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 have 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, 2016 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 statement. The Audit Committee of the Board 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 requirement for establishment of vigil mechanism is currently not applicable to the Company.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. The 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 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. B. K. Khare & Co., Chartered Accountants, Mumbai, (ICAI Registration No: 105102W) 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 Sections 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 a term of 5 years, i.e. from the conclusion of 9th Annual General Meeting upto conclusion of the 14th 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.

As the Company meets the prescribed criteria given under Section 139(2), the Board has recommended to the shareholders for approval, appointment of M/s. B. K. Khare & Co., Chartered Accountants, Mumbai as statutory auditors for a term of five years, i.e. from the conclusion of the 9th Annual General Meeting upto conclusion of the 14th Annual General Meeting of the Company to be held in the calendar year 2021 subject to ratification of their appointment at every Annual General Meeting.

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

As the 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.

There were no investments made by the Company attracting the provisions of Section 186 of the Companies Act, 2013 for the year under review.

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 with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

During the year, the Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 4** to this report.

EMPLOYEE REMUNERATION

Being an unlisted company, the details of employee remuneration 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 are not applicable to 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 are included in this Report as **Annexure 5** and forms part of this Report.

GENERAL

- During the year, 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.
- No fraud has been reported during the audit conducted by the Statutory Auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 18th April, 2016

ANNEXURE 1

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. 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 Knowledge Township 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/will be 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.

II. APPOINTMENT OF DIRECTORS

1. 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:
 - a) 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.

- b) Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.

- c) Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

2. Based on recommendation of 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.

III. 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 the Director subject to the compliance of the applicable statutory provisions.

IV. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Board/Chairperson 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, 18th April, 2016

ANNEXURE 2

POLICY FOR REMUNERATION OF THE DIRECTORS

I. PURPOSE

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

II. 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.

III. 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 Shareholder's resolution.

IV. 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, 18th April, 2016

ANNEXURE 3

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, 18th April, 2016

ANNEXURE 4**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	The operations of the 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, 18th April, 2016

ANNEXURE 5**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31st March, 2016**

(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, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
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/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	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.	—	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	—

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)	–	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	–	–	–	–	–	–	–	–	–
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.	Shareholder's name	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	100.00	—	2,09,99,940	100.00	—	—
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:

For each of 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
Anita Arjundas – Director At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00
Suhas Kulkarni – Manager At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00

* Jointly with Mahindra Lifespace Developers Limited (first shareholder).

5. INDEBTEDNESS

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

(₹ In Crore)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	18.97	–	18.97
ii) Interest due but not paid	–	0	–	0
iii) Interest accrued but not due	–	5.18	–	5.18
Total (i + ii + iii)	–	24.15	–	24.15
Change in Indebtedness during the financial year				
• Addition	–	0.20	–	0.20
• Reduction	–	–	–	–
Net change	–	0.02	–	0.02
Indebtedness at the end of the financial year				
i) Principal Amount	–	19.17	–	19.17
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	5.18	–	5.18
Total (i + ii + iii)	–	24.35	–	24.35

6. 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 Managing Director/Manager/Whole Time Director:
None of the Key Managerial Personnel draw any remuneration from the Company.

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)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 18th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **KNOWLEDGE TOWNSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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 the 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 purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and 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 written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g. With respect to the other matters 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 our 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.
11. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specifies in paragraphs 3 and 4 of the Order.

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

Chartered Accountants

Firm's Registration No. : 105102W

Himanshu Chapsey

Partner

Place: Mumbai

Dated: 18th April, 2016

Membership No. : 105731

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Knowledge Township Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Himanshu Chapsey
Partner
Membership No. 105731

Place: Mumbai
Dated: 18th April, 2016

ANNEXURE “B” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Knowledge Township Limited for the year ended 31st March, 2016

- 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.
- iii) The title deeds of immovable properties are held in the name of the Company.
- 2) i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- ii) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 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, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 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) 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 Provident Fund, Employees' State Insurance, Income Tax, Sales 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, 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 has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**
Chartered Accountants
Firm's Registration No. : 105102W

Himanshu Chapsey
Partner
Membership No. : 105731

Place: Mumbai
Dated: 18th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note Ref	Current Year ₹	Previous Year ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS FUNDS			
Share capital	3	210,000,000	210,000,000
Reserves & Surplus	4	(4,454,757)	(4,394,634)
		205,545,243	205,605,366
CURRENT LIABILITIES			
Short term Borrowings	5	191,700,000	189,700,000
Other current liabilities.....	6	51,859,132	51,857,872
Short term provisions	7	463,092	463,092
		244,022,224	242,020,964
TOTAL		449,567,467	447,626,330
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible assets	8	33,102	38,232
		33,102	38,232
Long Term Loans and advances	9	8,000	1,298
CURRENT ASSETS			
Inventories.....	10	224,652,139	222,735,942
Cash and cash equivalents.....	11	205,822	144,454
Short term loans and advances.....	12	224,668,404	224,706,404
		449,526,365	447,586,800
TOTAL		449,567,467	447,626,330

See accompanying notes forming part of the Financial Statements **1 to 19**

In terms of our report attached

For B. K. Khare & CoChartered Accountants
Firm's Registration Number 105102W**Himanshu Chapsey**Partner
Membership No 105731Place: Mumbai
Date: 18th April, 2016**Jasmin Suchak**
Chief Financial Officer**Arti Shinde**
Company Secretary
(ACS: 15976)

For and on behalf of the Board

Anita Arjundas	Director	(DIN: 00243215)
Vijay Khetan	Director	(DIN: 00465161)
Raghunath Murti	Director	(DIN: 00082761)

Place: Mumbai
Date: 18th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Ref	Current Year ₹	Previous Year ₹
REVENUE			
Other Income		–	84,270
TOTAL REVENUE		–	84,270
EXPENDITURE			
Operating Expenses	13	–	–
Depreciation and amortization expense	8	5,130	5,130
Other expenses.....	14	54,993	57,875
TOTAL EXPENDITURE		60,123	63,005
Profit/(Loss) before tax		(60,123)	21,265
Less : Tax expense		–	–
Profit/(Loss) after tax		(60,123)	21,265
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 & CoChartered Accountants
Firm's Registration Number 105102W**Himanshu Chapsey**Partner
Membership No 105731

Place: Mumbai

Date: 18th April, 2016**Jasmin Suchak**
Chief Financial Officer**Arti Shinde**
Company Secretary
(ACS: 15976)

For and on behalf of the Board

Anita Arjundas	Director	(DIN: 00243215)
Vijay Khetan	Director	(DIN: 00465161)
Raghunath Murti	Director	(DIN: 00082761)

Place: Mumbai

Date: 18th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit/(Loss) before tax.....	(60,123)	21,265
Adjustments for:		
Depreciation	5,130	5,130
Operating loss before working capital changes.....	(54,993)	26,395
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets.....		
(Increase)/decrease in short term loans and advances.....	31,298	(40,000)
(Increase)/decrease in inventories	(1,916,197)	(48,976)
Adjustment for increase/(decrease) in operating liabilities		
Increase/(decrease) in other current liabilities.....	1,260	(168,702)
	(1,883,639)	(257,678)
Cash (used in) operations	(1,938,632)	(231,283)
Net cash (used in) operating activities.....	(1,938,632)	(231,283)
B. Cash flow from financing activities:		
Proceeds from borrowings	2,000,000	200,000
Net cash from financing activities.....	2,000,000	200,000
Net increase/(decrease) in cash and cash equivalents	61,368	(31,283)
Cash & cash equivalents		
Opening balance	144,454	175,737
Closing balance.....	205,822	144,454
Net increase/(decrease) in cash and cash equivalents	61,368	(31,283)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For B. K. Khare & CoChartered Accountants
Firm's Registration Number 105102W**Jasmin Suchak**
Chief Financial Officer**Himanshu Chapsey**Partner
Membership No 105731**Arti Shinde**
Company Secretary
(ACS: 15976)Place: Mumbai
Date: 18th April, 2016

For and on behalf of the Board

Anita Arjundas	Director	(DIN: 00243215)
Vijay Khetan	Director	(DIN: 00465161)
Raghunath Murti	Director	(DIN: 00082761)

Place: Mumbai
Date: 18th April, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note Particulars

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 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. Actual results could differ from those estimates.

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.

2.5 Revenue

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

2.6 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.

2.7 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.

2.8 Provisions and contingencies

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.

2.9 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.

	Current Year ₹	Previous Year ₹
3 SHARE CAPITAL		
Authorised		
5,00,00,000 equity shares of ₹ 10 each....	500,000,000	500,000,000
Issued, subscribed and fully paid up.		
21,00,00,000 equity shares fully paid up of ₹10 each	210,000,000	210,000,000
	<u>210,000,000</u>	<u>210,000,000</u>
3a. The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees.		
There has been no movement in the equity share capital during the year.		
3b. Terms/ Rights attached to Equity Shares		
The company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.		
Repayment of the capital on liquidation will be in proportion to the number of equity shares held.		
	Current Year ₹	Previous Year ₹
4 RESERVES & SURPLUS		
Opening balance	(4,394,633)	(4,415,898)
Add: Profit/(Loss) for the current year ...	(60,123)	21,265
Closing Balance.....	<u>(4,454,756)</u>	<u>(4,394,633)</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
5 SHORT TERM BORROWINGS			Statutory remittances		
Loan from Holding company repayable on demand.....	191,700,000	189,700,000	Withholding Taxes	5,209	—
	<u>191,700,000</u>	<u>189,700,000</u>	Others	28,625	32,450
				<u>51,859,132</u>	<u>51,857,872</u>
	Current Year ₹	Previous Year ₹	7 Short Term Provisions		
6 OTHER CURRENT LIABILITIES			Compensated absences.....	211,432	211,432
Interest Accrued but not due on loan (from Holding Company repayable on demand).....	51,825,298	51,825,298	Provision for bonus.....	251,660	251,660
Other liabilities	33,834	32,574		<u>463,092</u>	<u>463,092</u>

8 FIXED ASSETS

Amount in ₹

	Gross Block			Accumulated Depreciation			Net Block	
Description of Assets	As at 1 st April, 2015	Addition	Deduction during the year	As at 31 st March, 2016	As at 1 st April, 2015	For the year	As at 31 st March, 2016	As at 31 st March, 2015
Tangible Assets								
Computers	51,683	—	—	51,683	51,683	—	51,683	—
Furniture & Fixture	62,703	—	—	62,703	24,471	5,130	29,601	33,102
TOTAL	114,386	—	—	114,386	76,154	5,130	81,284	33,102
Previous Year	114,386	—	—	114,386	71,024	5,130	76,154	38,232

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
9 LONG TERM LOANS AND ADVANCES			13 OPERATING EXPENSES		
Income Tax Payment.....	—	1,298	Opening Work In Progress 01.04.2015.....	222,735,942	222,686,966
Prepaid Expenses (Profession Tax 2016-2020)	8,000	—	Add : CONSUMPTION DURING 2015-16		
	<u>8,000</u>	<u>1,298</u>	Legal & Professional Fees.....	626,345	64,045
			Liasoning/Statutory Fees.....	1,250,000	5,600
10 INVENTORIES (at lower of cost and net realisable value)			Other Expenses.....	39,852	(20,669)
Work in progress.....	224,652,139	222,735,942	TOTAL CONSUMPTION IN FY 2015-16.....	1,916,197	48,976
(represents land and other related expenses)			LESS : CLOSING WIP 31.03.2016	224,652,139	222,735,942
	<u>224,652,139</u>	<u>222,735,942</u>		<u>—</u>	<u>—</u>
11 CASH AND CASH EQUIVALENTS				Current Year ₹	Previous Year ₹
Cash on hand.....	1,364	16,364	14 OTHER EXPENSES		
Balances with Banks			Legal and Professional Charges	24,811	27,994
in current accounts	204,458	128,090	Auditors' remuneration		
	<u>205,822</u>	<u>144,454</u>	Statutory Audit Fee	28,625	28,090
			Other Expenses	1,557	1,791
12 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)			Total	<u>54,993</u>	<u>57,875</u>
Advance for purchase of land.....	222,813,226	222,813,226			
Prepaid Expenses.....	2,000	—	15		
Advance given to Sundry Creditor	—	40,000	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.		
TDS Receivable	580,706	580,706			
Claims recoverable	1,272,472	1,272,472			
	<u>224,668,404</u>	<u>224,706,404</u>			

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**16 Related Party Transactions****16a List of Related Parties**

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

16b Related Party Transactions

Note: Related parties have been identified by the Management.

Details of related party transactions during the Period ended 31st March, 2016 and balances outstanding as at 31st March, 2016

Particulars	Current Year ₹	Previous Year ₹
	Mahindra Lifespace Developers Ltd.	
Inter Corporate Deposit taken	2,000,000	200,000
Outstanding Payables as at the year end	243,525,298	241,525,298

17 Earnings per share

Particulars	Current Year ₹	Previous Year ₹
BASIC AND DILUTED :		
Net loss for the year	(60,123)	21,265
Weighted average number of equity shares	21,000,000	21,000,000
Par value per share	10	10
Earnings per share	(0.00)	0.00

18 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.

19 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

For B. K. Khare & Co

Chartered Accountants
Firm's Registration Number 105102W

Jasmin Suchak
Chief Financial Officer

Anita Arjundas Director (DIN: 00243215)
Vijay Khetan Director (DIN: 00465161)
Raghunath Murti Director (DIN: 00082761)

Himanshu Chapsey

Partner
Membership No 105731

Arti Shinde
Company Secretary
(ACS: 15976)

Place: Mumbai
Date: 18th April, 2016

Place: Mumbai
Date: 18th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Eighth report together with the audited financial statement of your Company for the financial year ended on 31st March, 2016.

Financial Highlights

Particulars	(Amount in Rs.)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	57,21,40,424	81,13,15,705
Profit/(Loss) Before Depreciation, Finance Cost and Taxation.....	3,49,29,431	15,76,49,671
Less: Depreciation.....	62,19,149	56,71,831
Profit/(Loss) Before Finance Cost and Taxation.....	2,87,10,282	15,19,77,840
Less : Finance Cost	—	—
Profit/(Loss) Before Taxation	2,87,10,282	15,19,77,840
Less: Provision for Taxation	1,10,00,000	3,30,00,000
– Deferred Tax.....	14,91,302	8,44,071
Profit/(Loss) for the year after Taxation.....	1,92,01,584	11,98,21,911
Add: Balance of Profit/(Loss) for earlier years	6,37,71,223	(5,60,50,688)
Less: Transfer to Debenture Redemption Reserve	—	5,10,67,851
Balance carried forward	8,29,72,807	6,37,71,223

Dividend

With a view to conserve the resources of the Company for its growth plan, the Directors do not recommend dividend for financial year 2015-2016.

Reserves

Profit for the year has been carried forward to P & L account and no amount has been transferred to Reserves. The Company has, in the earlier years, transferred adequate amount to the Debenture Redemption Reserve and hence, no further transfer to the Debenture Redemption Reserve was made for the financial year 2015-16.

Operations

The Company's project 'Bloomdale', located at Nagpur, Maharashtra 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 one new phase of the project (IIIA), taking the total saleable area launched to 0.97 million square feet. Construction has been completed for the first phase of the project (IA, IB and IC), and is underway for the remaining phases and the club house. 83 per cent of the total units launched in this project have been sold upto March 2016.

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 with respect to previous financial statement of the Company.

Share Capital

The Authorised and Paid-up equity share capital of the Company is Rs.5 lakh which is presently held by Mahindra Lifespace Developers Limited (MLDL) and B.E. Billimoria & Co. Limited (BEBL) in the ratio of 70:30 respectively.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity shares) nor granted employee stock options. Further there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

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

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

Networth

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 6,42,71,223 and Rs. 8,34,72,807 respectively.

Holding Company

The 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 the Company. Therefore, the requirements of consolidated financial statement are not applicable to the Company.

Board of Directors

As of 31st March, 2016, the Board of Directors comprise of the following:

Name of the Director	DIN	Category of the Director
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive, Non Independent
Mr. Vijay Khetan	00465161	Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Digant Kapadia	00021310	Non-Executive, Non Independent
Mr. Jeet Kapadia	02633453	Non-Executive, Non Independent
Mr. Jayantt Manmadkar	03044559	Non-Executive, Non Independent
Mr. Ramesh Ranganathan	03118598	Non-Executive, Non Independent

The Board at its meeting held on 23rd July, 2015 has appointed Mr. Ramesh Ranganathan (DIN: 03118598) w.e.f. 1st August, 2015, as an Additional Director, in the category of Non-Executive Non-Independent Director and liable to retire by rotation. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Ramesh ceases to hold office at the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 161(1) of the Companies Act, 2013 from a member proposing his candidature for the office of Director alongwith requisite deposit.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Digant Kapadia (DIN: 00021310) a Non-Executive Non-Independent Director retires by rotation at the 8th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Kapadia 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. Rajendra Joshi (DIN: 01336172) resigned as Director of the Company with effect from 31st July, 2015 due to pre-occupation. The Board places on record its deep appreciation of the valuable services rendered by Mr. Joshi during his tenure as a Director of 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 the Company.

Committees of the Board

Audit Committee

The Audit Committee comprises of two Independent Directors, namely Mr. Raghunath Murti and Mr. Vijay Khetan and one Non-Executive Non-Independent Director, Mr. Jayantt 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 Chairman 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.

Corporate Social Responsibility (CSR) Committee

As the Company meets the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions with respect to CSR are currently applicable to the Company.

The Board of Directors at its meeting held on 16th April, 2015, constituted Corporate Social Responsibility Committee comprising Mr. Jayantt Manmadkar – Non Executive Non-Independent Director, Mr. Rajendra Joshi – Non Executive Non-Independent Director and Mr. Vijay Khetan – Independent Director. Consequent to the resignation of Mr. Rajendra Joshi, the Board at its meeting held on 23rd July, 2015, appointed Mr. Ramesh Ranganathan w.e.f. 1st August, 2015 as a member of the CSR Committee in place of Mr. Rajendra Joshi. 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 has spent Rs. 6,79,000/- as against the required CSR expenditure of Rs. 8,75,000/- calculated in the manner prescribed in the Companies Act, 2013. Of the total unspent amount of Rs. 1,96,000, Rs. 1,85,000 was earmarked for Tree Plantation (Hariyali Campaign) in approved land and Rs. 11,000 was earmarked for running expense of Gyandeep and renovation of the School. Considering the water shortage in the approved land, the Company was uncertain on the availability of water required to maintain the saplings which the Company would plant using the balance CSR Budget on Hariyali Campaign. Rs. 11,000 remained un-utilised towards Running expense of Gyandeep and renovation of school as the same were not required by Gyandeep in FY 15-16. As a result, the amount of Rs. 1,96,000 which was earmarked for aforesaid contribution remained unspent as on 31st March, 2016. The Board has approved that the unspent amount of Rs. 1,96,000, out of the minimum required CSR expenditure for FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

Nomination and Remuneration Committee

As at 31st March, 2016, the Nomination and Remuneration Committee comprised of two Independent Directors, namely Mr. Raghunath Murti and Mr. Vijay Khetan and two Non-Executive Non-Independent Directors, Mr. Ramesh Ranganathan and Mr. Digant Kapadia. Mr. Raghunath Murti is the Chairman of the Committee. Consequent to the resignation of Mr. Rajendra Joshi w.e.f. 31st July, 2015, the Board at its Meeting held on 23rd July, 2015, re-constituted the Committee by appointing Mr. Ramesh Ranganathan as a member of the Committee w.e.f. 1st August, 2015.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as

required under Section 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2, Annexure 3 and Annexure 4**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3**)
3. Policy on Remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

Committee of Directors for borrowings:

The Board has constituted the “Committee of Directors for borrowings” on 21st October, 2015. The Terms of reference of the Committee includes borrowing secured/unsecured monies from time to time within the overall limits fixed by the Shareholders in this regard. The Committee comprises of Non-Executive Non-Independent Directors Ms. Anita Arjundas, Mr. Ramesh Ranganathan and Mr. Jayant Manmadkar.

Meetings of Independent Directors

The Independent Directors of the Company met once during the year without the presence of the Non-Independent Directors or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timelines of flow of information between

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	Board meetings	Audit Committee meetings	Nomination & Remuneration Committee meetings	Corporate Social Responsibility Committee meetings	Committee of Directors for Borrowings
1.	Ms. Anita Arjundas	5	–	–	–	1
2.	Mr. Ramesh Ranganathan (Appointed w.e.f. 1/08/2015)	2	–	–	2	1
3.	Mr. Rajendra Joshi (Ceased w.e.f. 31/7/2015)	3	–	2	1	–
4.	Mr. Jayant Manmadkar	5	4	–	3	1
5.	Mr. Digant Kapadia	4	–	2	–	–
6.	Mr. Jeet Kapadia	2	–	–	–	–
7.	Mr. Raghunath Murti	4	3	2	–	–
8.	Mr. Vijay Khetan	4	3	2	2	–

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 2015-16, received declarations from Board members, Independent Directors and employees of the Company affirming compliance with the respective Codes.

the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings

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

16th April, 2015, 8th June, 2015, 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, four meetings of the Audit Committee were convened and held on the following dates:

16th April, 2015, 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, two meetings of the Nomination & Remuneration Committee were convened and held on 16th April, 2015 and 23rd July, 2015.

During the year, three meetings of the Corporate Social Responsibility Committee were convened and held on 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, one meeting of the “Committee of Directors for borrowing,” was held on 19th February, 2016.

The previous Annual General Meeting of the Company was held on 23rd July, 2015 which was attended by the Chairman of Audit Committee and the Chairman of the Nomination & Remuneration Committee.

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, confirmed 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, 2016 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.

Vigil Mechanism

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

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The 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 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. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration No: 105102W), 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 the calendar year 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 8th Annual General Meeting till the conclusion of 11th Annual General Meeting to be held in 2019.

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, adverse remark or disclaimer and therefore does not call for any further comments.

The requirement of having internal auditor, cost auditor and secretarial auditor is presently not applicable to the Company. However, the Company has voluntarily appointed M/s. Ernst and Young LLP as Internal Auditors to carry out Internal Audit for the financial year 2015-16

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

As the 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.

There were no investments made by the Company attracting the provisions of Section 186 of the Companies Act, 2013.

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 5** in the form AOC-2. The Directors draw attention to Note no. 25 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

During the year under review, the Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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

The particulars relating to 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 **Annexure 6** to this report.

Employee Remuneration

Being an unlisted Company, the details of employee remuneration 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 are not applicable to 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 7** and forms part of this Report.

Safety, Health and Environmental Performance

The Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

Sustainability

The 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.

General

During the year, 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.

No fraud has been reported during the audit conducted by the Statutory Auditor and Internal Auditors of 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.

Acknowledgment

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 18th April, 2016

ANNEXURE 1**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.**

The Company is driven by its mission of 'Transforming urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. Our current focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Mahindra Group's core purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.

2. The composition of the CSR Committee.

Comment: As at 31st March, 2016, the CSR committee comprised of the following:

Name of the Member	Designation
Mr. Jayantt Manmadkar	Chairman
Mr. Ramesh Ranganathan	Member
Mr. Vijay Khetan	Member

3. Average net profit of the Company for last three financial years.

The average net profit of the Company for last three financial years was Rs. 4,37.5 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR expenditure was Rs. 8.75 lakh

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: Rs. 8.75 lakh

(b) Amount unspent, if any: Rs. 1.96 lakh

(c) Manner in which the amount spent during the financial year is detailed below,

(1) Sr. no.	(2) CSR project of activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise (Amount in Rs.)	(6) Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (Amount in Rs.)	(7) Cumulative expenditure upto the reporting period (Amount in Rs.)	(8) Amount spent: Direct or through implementing agency*
1	Nanhi Kali – sponsored 146 girl child education	Education	Nagpur, Maharashtra	4,38,000	Direct expenditure: 4,38,000	4,38,000	Implementing Agency : KC Mahindra Education Trust
2	Gyandeep – supporting child education of nearby community and construction site	Education	Nagpur, Maharashtra	2,00,000	Direct expenditure: 1,89,000	1,89,000	NGO: Sahyadri Gramin Vikas

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR project of 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 programs were undertaken	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (Amount in Rs.)	Cumulative expenditure upto the reporting period (Amount in Rs.)	Amount spent: Direct or through implementing agency*
3	Project Haryali – Tree Plantation of 300 nos	Environment	Nagpur, Maharashtra	2,37,000	Direct expenditure: 52,000	52,000	NGO: Yashodhara Bahuddeshiya Sangh
	Total			8,75,000	6,79,000	6,79,000	

* Give details of implementing agency:

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 Rs. 6,79,000/- as against the required CSR expenditure of Rs. 8,75,000/- calculated in the manner prescribed in the Companies Act, 2013. Of the total unspent amount of Rs. 1,96,000, Rs. 1,85,000 was earmarked for Tree Plantation (Hariyali Campaign) in approved land and Rs. 11,000 was earmarked for running expense of Gyandeeep and renovation of the School. Considering the water shortage in the approved land, the Company was uncertain on the availability of water required to maintain the saplings which the Company would plant using the balance CSR Budget on Hariyali Campaign. Rs. 11,000 remained un-utilised towards Running expense of Gyandeeep and renovation of school as the same were not required by Gyandeeep in FY 15-16. As a result, the amount of Rs. 1,96,000 which was earmarked for aforesaid contribution remained unspent as on 31st March, 2016. The Board has approved that the unspent amount of Rs. 1,96,000, out of the minimum required CSR expenditure for FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with 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.

Jayant Manmadkar
Chairman of the CSR Committee
Mumbai, 18th April, 2016

Anita Arjundas
Chairperson of the Board
Mumbai, 18th April, 2016

ANNEXURE 2

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. 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 Bebanco 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 / will be 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.

II. 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 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.

III. 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.

IV. 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, 18th April, 2016

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

I. Purpose

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

II. 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.

III. 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.

IV. 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, 18th April, 2016

ANNEXURE 4

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 tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 5

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. and holds more than 2% paid share capital 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 Rs. 242 crore. Estimated salable area of the contract is 15,31,478 sqft.

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

- (e) Amount paid as advances, if any:

		Amount in Rs.
Total Mobilization advance given against Bank Guarantee	Total Mobilization advance deducted	Total Mobilization advance outstanding
15,59,51,965	9,29,00,725	6,30,51,240

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 6**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. Aluminum 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 – Aluminum Formwork (Mivan)
		: (b) The year of import – FY13-14 & FY14-15 (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, 18th April, 2016

ANNEXURE7**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016
(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.: 022 67478600
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable for Equity shares. For Non-Convertible Debentures: Sharepro Service (India) Pvt. Limited 13/AB, Samhita Warehousing Complex, Near Sakinaka Tel. Exchange, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai 400072. Telephone: 67720300, 67720400 Fax Number: 28591568, 28508927 Email id: sharepro@shareproservices.com

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 Lifespace Developers Limited	L45200MH1999PLC118949	Holding	70%	2(87)(ii)

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) Individuals/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	50,000	50,000	100.00	–	50,000	50,000	100.00	0.00

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	100.00	—	50,000	50,000	100.00	0.00
2. Foreign									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any Others...	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	—	50,000	50,000	100.00	—	50,000	50,000	100.00	0.00
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 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	100.00	—	50,000	50,000	100.00	0.00

(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	34950	69.90	—	34950	69.90	—	0.00
2	B.E. Billimoria & Co. Ltd.	15000	30.00	—	15000	30.00	—	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.02	—	10	0.02	—	0.00
4	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.02	—	10	0.02	—	0.00
5	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.02	—	10	0.02	—	0.00
6	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.02	—	10	0.02	—	0.00
7	Mahindra Lifespace Developers Ltd Mr. Jayant Manmadkar	10	0.02	—	10	0.02	—	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: Nil

5. INDEBTNESS

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

(Amount in Rs.)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,00,00,000	30,21,41,835	—	55,21,41,835
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	16,90,574	7,03,13,856	—	7,20,04,430
Total (i + ii + iii)	25,16,90,574	37,24,55,691	—	62,41,46,265
Change in Indebtedness during the financial year				
• Addition	—	2,455,21,800	—	2,455,21,800
• Reduction	—	5,00,00,000	—	5,00,00,000
Net Change	—	19,55,21,800	—	19,55,21,800
Indebtedness at the end of the financial year				
i) Principal Amount	25,00,00,000	49,76,63,635	—	74,76,63,635
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	16,90,574	9,93,02,066	—	10,09,92,640
Total (i + ii + iii)	25,16,90,574	59,69,65,701	—	84,86,56,275

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:**

(Amt in Rs.)

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	Mr. Ramesh Rangana	
1.	Independent Directors									
	• Fee for attending board/committee meetings *	–	–	–	1,10,000	–	1,10,000	–	–	2,20,000
	• 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)	–	–	–	1,10,000	–	1,10,000	–	–	2,20,000
	Total (A)	–	–	–	–	–	–	–	–	–
	Total Managerial Remuneration	–	–	–	–	–	–	–	–	–
	Overall Ceiling as per the Act	–	–	–	–	–	–	–	–	–

* The Board at its meeting held on 16th April, 2015 had approved payment of sitting fees only to Independent Directors for every Board and Committee meetings except meeting of Corporate Social Responsibility Committee.

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)
A. Company					
Penalty			NONE		
Punishment					
Compounding					
B. Directors					
OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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, 2016, 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, 2016, issued by the Central Government of India in term 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 the 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 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 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 (as amended).
 - e. On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, 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 our 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

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 18th April, 2016

Membership Number: 044784

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 for the year ended 31st March, 2016

- 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.
- (iii) The title deeds of immovable properties are held in the name of the Company.
- 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 explanation given to us the Company has not given any loans and guarantees under Sections 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of para 3(iv) of the Order are not applicable to the Company.
- 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 Sections 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.
- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) Based on the audit procedures performed and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number 105102W

Padmini Khare Kaicker

Partner

Place: Mumbai

Dated: 18th April, 2016

Membership Number: 044784

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA BEBANCO DEVELOPERS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAHINDRA BEBANCO DEVELOPERS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of **B. K. Khare & Co.**

Chartered Accountants
Firm's Registration Number 105102W

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 18th April, 2016

Membership Number: 044784

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	Current Year ₹	Previous Year ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	5,00,000	5,00,000
Reserves and surplus.....	4	8,29,72,807	6,37,71,223
		8,34,72,807	6,42,71,223
Non-Current liabilities			
Long term borrowings.....	5	25,21,41,835	50,21,41,835
		25,21,41,835	50,21,41,835
Current Liabilities			
Short term Borrowings.....	6	23,31,51,848	12,90,19,653
Trade Payables.....	7	48,22,19,360	36,99,99,846
Other current liabilities.....	8	44,63,89,053	22,18,57,789
Short term provisions.....	9	44,00,649	32,57,566
		1,16,61,60,909	72,41,34,853
Total		1,50,17,75,551	1,29,05,47,911
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets.....	10	1,94,03,748	2,46,68,824
		1,94,03,748	2,46,68,824
Other Non Current Assets.....	11	2,79,33,396	2,54,77,800
Deferred Tax Assets (Net)	12	23,35,373	8,44,071
		4,96,72,517	50,990,694
Current assets			
Inventories	13	73,41,60,245	75,06,94,749
Trade receivables	14	5,00,65,942	9,19,24,205
Cash and Cash Equivalents	15	5,08,13,740	1,29,12,617
Short term loans and advances	16	24,40,01,891	14,23,18,927
Other current assets.....	17	37,30,61,214	241,706,719
		1,45,21,03,034	1,239,557,217
Total		1,50,17,75,551	1,29,05,47,911

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
Jayant Manmadkar	Director	(DIN: 03044559)
Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai

Date : 18th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Current Year ₹	Previous Year ₹
REVENUE			
Income from Operations		56,64,51,427	80,95,26,062
Other Income	18	56,88,997	17,89,643
EXPENDITURE			
Operating Expenses	19	45,55,66,433	58,04,35,211
Employee benefits	20	87,24,620	70,51,193
Finance costs.....	21	–	–
Depreciation.....	10	62,19,149	56,71,831
Administrative & Other expenses.....	22	7,29,19,940	6,61,79,631
		54,34,30,142	65,93,37,865
Profit before tax		2,87,10,282	15,19,77,840
Less: Tax expense			
– Current tax.....		1,10,00,000	3,30,00,000
– Deferred tax.....		(14,91,302)	(8,44,071)
Profit for the period		1,92,01,584	11,98,21,911
Profit for the year		1,92,01,584	11,98,21,911
Earnings per equity share:			
Basic and diluted.....		384.03	2,396.44

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
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Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai

Date : 18th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit before tax	2,87,10,282	15,19,77,840
Adjustments for:		
Depreciation.....	62,19,149	56,71,831
Operating loss before working capital changes	3,49,29,431	15,76,49,670
Changes in working capital:		
<i>Adjustments in operating assets</i>		
(Increase)/decrease in short term loans and advances	(10,16,82,964)	(3,70,32,480)
(Increase)/decrease in inventories	1,65,34,504	12,93,20,320
(Increase)/decrease in trade receivable	4,18,58,262	6,16,15,552
(Increase)/decrease in long term loans and advances	(24,55,596)	(9,85,000)
(Increase)/decrease in other current assets	(13,13,54,496)	(22,43,75,090)
<i>Adjustments in operating liabilities</i>		
Increase/(decrease) in other current liabilities	(4,82,46,210)	(5,85,29,542)
Increase/(decrease) in trade payables	11,22,19,514	(2,61,29,305)
	(11,31,26,987)	(15,61,15,546)
Cash (used in) operations.....	(7,81,97,556)	15,34,124
Taxes paid	1,29,20,557	2,42,79,424
Net cash (used in) operating activities	(6,52,76,998)	2,58,13,548
B. Cash flow from investing activities:		
(Purchase)/Sale of fixed assets	(9,54,074)	(1,09,59,921)
Net cash from investing activities	(9,54,074)	(1,09,59,921)
C. Cash flow from financing activities:		
Proceeds from borrowings.....	15,41,32,195	38,26,31,256
Repayment of borrowings	(5,00,00,000)	(40,00,00,000)
Net cash from financing activities.....	10,41,32,195	(1,73,68,744)
Net increase/(decrease) in cash and cash equivalents	3,79,01,123	(25,15,117)
Cash & cash equivalents		
Opening balance	1,29,12,617	1,54,27,734
Closing balance	5,08,13,740	1,29,12,617
Net increase/(decrease) in cash and cash equivalents	3,79,01,123	(25,15,117)
Cash & Cash equivalents comprise of:		
Cash on Hand.....	760	157
Balance with Banks	5,08,12,980	1,29,12,460
TOTAL	5,08,13,740	1,29,12,617

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
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Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai

Date : 18th April, 2016

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

Sales office & the sample flat/show unit cost is amortised over a period of 5 years.

2.5 Revenue

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

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 ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**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

	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. 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

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

Opening balance

	12,71,223	(6,74,82,837)
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Add: Profit/(Loss) for the Current Year

	1,92,01,584	11,98,21,911
--	-------------	--------------

	2,04,72,807	5,23,39,074
--	-------------	-------------

Less: Transfer to Debenture

Redemption Reserve (Refer Note 4a)

	-	(5,10,67,851)
--	---	---------------

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

Net Statement of Profit & Loss Surplus/(Deficit)

	2,04,72,807	12,71,223
--	-------------	-----------

B. Debenture Redemption Reserve:

Opening balance

	6,25,00,000	1,14,32,149
--	-------------	-------------

Add: Transfer from Statement of Profit and Loss

	-	5,10,67,851
--	---	-------------

Net Balance in Debenture Redemption Reserve

	6,25,00,000	6,25,00,000
--	-------------	-------------

Closing Balance (A+B)

	8,29,72,807	6,37,71,223
--	-------------	-------------

- a Debenture Redemption Reserve has been created to the extent of 25% of NCD issued.

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

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
--	--------------	--------------

	25,21,41,835	50,21,41,835
--	--------------	--------------

- a The debentures are for tenure of 24 months and are payable 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 ₹
--	-------------------	--------------------

6 Short Term Borrowings**Secured**

Cash Credit Facility

	3,76,30,048	12,90,19,653
--	-------------	--------------

(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 base rate plus 1% (presently 10.5% p.a)

Unsecured

Commercial Papers

	19,55,21,800	-
--	--------------	---

	23,31,51,848	12,90,19,653
--	--------------	--------------

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
7 Trade Payables		
Trade Payables - Micro & Small Enterprises	-	-
Trade Payables - Others		
Contractual expenses payable	5,91,71,073	3,62,37,007
Accrued Expenses	37,60,45,704	33,23,53,937
Other Trade Payable	4,70,02,582	14,08,902
	<u>48,22,19,360</u>	<u>36,99,99,846</u>

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 ₹
8 Other current Liabilities		
Advances from customers	2,18,75,406	7,45,37,762
Interest accrued but not due	10,09,92,640	7,20,04,430
Current maturities of long-term debt	30,00,00,000	5,00,00,000
Provision for Current Tax	-	1,17,14,185
Other liabilities	2,35,21,007	1,36,01,412
	<u>44,63,89,053</u>	<u>22,18,57,789</u>

10 Fixed Assets

	Gross Block			Depreciation			Net Block	
Description of Assets	As at 1 st April, 2015	Additions	As at 31 st March, 2016	As at 1 st April, 2015	For the year	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
Tangible Assets								
Lease Hold Improvement	2,55,22,670	-	2,55,22,670	56,73,529	49,95,826	1,06,69,355	1,48,53,315	1,98,49,141
Computers	19,71,410	6,63,246	26,34,655	10,37,544	5,56,922	15,94,465	10,40,190	9,33,866
Furniture & Fixture	37,09,864	69,500	37,79,364	7,00,617	3,35,403	10,36,020	27,43,344	30,09,247
Office Equipment	14,77,140	2,21,328	16,98,468	6,00,570	3,30,998	9,31,568	7,66,900	8,76,570
Total	3,26,81,083	9,54,074	3,36,35,157	80,12,259	62,19,149	1,42,31,409	1,94,03,748	2,46,68,824
Previous year	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

	Current Year ₹	Previous Year ₹
11 Other Non Current Assets		
Security Deposits	2,39,78,396	2,15,22,800
Bank Balances		
Long term deposits (margin money) with banks having maturity more than 12 months	39,55,000	39,55,000
	<u>2,79,33,396</u>	<u>2,54,77,800</u>
	Current Year ₹	Previous Year ₹
12 Deferred Tax Assets		
Deferred Tax Assets		
Relating to:		
Difference between book & tax depreciation	19,56,766	7,98,513
Expenses allowable on actual payment	3,78,607	45,558
	<u>23,35,373</u>	<u>8,44,071</u>

- The current maturity of long term debt of ₹ 50,000,000 represent 366 day Unsecured loan availed during the year at an interest rate of 11.40% repayable on 20th June, 2016.
- The current maturity of long term debt of ₹ 250,000,000 represents secured non convertible debetures carrying a coupon rate of 11.25% per annum, compounded semi-annually. Interest payment is semi annual.
- 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

	Current Year ₹	Previous Year ₹
9 Short Term Provisions		
Provision for Employee Benefits		
Compensated absences	9,92,774	6,13,308
Provision for Gratuity	10,37,133	8,62,671
Others	23,70,742	17,81,587
	<u>44,00,649</u>	<u>32,57,566</u>

	Current Year ₹	Previous Year ₹
13 Inventories (valued at lower of cost and net realisable value)		
Construction Work in progress	73,41,60,245	75,06,94,749
	<u>73,41,60,245</u>	<u>75,06,94,749</u>

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

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
14 Trade Receivable			18 Other Income		
Trade Receivables outstanding for less than six months			Transfer Fee & Cancellation		
Secured, considered good	4,20,78,697	4,94,36,961	Charges received from Customer	9,39,364	11,79,706
Unsecured, considered good	-	-	Interest on Delayed Payment	47,49,633	6,09,937
	<u>4,20,78,697</u>	<u>4,94,36,961</u>		<u>56,88,997</u>	<u>17,89,643</u>
Less: Provision for doubtful debts	-	-	19 Operating Expenses		
(A)	<u>4,20,78,697</u>	<u>4,94,36,961</u>	Opening Work In Progress		
Trade Receivables outstanding for more than six months			01.04.2015	75,06,94,749	88,00,15,069
Secured, considered good	79,87,245	4,24,87,243	Add : CONSUMPTION DURING		
Unsecured, considered good	-	-	01.04.2015 - 31.03.2016		
Less: Provision for doubtful debts	-	-	Architect Fees	-	88,78,773
(B)	<u>79,87,245</u>	<u>4,24,87,243</u>	Stamp Duty	24,000	10,00,000
(A+B)	<u>5,00,65,942</u>	<u>9,19,24,205</u>	Interest on loan from related parties	3,22,14,269	3,21,48,092
			Interest on Debentures	2,81,59,106	4,00,81,405
15 Cash and Cash Equivalents			Interest On Term Loans - Rupee Loans	1,18,83,875	-
Cash on Hand	760	157	Interest on Cash Credit	1,67,52,164	1,42,39,011
Balances with banks	-	-	Employee, Remuneration & Staff Welfare Expenses	1,33,54,766	69,22,806
On Current Accounts	1,33,12,980	1,29,12,460	Civil Work	32,53,79,757	33,97,83,719
On Deposit Accounts having maturity of less than 12 months	3,75,00,000	-	Liasoning/Statutory Fees	33,67,791	-
	<u>5,08,13,740</u>	<u>1,29,12,617</u>	Electrical Work	2,89,627	2,06,20,865
			Fabrication Work	1,20,748	-
16 Short Term Loans and advances			Security Services	31,89,475	-
Loans & Advances			Service Tax Cenvat Credit	(1,03,05,751)	(1,04,28,405)
- Considered good			Land Development	1,51,50,608	-
Mobilisation advance given to vendors	6,30,51,240	7,06,81,187	Professional Charges	14,46,637	17,16,872
Other advances	14,59,21,025	4,01,05,594	Other Expenses	9,50,088	-
Interest Accrued on Fixed Deposits	31,02,951	8,50,971	Miscellaneous Expenses	5,00,000	6,90,156
Advance Tax	32,89,440	-	Other Income	(63,799)	-
Cenvat Credit (Service Tax)	2,86,37,235	3,06,81,175	Interest on FD	(33,81,431)	(25,64,020)
- Considered doubtful	-	-	Profit on redemption of Mutual Fund	-	(8,44,718)
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	Divident Income - Mutual Fund	-	(11,29,666)
Less : Provision for doubtful loans & advances	-	-	Total Consumption		
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	01.04.2015 - 31.03.2016	43,90,31,930	45,11,14,891
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	Less : Closing wip 31.03.2016	73,41,60,245	75,06,94,749
				<u>45,55,66,433</u>	<u>58,04,35,211</u>
17 Other Current Assets			20 Employee Benefits Expenses		
Unbilled Revenue	36,25,91,520	23,12,38,485	Salaries, allowances & Bonus	2,08,79,386	1,19,45,631
Others	1,04,69,694	1,04,68,233	Staff welfare expenses	12,00,000	20,28,368
	<u>37,30,61,214</u>	<u>24,17,06,718</u>		<u>2,20,79,386</u>	<u>1,39,73,999</u>
			Less: Allocated to Projects	(1,33,54,766)	(69,22,806)
				<u>87,24,620</u>	<u>70,51,193</u>
			21 Finance Cost		
			Interest on loan from related parties	3,22,14,269	3,21,48,092
			Interest on Debentures	2,81,59,106	4,00,81,405
			Interest on Term Loans - Rupee Loans	1,18,83,875	-
			Interest on Cash Credit	1,67,52,164	1,42,39,011
			Less: Allocated to Projects	(8,90,09,414)	(8,64,68,508)
				-	-

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
22 Administration & Other Expenses		
Repairs and Maintenance		
- Buildings	-	-
- Others	36,09,568	17,22,149
Legal and Professional Fee	2,32,24,145	3,94,67,454
Advertisement and Marketing Expenses	1,50,41,007	91,66,385
Compensation to customers	1,39,56,699	-
Brokerage	52,27,438	64,30,492
Remuneration to auditors:		
Statutory Audit Fees	6,50,000	5,61,800
Tax Audit Fees	75,000	73,034
Other Services	1,00,000	2,24,720
Miscellaneous expenses	89,36,083	43,33,597
Defect Liability Expenses	21,00,000	42,00,000
	7,29,19,940	6,61,79,631

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

Balance, beginning of the year	72,00,000
Provision during the year	21,00,000
Utilisation during the year	-
Balance, end of the year	93,00,000

23 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.

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

b Reconciliation of Benefit Obligation	Current Year	Previous Year
Change in defined benefit obligations (DBO)	₹	₹
Present value of DBO at beginning of the year	8,62,671	6,26,806
Current service cost	2,26,861	2,10,511
Interest cost	67,288	57,039
Actuarial (gains)/losses	(1,19,657)	(31,685)
Benefits paid	-	-
Present value of DBO at the end of the year	10,37,133	8,62,671

c Expenses recognised in the statement of profit and loss for the year ended 31 March 2016:

Components of employer expense	Current Year	Previous Year
Current service cost	2,26,831	2,10,511
Interest cost	67,288	57,039
Actuarial losses/(gains)	(1,19,657)	(31,685)
Total expense recognised in the statement of profit and loss	1,74,462	2,35,865

d Experience adjustment on plan liabilities (loss)/gain	Current Year ₹	Previous Year ₹
Particulars		
Net asset/(liability) recognised in the balance sheet		
Present value of defined benefit obligation	10,37,133	8,62,671
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(10,37,133)	(8,62,671)
Unrecognised past service costs	-	-
Experience adjustment on plan liabilities (loss)/gain	1,19,757	70,620
Net asset/(liability) recognised in the balance sheet	(10,37,133)	(8,62,671)

25 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, 2016:

b Nature of transactions:

	Holding company		Associate Company	
	Current Year	Previous Year	Current Year	Previous Year
Purchase of services	2,12,71,624	4,53,55,066	21,58,42,515	39,22,50,403
Inter corporate deposit taken	-	-	-	-
Interest on inter corporate deposit	2,25,44,486	2,24,98,174	96,69,783	96,49,918
Net Payable	30,42,45,637	26,18,33,111	(10,28,23,969)	(1,34,06,496)

26 Earnings Per share

	Current Year	Previous Year
Net (loss) after tax	1,92,01,584	11,98,21,911
Weighted average number of Equity shares (Nos.)	50,000	50,000
Nominal value of shares	10	10
Basic and Diluted Earnings/(loss) per share	384.03	2,396.44

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

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

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 : 18th April, 2016

For and on behalf of the Board of Directors

Anita Arjundas Director (DIN: 00243215)
Ranganathan Ramesh Director (DIN: 03118598)
Jayant Manmadkar Director (DIN: 03044559)
Digant Kapadia Director (DIN: 00021310)
Raghunath Murti Director (DIN: 00082761)
Vijay Khetan Director (DIN: 00465161)

Place : Mumbai
Date : 18th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Eleventh report together with the audited financial statement of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	20,556	22,838
Profit/(Loss) Before Depreciation, Finance Cost and Taxation.....	(33,682)	(26,575)
Less: Depreciation.....	Nil	Nil
Profit/(Loss) Before Finance Cost and Taxation.....	(33,682)	(26,575)
Less: Finance Cost.....	Nil	Nil
Profit/(Loss) Before Taxation.....	(33,682)	(26,575)
Less: Provision for Taxation.....	4,763	Nil
Profit/(Loss) for the year after Taxation.....	(38,445)	(26,575)
Add: Balance of Profit/(Loss) for earlier years.....	(1,13,79,210)	(1,13,52,635)
Balance carried forward to the Balance Sheet.....	(1,14,17,655)	(1,13,79,210)

DIVIDEND

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

In view of loss for the year, no amount has been transferred to reserves.

OPERATIONS

The Company is evaluating suitable opportunities to undertake large format developments/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, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

Authorised equity share capital of the company is ₹ 1.50 crore and paid-up equity share capital of the Company is ₹ 1.1704 crore.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 3,24,790 and ₹ 2,86,345 respectively.

HOLDING COMPANY

The 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 or associate or joint venture company of the Company. Therefore the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive Non-Independent Director
Mr. Vijay Paradkar	00149410	Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Non-Executive Non-Independent Director
Ms. Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

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

11th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Arjundas is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

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 the 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 and Rules made thereunder, the provisions with respect to CSR are currently not applicable to the Company.

AUDIT COMMITTEE

As the Company does not meet any of the criteria prescribed under Section 177 of the Companies Act, 2013 and Rules made thereunder, the provisions with respect to Audit Committee are currently not applicable to the Company.

NOMINATION AND REMUNERATION COMMITTEE

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.

MEETINGS

During the year, four Board Meetings were convened and held on 21st April, 2015, 23rd July, 2015, 30th October, 2015 and 25th January, 2016.

All Directors attended all the meetings during the year.

The previous Annual General Meeting of the Company was held on 23rd July, 2015.

CODE OF CONDUCT

The Company has 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.

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, 2016 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 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 the Company.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The 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 reviews implementation and monitoring of the risk management plan for the Company.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number 105102W), 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 the 11th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2019.

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 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 or disclaimer 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 the 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 the 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, there were no contracts/arrangements with related parties of the Company referred under Sub-section (1) of section 188 of the Companies Act, 2013, hence the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 are given in the prescribed format in the **Annexure 1** to this report.

EMPLOYEE REMUNERATION

Being an unlisted Company, the details of employee remuneration 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 are not applicable to 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, 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.
- No fraud has been reported during the audit conducted by the Statutory Auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 20th April, 2016

ANNEXURE 1**A. CONSERVATION OF ENERGY**

(i)	the steps taken or impact on conservation of energy;	:	The Company is evaluating 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.	:	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, 20th April, 2016

ANNEXURE 2**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2016

(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, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
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 evaluating 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/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	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.	–	11,70,400	11,70,400	100.00	–	11,70,400	11,70,400	100.00	–
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	11,70,400	11,70,400	100.00	–	11,70,400	11,70,400	100.00	

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)	–	11,70,400	11,70,400	100.00	–	11,70,400	11,70,400	100.00	–
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)	–	11,70,400	11,70,400	100.00	–	11,70,400	11,70,400	100.00	–

(ii) Shareholding of Promoters:

Sr. No.	Shareholders Name	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	11,70,340	100.00	–	11,70,340	100.00	–	–
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:

For each of 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
Anita Arjundas – Director At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00
Suhas Kulkarni – Director At the beginning of the year	10*	0.00	10*	0.00
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	10	0.00	10	0.00

Note:

* Jointly with Mahindra Lifespace Developers Limited (first shareholder).

5. INDEBTEDNESS**Indebtedness of the Company including 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	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–

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 Managing Director/Manager/Whole Time Director: 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)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas

Chairperson

DIN: 00243215

Mumbai, 20th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra World City (Maharashtra) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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" a statement on the matters specified in the 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 purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and 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 (as amended);
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
- g) With respect to the other matters 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 No.: 105102W

Place: Mumbai
Date: 20th April, 2016

Himanshu Chapsey
Partner
Membership No.: 105731

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra World City (Maharashtra) Limited for the year ended 31st March, 2016

- 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.
- iii) The Company does not have immovable property as on 31st March, 2016. Hence the provisions of para 3(i)(c) 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 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) 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.
- 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 Section 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, Customs 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 respect of tax deducted at source were outstanding as on 31st March, 2016, for a period of more than 6 months from the date they become payable.
- ii) There are no disputed dues outstanding as on 31st March, 2016 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
- 8) 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(viii) of the Order are not applicable to the Company.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, there are no transactions with related parties during the year. Hence, the provisions of para 3(xiii) of the Order are not applicable to the Company.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date: 20th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Mahindra World City (Maharashtra) Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm’s Registration No.: 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date: 20th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note Ref	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	1,17,04,000	1,17,04,000
Reserves and surplus.....	4	(1,14,17,655)	(1,13,79,210)
		<u>2,86,345</u>	<u>3,24,790</u>
Current liabilities			
Other current liabilities.....	5	98,750	85,770
Total.....		<u>3,85,095</u>	<u>4,10,560</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	3,19,012	3,45,885
Short term loans and advances.....	8	66,082	64,674
		<u>3,85,094</u>	<u>4,10,559</u>
Total.....		<u>3,85,095</u>	<u>4,10,560</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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 20th April, 2016

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 20th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note Ref	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
		₹	₹
INCOME			
Other Income	9	20,556	22,838
Total Revenue		<u>20,556</u>	<u>22,838</u>
EXPENDITURE			
Depreciation and amortisation expense	6	–	–
Other expenses	10	54,238	49,413
		<u>54,238</u>	<u>49,413</u>
Loss before tax		<u>(33,682)</u>	<u>(26,575)</u>
Less : Tax expense			
– Current tax		4,763	–
Loss for the period		<u>(38,445)</u>	<u>(26,575)</u>
Earnings per equity share (₹):			
Basic & diluted		(0.03)	(0.02)

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 : 20th April, 2016

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 20th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
A. Cash flow from operating activities:		
Net Loss before tax.....	(33,682)	(26,575)
Finance costs	(20,556)	(22,838)
Operating (loss) before working capital changes.....	(54,238)	(49,413)
Changes in working capital		
Adjustments for increase/(decrease) in operating assets		
Other current assets.....	(1,408)	(8,264)
Increase/(decrease) in current liabilities.....	12,980	28,090
	11,572	19,826
Cash used in Operations	(42,666)	(29,587)
Taxes paid.....	(4,763)	—
Net cash (used in) operating activities.....	(47,429)	(29,587)
B. Cash flow from investing activities:		
Interest received	20,556	22,838
Net cash from investing activities.....	20,556	22,838
Net increase/(decrease) in cash and cash equivalents (A+B)	(26,873)	(6,749)
Cash & cash equivalents		
Opening balance	3,45,885	3,52,634
Closing balance.....	3,19,012	3,45,885
Net increase/(decrease) in cash and cash equivalents	(26,873)	(6,749)

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 : 20th April, 2016

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 20th April, 2016

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 7th January, 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 31st March, 2014. 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 pro rata 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.

	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
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	1,17,04,000	1,17,04,000
fully paid up	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, 2016		As at 31 st March, 2015	
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 31 st March, 2016	As at 31 st March, 2015
	₹	₹
4. Reserves & Surplus		
(Deficit) in the statement of Profit and Loss		
Opening Balance	(1,13,79,210)	(1,13,52,635)
Add: Loss for the Year	(38,445)	(26,575)
Closing Balance	(1,14,17,655)	(1,13,79,210)

	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
5. Other Current Liabilities		
Other payables	98,750	85,770
	98,750	85,770

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**6. FIXED ASSET****TANGIBLE ASSETS**

In ₹

	Gross block		Depreciation			Net block		
	As at 1 st April, 2015	As at 31 st March, 2016	As at 1 st April, 2015	For the year	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2015
Computers	61,882	61,882	61,881	–	61,881	1		1
TOTAL	61,882	61,882	61,881	–	61,881	1		1
Previous year	61,882	61,882	61,881	–	61,881	1		1

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
7. Cash & Cash Equivalents		
Cash on hand	1,549	1,549
Balances with Bank		
in current account	3,17,463	3,44,336
in deposit account	–	–
	<u>3,19,012</u>	<u>3,45,885</u>
	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
8. Short Term Loans & Advances		
Rent Receivable	–	–
TDS Receivable	66,082	64,674
	<u>66,082</u>	<u>64,674</u>
	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
9. Other Income		
Interest on deposits	20,556	22,838
Other Income	–	–
	<u>20,556</u>	<u>22,838</u>
	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
10. Other Expenses		
Rates and taxes	–	4,909
Legal and Professional Charges	25,613	16,414
Auditors' remuneration		
Audit Fees	28,625	28,090
	<u>54,238</u>	<u>49,413</u>

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, 2016	For the year ended 31 st March, 2015
<u>Basic & Diluted</u>		
Net profit/(loss) for the year (₹)	(38,445)	(26,575)
Weighted average number of equity shares (Nos.)	11,70,400	11,70,400
Par value per share (₹)	10	10
Earnings per share - Basic & Diluted (₹)	(0.03)	(0.02)

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.

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 20th April, 2016

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 20th April, 2016

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, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	–	–
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	(49,465)	(51,187)
Less: Depreciation	–	–
Profit/(Loss) Before Finance Cost and Taxation	(49,465)	(51,187)
Less: Finance Cost	–	–
Profit/(Loss) Before Taxation	(49,465)	(51,187)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	(49,465)	(51,187)
Add: Balance of Profit/(Loss) for earlier years	(10,10,624)	(9,59,437)
Balance carried forward	(10,60,088)	(10,10,624)

DIVIDEND

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2015-16.

RESERVES

In view of loss for the year, no amount has been transferred to Reserves.

OPERATIONS

During the year, the Company reviewed various proposals to undertake large format developments and residential developments. The Company is evaluating 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, no revision was made with respect to previous financial statement of the Company.

SHARE CAPITAL

The Authorised equity share capital of the Company is ₹ 5 crore and the paid-up equity capital of the Company is ₹ 11 lakh.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

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

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 89,376 and ₹ 39,912 respectively.

HOLDING COMPANY

The 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 the Company. Therefore the requirements of consolidated financial statement are not applicable to the Company.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Mr. Jayantt Manmadkar	03044559	Chairman, Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Non-Executive Non-Independent Director
Mr. Siddharth Bafna	07383837	Additional Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayantt Manmadkar (DIN: 03044559) a Non-executive and Non-independent Director retires by rotation at the ensuing 7th Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Pursuant to section 161 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company,

the Board of Directors at its meeting held on 27th January, 2016 had appointed Mr. Siddharth Bafna (DIN: 07383837) as the Additional Non-Executive Non-Independent Director of the Company with effect from 27th January, 2016. In terms of said section and articles of association of the Company, Mr. Siddharth Bafna holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Mr. Siddharth Bafna's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Mr. Siddharth Bafna as Director of the Company at the ensuing Annual General Meeting of the Company. Pursuant to section 160 of the Act, the Company has received a notice from shareholder along with prescribed deposit proposing candidature of Mr. Siddharth Bafna as Director of the Company.

Accordingly, appointment of Mr. Siddharth Bafna as Director of the Company is proposed at the ensuing Annual General Meeting for shareholders approval.

All the above Directors are not disqualified from being appointed/re-appointed as Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Rajan Narayan effective 27th January, 2016 resigned from the Board due to pre-occupation. The Board puts on record its sincere appreciation for the valuable services rendered by him during his tenure.

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 the 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 and Rules made thereunder, the provisions with respect to CSR are currently not applicable to the Company.

AUDIT COMMITTEE

As the Company does not meet any of the criteria prescribed under Section 177 and Rules made thereunder, the provisions with respect to Audit Committee are currently not applicable to the Company.

NOMINATION AND REMUNERATION COMMITTEE

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.

MEETINGS

During the year, four Board Meetings were convened and held on 16th April, 2015, 24th July, 2015, 26th October, 2015 and 27th January, 2016.

The details of the number of meetings of the Board attended by the Directors is as under:

Sr. no.	Name of the Director	No of Board meetings attended
1.	Mr. Jayantt Manmadkar	4
2.	Mr. Suhas Kulkarni	4

Sr. no.	Name of the Director	No of Board meetings attended
3.	Mr. Siddharth Bafna (Appointed as an Additional Director w.e.f. 27 th January, 2016)	1
4.	Mr. Rajan Narayan (Resigned w.e.f. 27 th January, 2016)	2

The previous Annual General Meeting of the Company was held on 24th July, 2015.

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.

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, 2016 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 statement. The Board 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 the Company.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimization

procedures. The 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 reviews implementation and monitoring of the risk management plan for the Company.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number: 105102W), 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 7th Annual General Meeting till the conclusion of 10th AGM to be held in 2019.

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, adverse remark or disclaimer 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 the 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 the 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, there were no contracts/arrangements with related parties of the Company referred under Sub-Section (1) of Section 188 of the Companies Act, 2013, hence the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

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 Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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 are given in the prescribed format in the **Annexure 1** to this report.

EMPLOYEE REMUNERATION

Being an unlisted company, the details of employee remuneration 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 are not applicable to 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, 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.
- No fraud has been reported during the audit conducted by the Statutory Auditor of 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.

ACKNOWLEDGMENT

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

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN: 03044559

Place: Mumbai

Date: 22nd April, 2016

ANNEXURE 1**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	The Company is evaluating 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	:	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,

Jayant Manmadkar
Chairman
DIN: 03044559

Place: Mumbai
Date: 22nd April, 2016

ANNEXURE 2**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2016

(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, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
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 evaluating 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/ Associate	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	100	2(46)
2	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)

4. SHAREHOLDING 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	100.00	–	1,10,000	1,10,000	100.00	0.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	1,10,000	1,10,000	100.00	–	1,10,000	1,10,000	100.00	0.00
(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	100.00	–	1,10,000	1,10,000	100.00	0.00
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)	–	1,10,000	1,10,000	100.00	–	1,10,000	1,10,000	100.00	0.00

(ii) Shareholding of Promoters

	Shareholders Name	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	100.00	0.00	1,09,940	100.00	0.00	0.00
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	0.00	10	0.00	0.00	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	0.00	10	0.00	0.00	0.00
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.00	0.00	10	0.00	0.00	0.00
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	0.00	10	0.00	0.00	0.00
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	0.00	10	0.00	0.00	0.00
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.00	0.00	10	0.00	0.00	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:

For each of 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
Suhas Kulkarni - Director At the beginning of the year	10*	—	10*	—
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	10	—	10	—
Jayant Manmadkar – Director At the beginning of the year	10*	—	10*	—
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	10	—	10	—

Note:

* Jointly with Mahindra Lifespace Developers Limited (first shareholder).

5. INDEBTEDNESS**Indebtedness of the Company including 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	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	–	–	–	–

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 Managing Director/Manager/Whole Time Director: 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)
A. Company					
Penalty					
Punishment					
Compounding					
			NONE		
B. Directors					
Penalty					
Punishment					
Compounding					
			NONE		
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					
			NONE		

For and on behalf of the Board,

Jayant Manmadkar

Chairman

DIN: 03044559

Place: Mumbai

Date: 22nd April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAIGAD INDUSTRIAL AND BUSINESS PARK LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Raigad Industrial and Business Park Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

Opinion

8. 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, 2016, 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, 2016, issued by the Central Government of India in term 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" a statement on the matters specified in the 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 purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and 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 (as amended);
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure “B”.
- g) With respect to the other matters 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:
 - 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.
- i. The Company does not have any pending litigations which would impact its financial position.

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

Himanshu Chapsey
Partner
Membership No: 105731

Place: Mumbai
Date: 22nd April, 2016

ANNEXURE “A” TO THE AUDITOR’S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of **Raigad Industrial and Business Park Limited** for the year ended 31st March, 2016

- 1) The Company did not have any fixed assets during the year. Hence the provisions of the 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) 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.
- 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 section 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, Customs 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 respect of tax deducted at source were outstanding as on 31st March, 2016, for a period of more than 6 months from the date they become payable.
 ii) There are no disputed dues outstanding as on 31st March, 2016 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
- 8) 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(viii) of the Order are not applicable to the Company.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Company has not obtained any term loans during the year ended 31st March, 2016.
- 10) 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.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us, there are no transactions with related parties during the year. Hence, the provisions of para 3(xiii) of the Order are not applicable to the Company.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, the provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence, the provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For B. K. Khare and Co.
 Chartered Accountants
 Firm's Registration No.: 105102W

Himanshu Chapsey
 Partner
 Membership No.: 105731

Place: Mumbai
 Dated: 22nd April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAIGAD INDUSTRIAL AND BUSINESS PARK LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Raigad Industrial and Business Park Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare & Co.
Chartered Accountants
Firm’s Registration No: 105102W

Himanshu Chapsey
Partner
Membership No: 105731

Place: Mumbai
Date: 22nd April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note Ref	As at 31st March, 2016	As at 31st March, 2015
		₹	₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	11,00,000	11,00,000
Reserves and surplus	4	(10,60,088)	(10,10,624)
		39,912	89,376
Current liabilities			
Other current liabilities	5	5,48,528	5,43,413
Total		5,88,440	6,32,789
ASSETS			
Current assets			
Cash and Cash equivalents	6	5,88,440	6,32,789
Total		5,88,440	6,32,789

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 : 22nd April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

(DIN-03044559)

Suhas Kulkarni

Director

(DIN-00003936)

Siddharth Bafna

Director

(DIN-07383837)

Place : Mumbai

Date : 22nd April, 2016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note Ref	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
EXPENDITURE			
Other expenses.....	7	49,465	51,187
		<u>49,465</u>	<u>51,187</u>
Loss before tax		(49,465)	(51,187)
Less: Tax expense		-	-
Loss for the year.....		<u>(49,465)</u>	<u>(51,187)</u>
Earnings per equity share:			
Basic & diluted.....		(0.45)	(0.47)

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 : 22nd April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

(DIN-03044559)

Suhas Kulkarni

Director

(DIN-00003936)

Siddharth Bafna

Director

(DIN-07383837)

Place : Mumbai

Date : 22nd April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
Cash flow from operating activities		
(Loss) before tax	(49,465)	(51,187)
Adjustments for:		
Operating (loss) before working capital changes.....	(49,465)	(51,187)
Increase/(decrease) in current liabilities.....	5,115	28,090
Cash (used in) operations	(44,350)	(23,097)
Net increase/(decrease) in cash and cash equivalents.....	(44,350)	(23,097)
Cash & cash equivalents		
Opening balance.....	6,32,789	6,55,886
Closing balance.....	5,88,440	6,32,789
Net increase/(decrease) in cash and cash equivalents.....	(44,350)	(23,097)

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 : 22nd April, 2016

For and on behalf of the Board of Directors

Jayant Manmadkar

Chairman

(DIN-03044559)

Suhas Kulkarni

Director

(DIN-00003936)

Siddharth Bafna

Director

(DIN-07383837)

Place : Mumbai

Date : 22nd April, 2016

NOTES FORMING PART OF ACCOUNTS FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 notified under the Companies (Accounting Standards) 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. 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, 2016	As at 31 st March, 2015
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	11,00,000
	11,00,000	11,00,000

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, 2016		As at 31 st March, 2015	
Equity Shares	No. of Shares	Value of Shares (₹)	No. of Shares	Value of Shares (₹)
At the beginning of the period	1,10,000	11,00,000	1,10,000	11,00,000
Issued during the period	—	—	—	—
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, 2016	As at 31 st March, 2015
	₹	₹
4. Reserves & Surplus		
Surplus in Statement of Profit and Loss		
Opening balance of Profit & Loss Account.....	(10,10,624)	(9,59,437)
Add: (Loss) for the Current Year	(49,465)	(51,187)
Closing Balance.....	(10,60,089)	(10,10,624)
5. Other Current Liabilities:		
Expenses reimbursable to Holding Company	4,59,143	4,59,143
Other payables	89,385	84,270
	5,48,528	5,43,413
6. Cash & cash equivalents		
Bank Balances		
In current account	5,88,440	6,32,789
	5,88,440	6,32,789
	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
	₹	₹
7. Other Expenses:		
Rates and taxes	—	610
Legal and Professional Charges	17,748	16,291
Miscellaneous expenses	3,092	674
ROC Filing Fee	—	5,522
Audit Fee.....	28,625	28,090
	49,465	51,187

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, 2016	As at 31 st March, 2015
Mahindra Lifespace Developers Limited:		
Payable as at the year end	4,59,143	4,59,143
Shares issued	—	—

9. Earnings per Share

	2015-16	2014-15
Net (loss) after tax	(49,465)	(51,187)
Weighted average number of equity shares (Nos.)	1,10,000	1,10,000
Basic and Diluted Earnings per share (not annualised).....	(0.45)	(0.47)
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

For and on behalf of the Board of Directors
Jayant Manmadkar Chairman (DIN-03044559)
Suhas Kulkarni Director (DIN-00003936)
Siddharth Bafna Director (DIN-07383837)

Place : Mumbai
Date : 22nd April, 2016

Place : Mumbai
Date : 22nd April, 2016