<u>SUBSIDIARIES VOLUME - II</u>

Sr. No.	Name of the Company
1.	Mahindra World City (Maharashtra) Limited
2.	Knowledge Township Limited
3.	Industrial Township (Maharashtra) Limited
4.	Anthurium Developers Limited
5.	Mahindra Infrastructure Developers Limited
6.	Mahindra Water Utilities Limited
7.	Moonshine Construction Private Limited
8.	Deep Mangal Developers Limited
9.	Mahindra Construction Company Limited

ANNUAL REPORT 2017-18
BOARD'S REPORT

Your Directors present their Thirteenth report together with the audited financial statement for the financial year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	**For the year ended 31st March, 2018**	For the year ended 31st March, 2017
Total Income	**0.12**	0.24
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	**(21.60)**	(9.39)
Less: Depreciation	–	–
Profit/(Loss) Before Finance Cost and Taxation	**(21.60)**	(9.39)
Less: Finance Cost	**60.80**	20.82
Profit/(Loss) Before Taxation	**(82.40)**	(30.20)
Less: Provision for Taxation	–	–
Profit/(Loss) for the year after Taxation	**(82.40)**	(30.20)
Add: Balance of Profit/(Loss) for earlier years	**(144.38)**	(114.18)
Add: Losses of KDPL, RIBPL and TBPL on Scheme of Amalgamation with MWCML	**(662.41)**	–
Balance carried forward to the Balance Sheet	**(889.19)**	(144.38)

Dividend

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2017-18.

Reserves

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

Operations/State of the Company's affairs

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.

Amalgamation

The Board of Directors at its meeting held on 10th October, 2016 approved the proposal, decided to amalgamate Kismat Developers Private Limited (KDPL), Topical Builders Private Limited (TBPL) and Raigad Industrial & Business Park Limited (RIBPL) with the Company by approving a Scheme of Amalgamation envisaging the terms of amalgamation and accordingly, the Company Summons for Directions and Company Scheme Petition for approving the amalgamation were filed with the National Company Law Tribunal (NCLT), Mumbai Bench (NCLT). NCLT vide its order dated 27th September, 2017 sanctioned the scheme of amalgamation (the "Scheme"). The Scheme became effective from 28th December, 2017 i.e. the date of filing of the sanctioned Scheme with the Registrar of Companies, Mumbai. Accordingly, all the assets, investments and liabilities of KDPL, RIBPL and TBPL were merged with the Company effective 28th December, 2017 and the Company issued and allotted 8.5% Non-cumulative Redeemable Preference Shares to the Shareholders of KDPL, RIBPL and TBPL, as part of consideration towards amalgamation.

In furtherance, Deep Mangal Developers Ltd. and Mahindra Construction Company Ltd. became subsidiary of the Company and consequently, a subsidiary of Mahindra Lifespace Developers Ltd, the holding company and of the ultimate holding company, Mahindra and Mahindra Ltd. Moonshine Construction Private Ltd and Rathna Bhoomi Enterprises Private Limited became associate companies of the Company.

Share Capital

During the year, pursuant to Scheme of Amalgamation, the authorised share capital of the Company was increased from ₹ 1,50,00,000 to ₹ 9,51,00,000 with authorised equity share capital comprising of ₹ 9,25,03,500 and authorised 8.5% Non-cumulative Redeemable Preference Share capital comprising of ₹ 25,96,500.

During the year, pursuant to Scheme of Amalgamation, the Company issued and allotted 1,77,500 8.5% Non-cumulative Redeemable Preference Shares (Preference Shares) of face value of ₹ 10 each to the Shareholders of KDPL, RIBPL and TBPL i.e. Mahindra Lifespace Developers Ltd, the holding company and Moonshine Construction Private Ltd (MCPL). MLDL was issued and allotted 1,75,000 Preference Shares, whereas MCPL was issued and allotted 2,500 Preference Shares.

As at 31st March, 2018, the paid-up share capital is as under:

Shareholders	Equity Share Capital	8.5% Non-cumulative Redeemable Preference Share capital	Total
Mahindra Lifespace Developers Ltd.	1,17,04,000	17,50,000	1,34,54,000
Moonshine Construction Private Ltd.	–	25,000	25,000
Total			**1,34,79,000**

Apart from above, 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.

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, Deep Mangal Developers Private Ltd. became subsidiary of the Company and consequently, a subsidiary of Mahindra Lifespace Developers Ltd., the holding company and of the ultimate holding company, Mahindra and Mahindra Ltd.

Apart from above, no company became/ceased to be subsidiary or associate or joint venture company of the Company.

Pursuant to notification dated 27th July, 2016 issued by the Ministry of Corporate Affairs, the Company, after seeking consent of the Shareholders in writing, availed exemption for consolidation of the accounts of the subsidiary, Deep Mangal Developers Private Ltd. Therefore, the requirements of consolidated financial statement are not applicable to the Company

Board of Directors

As at 31st March, 2018, the Board of Directors comprise of following:

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

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad (02791944) a Non-executive and Non-Independent Director retires by rotation at the 13th 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.

Key Managerial Personnel

As the Company does not meet the criteria prescribed under Section 203 of the Companies Act, 2013 and Rules made thereunder, the provisions with respect to appointment of Key Managerial Personnel are currently not applicable to the Company.

Committees of the Board

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

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.

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 (4) Board Meetings were held. The previous Annual General Meeting of the Company was held on 20th July, 2017. In addition to AGM, a Court Convened Meeting for approval of the Scheme of Amalgamation was held on 16th May, 2017.

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(5) of the Companies Act, 2013 ("the Act"), 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, 2018 and of the profit and loss of the Company for that period;

c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they had prepared the annual accounts on a going concern basis; and

e. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

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

Vigil Mechanism

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

Risk Management

The Company has appropriate risk management systems and procedure 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 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 of appointment of the 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 13th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2019.

As required under the provisions of Sections 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 auditors, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

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

The requirement 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 making loans, giving guarantees, providing securities, acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate stipulated under Section 186 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. 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, Loan 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 Regulations 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 under review, 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

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- 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 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,

Sangeeta Prasad

Chairperson

DIN: 02791944

Mumbai, 17th April, 2018

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,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 17th April, 2018

ANNEXURE 2

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

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

1. REGISTRATION AND OTHER DETAILS

1.	**CIN**	U45309MH2005PLC156225
2.	**Registration Date**	21/09/2005
3.	**Name of the Company**	Mahindra World City (Maharashtra) Limited
4.	**Category/Sub-Category of the Company**	Company limited by shares/ Indian Non-Government Company
5.	**Address of the Registered office and contact details**	Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 Tel: (022) 67478600/8601
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 of the Company	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018	L45200MH1999PLC118949	Holding	100%	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Ultimate Holding	–	2(46)
3.	Deep Mangal Developers Private Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018	U70102MH1989PTC051878	Subsidiary	82.42	2(87)
4.	Mahindra Construction Company Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018	U45200MH1992PLC068846	Subsidiary	51.97*	2(87)
5.	Moonshine Construction Private Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018	U45200MH1996PTC099607	Associate	49.13*	2(6)
6.	Rathna Bhoomi Enterprises Private Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai – 400 018	U67120MH1997PTC291256	Associate	50.00	2(6)

* Includes direct and indirect holding.

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	1,170,400	1,170,400	100	–	1,170,400	1,170,400	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	1,170,400	1,170,400	100	–	1,170,400	1,170,400	100	–
(2) Foreign									
a) NRIs - Individuals	–	–	–	–	–	–	–	–	–
b) Other - Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	–	1,170,400	1,170,400	100	–	1,170,400	1,170,400	100	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) 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	–	–	–	–	–	–	–	–	–

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)	–	**1,170,400**	**1,170,400**	**100**	–	**1,170,400**	**1,170,400**	**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	11,70,340	100	–	11,70,340	100	–	–
2.	Mahindra Lifespace Developers Limited & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3.	Mahindra Lifespace Developers Limited & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4.	Mahindra Lifespace Developers Limited & Ms. Sangeeta Prasad	10	0.00	–	10	0.00	–	–
5.	Mahindra Lifespace Developers Limited & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6.	Mahindra Lifespace Developers Limited & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7.	Mahindra Lifespace Developers Limited & 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 equity shareholding of Promoter.

(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
Ms. Sangeeta Prasad - Director* At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–

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
At the end of the year	10	0.00	10	0.00
Mr. Suhas Kulkarni – Director* At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in 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 holder).***

5. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	360.00	–	360.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	18.73	–	18.73
Total (i+ii+iii)	–	378.73	–	378.73
Change in Indebtedness during the financial year				
• Addition	–	1,401.33	–	1,401.33
• Reduction	–	394.02	–	394.02
Net Change	–	**1,007.31**	–	**1,007.31**
Indebtedness at the end of the financial year				
i) Principal Amount	–	1,386.04	–	1,386.04
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	395.41	–	395.41
Total (i+ii+iii)	–	**1,781.45**	–	**1,781.45**

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:** NIL

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: 02791 944

Mumbai, 17th April, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Ind AS 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 March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), 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 Ind AS 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 Indian 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 Ind AS 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 March 31, 2018, and its loss and cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order,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 March 31, 2018, taken on record by the Board of Directors, none of the directors

is disqualified as on March 31, 2018, 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 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 Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Date: 17th April 2018

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 March 31, 2018

1) Since the Company does not have fixed assets, the provisions of para 3(i) of the Order are not applicable to the Company.

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 is 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 March 31, 2018, for a period of more than 6 months from the date they become payable.

   ii) There are no disputed dues outstanding as on March 31, 2018 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 Registration No.: 105102W

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place: Mumbai
Date: 17th April 2018

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 March 31, 2018 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 March 31, 2018, 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 Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Date: 17th April 2018

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

		Note No.	As at 31st March, 2018	As at 31st March, 2017
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Financial Assets			
	(i) Investments	4	**119,105,594**	35,000,000
	SUB-TOTAL		**119,105,594**	35,000,000
	CURRENT ASSETS			
	(a) Financial Assets			
	(i) Cash and Cash Equivalents	5	**465,153**	393,706
	(b) Other Current Assets	6	**1,524,330**	36,757
	SUB-TOTAL		**1,989,483**	430,463
	TOTAL ASSETS		**121,095,076**	35,430,463
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	7	**11,704,000**	11,704,000
	(b) Other Equity	8	**(88,918,920)**	(14,437,897)
	SUB-TOTAL		**(77,214,920)**	(2,733,897)
	LIABILITIES			
	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	9	**138,604,000**	36,000,000
	(b) Provisions	10	**18,376,484**	–
	SUB-TOTAL		**156,980,484**	36,000,000
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Trade Payables	11	**1,351,275**	82,771
	(ii) Other Financial Liabilities	12	**39,540,632**	1,873,430
	(b) Other Current Liabilities	13	**437,605**	208,159
	SUB-TOTAL		**41,329,512**	2,164,360
	TOTAL		**121,095,076**	35,430,463

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
	Continuining Operations			
I	Other Income	14	**12,083**	23,791
II	**Total Revenue (I)**		**12,083**	23,791
III	**EXPENSES**			
	(a) Finance costs	15	**6,080,083**	2,081,589
	(b) Other expenses	16	**2,171,845**	962,444
	Total Expenses (III)		**8,251,928**	3,044,033
IV	**Profit/(loss) before tax (II - III)**		**(8,239,845)**	(3,020,242)
V	**Profit/(loss) for the period**		**(8,239,845)**	(3,020,242)
VI	**Earnings per equity share (for continuing operation):**			
	(1) Basic/Diluted	17	**(7.04)**	(2.58)

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash flows from operating activities		
Profit before tax for the year	**(8,239,845)**	(3,020,242)
Adjustments for:		
Retained earning on Amalgamation	**(66,241,177)**	–
Finance costs recognised in profit or loss	**(12,083)**	(23,791)
Investment income recognised in profit or loss	**(74,493,105)**	(3,044,033)
Movements in working capital:		
(Increase)/decrease in other assets	**(1,487,573)**	29,325
Decrease in trade and other payables	**1,268,504**	–
Increase/(decrease) in provisions	**18,376,484**	–
(Decrease)/increase in other liabilities	**140,500,648**	2,065,610
Net cash generated by operating activities	**84,164,958**	(949,098)
Cash flows from investing activities		
Payments to acquire Shares		**(35,000,000)**
Investment come due to amalgamation	**(84,105,594)**	–
Interest received	**12,083**	23,791
Net cash (used in)/generated by investing activities	**(84,093,511)**	(34,976,209)
Cash flows from financing activities		
Proceeds from borrowings	**–**	36,000,000
Net cash used in financing activities	**–**	36,000,000
Net increase in cash and cash equivalents	**71,448**	74,694
Cash and cash equivalents at the beginning of the year	**393,706**	319,012
Effects of exchange rate changes on the balance of cash held in foreign currencies	**465,153**	**393,706**
Cash and cash equivalents at the end of the year	**465,153**	393,706

Change in Liability arising from financing activities

(Amount in ₹)

Particulars	As at 01st April, 2017	Non Cash	Cash Flow	**As at 31st March, 2018**
Non Current Borrowings	–	–	–	**–**
Current Borrowings (Refer Note 9)	36,000,000.00	97,104,000.00	5,500,000.00	**138,604,000.00**
Current maturities of Long term debt	–	–	–	**–**
Total	36,000,000.00	97,104,000.00	5,500,000.00	**138,604,000.00**

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

A. Equity share capital	
As at 31st March, 2017	11,704,000
Changes in equity share capital during the year	–
As at 31st March, 2018	**11,704,000**

a. Equity share capital

	Equity share capital (no. of Shares)
Balance at 31st March 2017	**1,170,400**
Changes in equity share capital during the year	
Issue of equity shares	**–**
Balance at 31st March 2018	**1,170,400**

B. Other Equity	**Retained earnings**
	(Amount in ₹)
Balance as 31st March, 2016	**(11,417,655)**
Profit/(Loss) for the year	(3,020,242)
Other comprehensive income	–
Total comprehensive income	(3,020,242)
Balance as at 31st March, 2017	**(14,437,897)**
Profit/(Loss) for the year	(8,239,845)
Carried forward losses of KDPL, RIBPL and TBPL on Scheme of Amalgamation with MWCML	(66,241,178)
Other comprehensive income	–
Total comprehensive income	(74,481,023)
Balance as at 31st March, 2018	**(88,918,920)**

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Corporate information

Mahindra World City (Maharashtra) Limited("the Company") is a public company incorporated in 2005 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G.M.Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant accounting policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 17th April, 2018.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.4 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.6 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.8 Cash and cash equivalents

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

2.9 Cash flow statement

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

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particulars	Face Value (₹)	As at 31st March, 2018 Nos.	Amount in (₹)	As at 31st March, 2017 Nos.	Amount in (₹)
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of Subsidaries/associates					
Deep Mangal Developers Private Limited	10	**830**	**117,833,100**	350	35,000,000
Mahindra Construction Company Limited	10	**3000**	**30,000**	–	–
Moonshine Construction Private Limited	10	**10**	**100**	–	–
Mahindra Ugine Steel Limited	1	**1**	**1**	–	–
Moonshine Construction Private Limited	10	**10**	**100**	–	–
Rathna Bhoomi Enterprises Private Limited	10	**500**	**5,000**	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Face Value (₹)	As at 31st March, 2018 Nos.	Amount in (₹)	As at 31st March, 2017 Nos.	Amount in (₹)
Investments in Preference shares					
– of Subsidaries/associates					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	10	**4479**	**44,790**	–	–
Rathna Bhoomi Enterprises Private Limited	10	**119250**	**1,192,500**	–	–
Prudential Management & Services Private Limited	1	**2**	**2**	–	–
MCCL	**1**	**1**	**1**	–	–
			119,105,594		35,000,000

Note No. 5 - Cash and Bank Balances

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and cash equivalents		
(a) Balances with banks	**463,604**	392,157
(b) Cash on hand	**1,549**	1,549
Total Cash and cash equivalent	**465,153**	393,706

Note No. 6 - Other assets

Particulars	As at 31st March, 2018 Current	Non-Current	As at 31st March, 2017 Current	Non-Current
(a) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	**1,084,320**	–	36,757	–
(ii) Other advances	**440,010**	–	–	–
	1,524,330	–	36,757	–

Note No. 7 - Equity Share Capital

Particulars	As at 31st March, 2018 No. of shares	Amt ₹	As at 31st March, 2017 No. of shares	Amt ₹
Authorised:				
Equity shares of ₹ 10 each with voting rights	**1,500,000**	**15,000,000**	1,500,000	15,000,000
Equity shares of ₹ 10 each with differential voting rights	**–**	**–**	–	–
Issued, Subscribed and Fully Paid:				
Equity shares of ₹10 each with voting rights	**1,170,400**	**11,704,000**	1,170,400	11,704,000
Equity shares of ₹10 each with differential voting rights	**–**	**–**	–	–
Total	**1,170,400**	**11,704,000**	1,170,400	11,704,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Other Changes (give details)	Closing Balance
Year Ended 31st March, 2018				
No. of Shares	**1,170,400**	–	–	**1,170,400**
Amount	**11,704,000**	–	–	**11,704,000**
Year Ended 31st March, 2017				
No. of Shares	1,170,400	–	–	1,170,400
Amount	11,704,000	–	–	11,704,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

No. of Shares

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
As at 31st March 2018			
Mahindra Lifespace Developers Ltd.	1,170,400	**–**	–
As at 31st March 2017			
Mahindra Lifespace Developers Ltd.	1,170,400	**–**	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

Class of shares/Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**1,170,400**	**100.00%**	1,170,400	100.00%

Note No. 8 - Other equity

(Amount in ₹)

Particulars	Retained earnings	Total
Balance as at 31 March, 2016	**(11,417,655)**	**(11,417,655)**
Profit/(Loss) for the year	(3,020,242)	(3,020,242)
Other comprehensive income	–	–
Total comprehensive income	(3,020,242)	(3,020,242)
Balance at 31 March, 2017	**(14,437,897)**	**(14,437,897)**
Profit/(Loss) for the year	(8,239,845)	(8,239,845)
Carried forward losses of KDPL, TBPL and RIBPL on Scheme of Amalgamation with MWCML	(66,241,178)	(66,241,178)
Other comprehensive income	–	–
Total comprehensive income	(74,481,023)	(74,481,023)
Balance at 31 March, 2018	**(88,918,920)**	**(88,918,920)**

Note No. 9 - Non-Current Borrowings

(Amount in ₹)

Particulars	As at 31st March, 2018 Amount	As at 31st March, 2017 Amount
Measured at amortised cost		
A. Secured Borrowings:	**–**	–
Total Secured Borrowings	**–**	–
B. Unsecured Borrowings - at amortised Cost		
(a) Deposits	**–**	36,000,000
(b) Loans from related parties*	**62,614,000**	–
(c) Other Loans	**74,215,000**	
(d) Other Loans		
Redeemable preference share capital	**1,775,000**	–
Total Unsecured Borrowings	**138,604,000**	36,000,000
Total Borrowings	**138,604,000**	36,000,000

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @9.95% p.a.

Note No. 10 - Provisions

(Amount in ₹)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	**Non-Current**	Current	Non-Current
(a) Other Provisions				
1 Other Provisions	**–**	**18,376,484**	–	**–**
Total Provisions	**–**	**18,376,484**	–	–

Note No. 11 - Trade Payables

(Amount in ₹)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	**Non-Current**	Current	Non-Current
Trade payable - Micro and small enterprises	**–**	**–**	–	–
Trade payable - Other than micro ans small enterprises	**1,351,275**	–	82,771	**–**
Total Trade Payables	**1,351,275**	–	82,771	–

Note No. 12 - Other Financial Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued	**39,540,632**	1,873,430
Total other financial liabilities	**39,540,632**	1,873,430

Note No. 13 - Other Liabilities

(Amount in ₹)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	**Non-Current**	Current	Non-Current
(a) Statutory dues				
– taxes payable (other than income taxes)	**437,605**	**–**	208,159	**–**
Total Other Liabilities	**437,605**	**–**	208,159	–

Note No. 14 - Other Income

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Interest Income		
on bank deposits	**12,083**	23,791
Total Other Income	**12,083**	23,791

Note No. 15 - Finance Cost

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Interest expense	**6,080,083**	2,081,589
Total finance costs	**6,080,083**	2,081,589

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 16 - Other Expenses

Particulars		As at 31st March, 2018	As at 31st March, 2017
(a)	Rates and taxes	**–**	87,500
(b)	Auditors remuneration and out-of-pocket expenses		
	(i) As Auditors	**60,601**	28,750
(c)	Other expenses		
	(i) Legal and other professional costs	**2,071,457**	843,124
	(ii) Miscellaneous expenses	**39,787**	3,070
Total Other Expenses		**2,171,845**	962,444

Note No. 17 - Earnings per Share

Particulars	For the year ended 31st March, 2018 Per Share	For the year ended 31st March, 2017 Per Share
Basic Earnings per share		
From continuing operations	**(7.04)**	(2.58)
From discontinuing operations	**–**	–
Total basic earnings per share	**(7.04)**	(2.58)

Particulars	For the year ended 31st March, 2018 Per Share	For the year ended 31st March, 2017 Per Share
Diluted Earnings per share	**(7.04)**	(2.58)
From continuing operations	**–**	–
From discontinuing operations	**–**	–
Total diluted earnings per share	**(7.04)**	(2.58)

	For the period ended 31st March, 2018	For the period ended 31st March, 2017
Profit/(loss) for the year attributable to owners of the Company	**(8,239,845)**	(3,020,242)
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**(8,239,845)**	(3,020,242)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	**–**	–
Profits used in the calculation of basic earnings per share from continuing operations	**(8,239,845)**	(3,020,242)
Weighted average number of equity shares	**1170400**	1170400
Earnings per share from continuing operations - Basic	**(7.04)**	(2.58)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

Enterprises Controlling the Company

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

Particulars	For the year ended	Ultimate Holding Company	Holding Company
Nature of transactions with Related Parties			
Inter Corporate Deposits received	31-Mar-18	–	41,800,000
	31-Mar-17	–	–

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company
Payables	31-Mar-18	–	69,479,696
	31-Mar-17	–	–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 19 The accounts of the Company for the year ended 31 March, 2018 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

Capital management

The Company's capital management objectives are:

– safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders

– maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	**As at 31st March, 2018**	As at 31st March, 2017
Debt (A)	**138,604,000**	36,000,000
Equity (B)	**(77,214,920)**	(2,733,897)
Debt Ratio (A/B)	**(1.80)**	(13.17)

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	As at 31st March, 2018			
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investments	**119,105,594**			**119,105,594**
Current Assets				
Investments	–			–
Trade Receivables	–			–
Other Bank Balances	**465,153**			**465,153**
Non-current Liabilities				
Borrowings	**138,604,000**			**138,604,000**
Current Liabilities				
Borrowings	–			–
Trade Payables	**1,351,275**			**1,351,275**
Other Financial Liabilities				
- Non Derivative Financial Liabilities	**39,540,632**			**39,540,632**

	As at 31st March, 2017			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	35,000,000			35,000,000
Current Assets				
Other Bank Balances	393,706			393,706
Non-current Liabilities				
Borrowings	36,000,000			36,000,000
Current Liabilities				
Trade Payables	82,771			82,771
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,873,430			1,873,430

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**
Non-derivative financial liabilities			
31-Mar-18			
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	138,604,000
Non-derivative financial liabilities			
31-Mar-17			
Long Term Borrowing			
Long Term Borrowing - Principal	36,000,000	–	–

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Fair value of financial assets and financial liabilities that are not measured at fair value

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31-Mar-18 Carrying amount	31-Mar-18 Fair value	31-Mar-17 Carrying amount	31-Mar-17 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash & cash equivalents	**465,153**	–	393,706	–
	465,153	–	393,706	–
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from other entities	**138,604,000**	–	36,000,000	
– other financial liabilities	**39,540,632**	–	1,873,430	–
Total	**178,144,632**	–	37,873,430	–

(Amount in ₹)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2018 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Trade receivables	–	–	–	–
(i) Cash and cash equivalents	–	**465,153**	–	465,153
(iii) Other bank balances	–	–	–	–
(iv) Other financial assets	–	–	–	–
Total	–	**465,153**	–	465,153
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan		**138,604,000**		138,604,000
(ii) Other financial liabilities	–	**39,540,632**	–	39,540,632
Total	–	**178,144,632**	–	178,144,632

(Amount in ₹)

Financial assets/ financial liabilities	Fair value hierarchy as at 31st March, 2017 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	393,706	–	393,706
Total	–	393,706	–	393,706
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Long term loan	–	36,000,000	–	36,000,000
(ii) Other financial liabilities	–	1,873,430	–	1,873,430
Total	–	37,873,430	–	37,873,430

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable.

22. Scheme of Amalgamation

In the current year, the National Company Law Tribunal, Mumbai Bench ("NCLT") approved Scheme of Amalgamation of Kismat Developers Private Ltd (KDPL), Topical Builders Private Ltd (TBPL), Associate companies of the Company and Raigad Industrial and Business Park Ltd (RIBPL), a wholly owned subsidiary of the Company into Mahindra World City (Maharashtra) Ltd, a wholly owned subsidiary of the Company. The Scheme of Amalgamation became effective from 28th December, 2017. Consequently KDPL, TBPL and RIBPL ceased to exist.

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

Form AOC-I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014.
Statement containing salient features of financial statements of Subsidiary/Associates/Joint Ventures.

Part "A" Subsidiaries

(Amount in Rs.)

Sr. No.	**1**	**2**
Name of Subsidiary	**Deep Mangal Developers Limited**	**Mahindra Construction Private Limited**
The date since when subsidiary acquired	28-Dec-17	28-Dec-17
Reporting period of the subsidiary concerned, if different from the holding company's reporting period	NA	NA
Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	NA
Share capital	100,700	24,005,000
Reserves & surplus	(1,677,077)	(248,252,000)
Total assets	21,565,153	5,969,000
Total Liabilities	23,141,530	230,216,000
Investments	5,010	–
Turnover	–	124,000
Profit/(Loss) before taxation	(358,940)	(1,592,000)
Provision for taxation	–	–
Profit/(Loss) after taxation	(358,940)	(1,592,000)
Proposed Dividend	–	–
% of shareholding	82.42%	51.97%

Notes:
1. No subsidiaries which are yet to commence operations.
2. No subsidiaries which have been liquidated or sold during the year.

Part "B"Associates/Joint Ventures

(Amount in Rs.)

	ASSOCIATES	
Name of Associates/Joint Ventures	**Moonshine Construction Private Limited**	**Rathna Bhoomi Enterprises Private Limited**
Latest Audited Balance Sheet Date	31-Mar-18	31-Mar-18
The date on which the Associate or Joint Venture was associated or acquired	28-Dec-17	28-Dec-17
Shares of Associate/Joint Venture held by the Company on the year end:		
No. of Equity shares held	20	500
Extent of Holding (%)	95.24%	50.00%
Amount of investment in Associates	100	5,000
Description of how there is significant influence	#	#
Reason why the Associate/joint venture is not consolidated	*	*
Networth attributable to Shareholding as per latest audited Balance sheet	(2,999,528)	(285,000)
Profit/(Loss) for the year:		
i) Considered in Consolidation	–	–
i) Not Considered in Consolidation	(39,499)	(29,000)

Notes:
1. No Associates/Joint Venture which are yet to commence operations.
2. No Associates/Joint Venture which have been liquidated or sold during the year.
3. Pursuant to notification dated 27th July, 2016 issued by the Ministry of Corporate Affairs, the Company, after seeking consent of the Shareholders in writing, availed exemption for consolidation of the accounts

Significant influence due of % of share holding.
* No control based on control assessment

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 17th April, 2018

For and on behalf of the Board of Directors

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 17th April, 2018

ANNUAL REPORT 2017-18
BOARD'S REPORT

Your Directors present their Eleventh report together with the audited financial statement for the financial year ended on 31st March, 2018.

Financial Highlights

(₹ in Lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Income from Operations	**–**	–
Other Income	**28.34**	4.63
Total Income	**28.34**	4.63
Profit Before Depreciation, Finance Cost and Taxation	**25.04**	2.93
Less: Depreciation	**(0.13)**	(0.05)
Profit before Finance Cost and Taxation	**24.91**	2.88
Less: Finance Cost	**–**	–
Profit before Taxation	**24.91**	2.88
Less: Provision for Taxation		
Current Tax	**(4.45)**	–
Deffered Tax	**(2.47)**	–
Short provision for Tax	**(0.62)**	–
Profit after Taxation	**17.37**	2.88
Add: Balance of Profit /(Loss) for earlier years	**1,341.10**	668.16
Add: Deemed Capital Contribution	**–**	670.05
Less: Reinstatement of Optionally convertible redeemable debentures	**(1,109.82)**	–
Balance carried forward	**248.65**	1341.10

Dividend

With a view to conserve resources of the Company, no dividend has been recommended by the Directors for the financial year 2017-18.

Reserves

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

Operations / State of the Company's affairs

The Company will be developing an industrial park in Maharashtra for which the Company is in the process of procuring the required land 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 Rs. 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 excercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Optionally Convertible Redeemable Debentures (OCRDs)

During the year, in terms of the provision of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, the Company has issued 771 Unsecured Optionally Convertible Redeemable Debentures (OCRDs) of face value of ₹ 1 lakh each aggregating ₹ 7.71crore on 25th August, 2017 to Industrial Cluster Private Limited (ICPL). Total OCRDs issued and allotted by the Company aggregates to ₹ 34.08 crore.

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 and 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, 2018, the Board of Directors comprises of the following:

Name	DIN	Designation
Ms. Sangeeta Prasad	02791944	Chairperson, Non-Executive Non-Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Vijay Khetan	00465161	Independent Director
Mr. Siddharth Bafna	07383837	Non-Executive Non-Independent Director

During the year, Ms. Anita Arjundas resigned from the office of Director w.e.f.16th October, 2017 due to pre-occupation. The Board places on record its appreciation of the contribution made by Ms. Anita Arjund as during her tenure as a Director of the Company.

Pursuant to Section 160 and 161 and all other applicable provisions of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Mr. Siddharth Bafna, was appointed by the Board of Directors at its meeting held on 16th October, 2017, as an Additional Director in the category of Non-Executive Non-Independent Director with effect from even date. In accordance with Section 161(1) of the Companies Act, 2013, he holds office up to the date of ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director. Accordingly, appointment of Mr. Bafna is proposed at the ensuing Annual General Meeting as Non-Executive Non-Independent Director. Mr. Siddharth Bafna is not disqualified from being appointed/re-appointed as Director by the virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad, a Non-executive 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. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section164 of the Companies Act, 2013.

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

Key Managerial Personnel

As at 31st March, 2018, the Key Managerial Personnel (KMP) of the Company comprised 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

Mr. Jasmin Suchak, CFO and Ms. Arti Shinde, Company Secretary have tendered their resignation to the Board and the same will be effective from 30th April, 2018 and 14th May, 2018, respectively. The Board places on record its sincere appreciation of the contribution made by them in the Company.

None of the KMP draws any remuneration from the Company. All of them draw remuneration from the holding company, Mahindra Lifespace Developers Limited. The Company pays to the holding company proportionate employee cost for all the KMPs being employees of the holding company, in relation to the work of the Company.

Commitees 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. 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, Mr. Vijay Khetan and Mr. Raghunath Murti and one Non-Executive Non-Independent Director, Ms. Sangeeta Prasad. Mr. Raghunath Murti is the Chairman of the Committee. During the year, Ms. Anita Arjundas ceased to be member of the Committee w.e.f. 16th October, 2017 due to her resignation from the Board of the Company.

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 are 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
2. Policy on Remuneration of Directors
3. Policy on Remuneration of Key Managerial Personnel and Employees

Meetings of Independent Directors

The Independent Directors of the Company met once on 11th April, 2017 without the presence of the Non- Independent Directors or Chief Financial Officer or any other Management Personnel which was attended by both the Independent Directors. 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, review the performance of the Chairperson of the Company (taking into account the views of non-executive Directors), assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Meetings

The number of meetings held during the year are as follows:

Sr. no.	Type of meeting	No. of meetings held
1.	Board Meeting	4
2	Audit Committee	4
3	Nomination & Remuneration Committee	2

The intervening gap between the Board meetings was within the period prescribed under the Companies Act, 2013 and the revised Secretarial Standards – 1 (SS-1) issued by the Institute of Company Secretaries of India.

The previous Annual General Meeting (AGM) of the Company was held on 18th July, 2017 and two Extra-Ordinary General Meetings were held on 16th October, 2017 and 18th January, 2018.

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 the 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 and the Commitees thereof, with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties, corporate governance practices, etc. were circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

Code of Conduct

The Company has 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(5) of the Companies Act, 2013 ("the Act"),the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standard shave 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, 2018 and of the profit and 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 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 has appropriate risk management systems and procedure 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 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 the year 2021 subject to ratification of their appointment at every AGM.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors whose appointment is proposed to be ratified, to the effect that they are eligible to continue as Statutory Auditor of the Company.

Accordingly, the members are requested to ratify the appointment of M/s. B. K. Khare & Co. as Statutory Auditors of Company.

The Companies (Amendment) Act, 2017 (Amendment Act) which received the assent of the President on the 3rd January, 2018, inter alia, provides, vide clause 40 of the Amendment Act for omission of the first proviso to Section 139(1) of the Companies Act, 2013 which stipulates ratification of appointment of Statutory Auditor at every AGM. The clause 40 of the Amendment Act is yet to be notified.

Although, the ordinary resolution passed by the Shareholders at the 10th AGM held on 18th July, 2017 provides for ratification of the appointment of Statutory Auditor at every AGM, after notification of clause 40 of the Amendment Act, such ratification will not be necessary.

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

The requirement 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 making loans, giving guarantees, providing securities, acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate stipulated under Section 186 Companies Act, 2013 ("the Act").

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) 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 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

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- 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 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,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

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 sprit 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,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

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 Shareholder's resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually / half yearly by the NRC based on their performance.

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

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

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,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

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,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

ANNEXURE 5

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

(Pursuant to Section 92(3) of Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U72900MH2007PLC173137
2.	Registration Date	16/08/2007
3.	Name of the Company	Knowledge Township Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai-400 018 Tel: (022) 67478600 / 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

\# During the year under review, the Company had no turnover. Presently, the Company is in process of acquiring land for its project. Business activities will commence after the targeted land area for the project is acquired.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding	100%	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai 400 001	L65990MH1945PLC004558	Ultimate Holding	–	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.	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	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)	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	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 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)	–	**21,000,000**	**21,000,000**	**100**	–	**21,000,000**	**21,000,000**	**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	20,999,940	100.00	–	20,999,940	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 andHolders 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
Ms. 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
Mr. 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***

5. INDEBTNESS

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

(₹ in Lakh)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	2,637	–	2,637
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	2,637	–	2,637
Change in Indebtedness during the financial year				
• Addition	–	771	–	771
• Reduction	–	–	–	–
Net change	–	771	–	771
Indebtedness at the end of the financial year				
i) Principal Amount	–	3,408	–	3,408
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	3,408	–	3,408

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,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai,17th April, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of Knowledge Township Limited ("the Company"), which comprise the balance sheet as at March 31, 2018, and the statements of profit and loss(including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements")

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)prescribed under Section 133 of the Act,read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then 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 terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report that:
    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the Balance Sheet, the Statement of Profit and Loss, statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid Ind AS 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
       i. The Company does not have any pending litigations which would impact its financial position.
       ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses that need provision.
       iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

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

Padmini Khare Kaicker
Partner
Membership Number: 044784

Place: Mumbai
Dated: April 17, 2018

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the Ind AS financial statements of Knowledge Township Limited for the year ended March 31, 2018

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (ii) The fixed assets of the Company have been physically verified by the Management during the year. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

   (iii) The Company does not have immovable property as on March 31, 2018. Hence provision of para 3(i)(c) 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 & spares. Hence para 3(ii)of the Order is not applicable.

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. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act, 2013. The Company has complied with the requirements of section 185 and 186 of the Companies Act, 2013 in respect of Investment made by the Company.

5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified. Therefore the provisions of Clause 3(v) of the Order are not applicable to the company.

6. We have been informed that the Central Government has not prescribed maintenance of cost records by the under section 148(1) of the Companies Act, 2013.

7. (i) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax and other statutory dues applicable to it with the concerned authorities. The provisions of Excise Duty are not applicable to the operations of the Company. The Company did not have any employees and hence the provision of Provident Fund, Employee State Insurance are not applicable.

   (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax and Goods and Service Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.

   (iii) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax,Cess, and Goods and Service Tax which have not been deposited on account of any dispute.

8. Based on the records examined by us and according to the information and explanations given to us, there were no dues to debenture holders during the year. The Company neither have any loans or borrowings from financial institution or banks or Government during the year under audit.

9. In our opinion and according to the information and explanations given to us, during the year, no term loans were obtained by the Company. During the year, there were no moneys raised by way of initial public offer or further public offer.

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 rad with Schedule V to the Companies Act, 2013.

12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. the provisions of Clause 3(xii) of the Order are not applicable to the Company.

13. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended).

14. Based on the records examined by us and according to the information and explanations given to us, the requirement of section 42 of the Companies Act, 2013 have been complied with in respect of debenture issued during the year and the amount raised have been used for the purpose for which the funds were raised by the Company. The Company has not made any preferential allotment or private placement of shares during the year under review.

15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Padmini Khare Kaicker
Partner
Membership Number: 044784

Place: Mumbai
Dated: April 17, 2018

ANNEXURE 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 March 31, 2018 in conjunction with our audit of the Ind AS 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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 March 31, 2018, 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 and Co.**
Chartered Accountants
Firm's Registration Number: 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784

Place: Mumbai
Dated: April 17, 2018

BALANCE SHEET AS AT 31 MAR 2018

(₹ in Lakh)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
I ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**0.15**	0.28
SUB-TOTAL		**0.15**	0.28
CURRENT ASSETS			
(a) Inventories	4	**2,519.74**	2,519.74
(b) Financial Assets			
(i) Investments in Mutual Fund (Liquid)	5	**613.11**	–
(ii) Cash and Cash Equivalents	6	**63.33**	493.42
(iii) Loans & Advances	7	**12.76**	12.82
(d) Other Current Assets	8	**3,074.04**	2,461.86
SUB-TOTAL		**6,282.98**	5,487.84
TOTAL ASSETS		**6,283.14**	5,488.12
II EQUITY AND LIABILITIES			
1 EQUITY			
(a) Equity Share Capital	9	**2,100.00**	2,100.00
(b) Other Equity	10	**248.65**	1,341.10
SUB-TOTAL		**2,348.65**	3,441.10
LIABILITIES			
2 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	11	**2,637.00**	1,527.18
(b) Deferred Tax Liabilities (Net)		**2.47**	
SUB-TOTAL		**2,639.47**	1,527.18
3 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	12	**771.00**	–
(ii) Trade Payables	13	**2.99**	1.59
(iii) Other Financial Liabilities	14	**518.25**	518.25
(b) Current Tax Liabilities (Net)		**2.78**	–
SUB-TOTAL		**1,295.02**	519.84
TOTAL		**6,283.14**	5,488.12
Significant Accounting Policies	2		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No 44784

Place: Mumbai
Date: 17th Apr, 2018

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Jasmin Suchak
Chief Financial Officer
(PAN: APUPS9295Q)

Arti Shinde
Company Secretary
(PAN: AGSPB7125K)

Sangeeta Prasad (DIN-02791944)
Raghunath Murti (DIN: 00082761)
Vijay Khetan (DIN: 00465161)

Place: Mumbai
Date: 17th Apr, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lakh)

	Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
	Continuining Operations			
I	Revenue from operations		**–**	–
II	Other Income	15	**28.34**	4.63
III	**Total Revenue (I + II)**		**28.34**	4.63
IV	**EXPENSES**			
	(a) Depreciation and amortisation expense	3	**0.13**	0.05
	(b) Other expenses	16	**3.30**	1.70
V	**Total Expenses (V)**		**3.43**	1.75
	Profit/(loss) before exceptional items and tax (I – IV)		**24.91**	2.88
	Exceptional Items			
VI	**Share of profit/(loss) of joint ventures and associates**		**–**	–
			24.91	2.88
VII	**Profit/(loss) before tax (VII – VIII)**		**24.91**	2.88
VIII	**Tax Expense**			
	(1) Current tax		**4.45**	–
	(2) Deferred tax		**2.47**	–
	(3) Short Provision for Tax		**0.62**	
	Total tax expense		**7.54**	–
IX	**Profit/(loss) after tax from continuing operations (IX – X)**		**17.37**	2.88
X	**Profit/(loss) after tax from discontinued operations (XII + XIII)**		**–**	–
XI	**Profit/(loss) for the period (XI + XIV)**		**17.37**	2.88
XII	**Profit/(Loss) from continuing operations for the period attributable to:**			
	Owners of the Company		**17.37**	2.88
	Non controlling interests			
			17.37	2.88
XIII	**Other comprehensive income**		**–**	–
XIV	**Total comprehensive income for the period (XV + XVIII)**		**17.37**	2.88
XV	**Earnings per equity share (for continuing operation):**			
	(1) Basic ₹ Per share	17	**0.08**	0.01
	(2) Diluted ₹ Per share	17	**0.08**	0.01
	Significant Accounting Policies	**2**		

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

For B. K. Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No 44784

Place: Mumbai
Date: 17th Apr, 2018

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Jasmin Suchak
Chief Financial Officer
(PAN: APUPS9295Q)

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Company Secretary
(PAN: AGSPB7125K)

Sangeeta Prasad (DIN-02791944)
Raghunath Murti (DIN: 00082761)
Vijay Khetan (DIN: 00465161)

Place: Mumbai
Date: 17th Apr, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(₹ in Lakh)

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities			
Profit before tax for the year	PL	**24.91**	2.88
Adjustments for:			
Income tax expense recognised in profit or loss		**(6.92)**	
Depreciation and amortisation of non-current assets	3	**0.13**	0.05
Movements in working capital:		**18.11**	(2.94)
Increase in trade and other receivables		**–**	–
(Increase)/decrease in short term loans and advances		**(612.12)**	(227.91)
(Increase)/decrease in inventories		**–**	(125.18)
(Decrease)/increase in other liabilities		**6.65**	(3.38)
		(605.47)	(356.47)
Cash generated from operations		**(587.35)**	(353.54)
Income taxes paid		**(0.61)**	–
Net cash generated by operating activities		**(587.96)**	(353.54)
Cash flows from investing activities			
Change in Investment (Liquid)		**(613.11)**	–
Net cash (used in)/generated by investing activities		**(613.11)**	–
Cash flows from financing activities			
Proceeds from borrowings		**771.00**	844.91
Repayment of borrowings			
Interest paid			
		771.00	844.91
Net cash used in financing activities			
Net increase in cash and cash equivalents		**(430.08)**	491.37
Cash and cash equivalents at the beginning of the year		**493.42**	2.06
Cash and cash equivalents at the end of the year		**63.33**	493.42

Change in Liability arising from Financing activity	1st April 17	Non cash	Cash	31st March 18
Borrowing-Non-Current (Refer Note 11)	1,527.18	1,109.82		2,637.00
Borrowing-Current (Refer Note 12)			771.00	771.00

In terms of our report attached.

For B. K. Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No 44784

Place: Mumbai
Date: 17th Apr, 2018

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Jasmin Suchak
Chief Financial Officer
(PAN: APUPS9295Q)

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Company Secretary
(PAN: AGSPB7125K)

Sangeeta Prasad (DIN-02791944)
Raghunath Murti (DIN: 00082761)
Vijay Khetan (DIN: 00465161)

Place: Mumbai
Date: 17th Apr, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and ultimate holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Companytakes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.4.1 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues will be recognized from these real estate projects only when

i. All critical approvals necessary for commencement of the project have been obtained and

ii. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and

iii. when at least 10% of the sales consideration is realised and

iv. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

2.4.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured based on the proportion of costs incurred for rendering of the service to date relative to the estimated total costs, except where this would not be representative of the stage of completion

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.9.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.11 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.11.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

1.28 First-time adoption – mandatory exceptions, optional exemptions, and

2.11.2 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.11.3 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

2.11.4 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.11.5 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.11.6 Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

2.11.7 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment, Investment Property, and Intangible Assets recognised as of 1 April 2015 (transition date) as deemed cost.

2.11.8 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Note No. 3 - Property, Plant and Equipment

(₹ in Lakh)

	Description of Assets	Office Equipment	Furniture and Fixtures	Total
I.	**Gross Carrying Amount**			
	Balance as at 1 April 2017	0.52	0.63	1.14
	Additions			–
	Disposals			–
	Balance as at 31 March 2018	**0.52**	**0.63**	**1.14**
II.	**Accumulated depreciation and impairment**			–
	Balance as at 1 April 2017	0.52	0.35	0.86
	Depreciation expense for the year		0.13	0.13
	Eliminated on disposal of assets			–
	Balance as at 31 March 2018	**0.52**	**0.47**	**0.99**
III.	**Net carrying amount (I-II)**	–	0.15	0.15

(₹ in Lakh)

	Description of Assets	Office Equipment	Furniture and Fixtures	Total
I.	**Gross Carrying Amount**			
	Balance as at 1 April 2017	0.52	0.63	1.14
	Additions			–
	Disposals			–
	Balance as at 31 March 2018	**0.52**	**0.63**	**1.14**
II.	**Accumulated depreciation and impairment**			–
	Balance as at 1 April 2017	0.52	0.30	0.81
	Depreciation expense for the year		0.05	0.05
	Eliminated on disposal of assets			–
	Balance as at 31 March 2018	**0.52**	**0.35**	**0.86**
III.	**Net carrying amount (I-II)**	–	**0.28**	**0.28**

Assets pledged as security and restriction on titles

As on reporting date Company had not pledged any item of PPE as security and there is no restriction on title

Impairment losses recognised in the year:

During the reporting period Company had not recognised any impairment loss on PPE

Method of Depreciations:

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.

Note No. 4 - Inventories

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(b) Work-in-progress	**2,519.74**	2,519.74
Total Inventories (at lower of cost and net realisable value)	**2,519.74**	2,519.74

Note: Inventory mainly represents land and other related expenses

Note No. 5 - Investments

Fair value of financial assets and financial liabilities that are not measured at fair value

		As at 31 Mar 2018 QTY	Amounts* Current	Amounts* Non Current
D	**Designated as Fair Value Through Profit and Loss**			
I.	*Quoted Investments (specify whether fully paid or partly paid)*			
	Investments in Mutual Funds		**613**	
	Total Aggregate Quoted Investments	–	613	
	INVESTMENTS CARRIED AT FVTPL [D]		**613**	
	TOTAL INVESTMENTS CARRIED AT FAIR VALUE [C+D]		**613**	
	Other disclosures			
	Aggregate amount of quoted investments		**613**	
	Aggregate amount of Market value of investments		**613**	

Note No. 6 - Cash and Bank Balances

(₹ in Lakh)

Particulars	As at 31 Mar 2018	As at 31 March 2017
Cash and cash equivalents		
(a) Balances with banks	**63.33**	493.36
(b) Cash on hand	–	0.06
Total Cash and cash equivalent	**63.33**	493.42

Notes: Balances in banks represents Bank balance and Fixed deposit with Maturity from 7 to 15 days.

Note No. 7 - Loans & Advances

(₹ in Lakh)

Particulars	As at 31 March 2018 Current	As at 31 March 2018 Non-Current	As at 31 March 2017 Current	As at 31 March 2017 Non-Current
a) Other Loans				
- Unsecured, considered good	**12.76**	–	12.82	–
Less: Allowance for Credit Losses				
TOTAL (A)	**12.76**	–	12.82	–
GRAND TOTAL	**12.76**	–	12.82	–

Note No. 8 - Other assets

(₹ in Lakh)

Particulars	As at 31 March 2018 Current	As at 31 March 2018 Non-Current	As at 31 March 2017 Current	As at 31 March 2017 Non-Current
(a) Advances other than capital advances				
(i) Other advances for purchase of Land		**3,068.23**		2,456.05

(₹ in Lakh)

Particulars		As at 31 March 2018		As at 31 March 2017	
		Current	Non-Current	Current	Non-Current
	(Mainly represents advances given to Land Aggregator)				
(ii)	Others		5.81		5.81
		–	3,074.04	–	2,461.86
	TOTAL	–	3,074.04	–	2,461.86

Note No. 9 - Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights................................	5,00,00,000	5,000	5,00,00,000	5,000
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights......................	2,10,00,000	2,100	2,10,00,000	2,100
	2,10,00,000	2,100	2,10,00,000	2100

Note No. 10 - Other Equity

b. Other Equity

Particulars	Reserves and Surplus Retained Earnings	Total
As at 1 April 2016	668.2	**668.16**
Profit/(Loss) for the period..	2.9	**2.88**
Deemed Capital Contribution..	670.0	**670.05**
As at 1 April 2017	1,341.10	**1,341.10**
Profit/(Loss) for the period..	17.37	**17.37**
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	1,358.46	**1,358.46**
Reinstatement of Optional convertible redeemable debentures (refer note 11)	(1,109.8)	**(1,109.82)**
As at 31 Mar 2018	248.65	**248.65**

Note No. 11 - Non- Current Borrowings

(₹ in Lakh)

Particulars			As at 31 March 2018	As at 31 March 2017
A.	**Unsecured Long Borrowings**			
(a)	Loans repayable on demand			
	(1)	From Banks...	–	–
	(2)	Optionally Convertible Redeemable Debentures from Related Parties-MLDL	**2,637.00**	1,527.18
Total Current Borrowings..			**2,637.00**	1,527.18

Company had issued optionally convertible Debentures of ₹ 2637 lacs which were bought to its present value of ₹ 1527.18 lacs as per Ind AS in previous years.

During the year, the company restated above OCRD to ₹ 2637 lacs since intention of the buyer is to convert the same into equity shares. An amount of ₹ 1109.82 lacs is reduced from other equity on account of above adjustnent.

Note No. 12 - Current Borrowings

(₹ in Lakh)

Particulars			As at 31 March 2018	As at 31 March 2017
A.	**Unsecured Short Term Borrowings**			
(a)	Loans repayable on demand.......................................			
	(1)	From Banks...	–	–
	(2)	Optionally Convertible Redeemable Debentures from Related Parties- ICPL..............................	**771.00**	–
Total Current Borrowings..			**771.00**	–

Note No. 13 - Trade Payables

Rs. In crores

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	Non-Current	Current	Non-Current
Trade payable - Micro ans small enterprises	–	–	–	–
Trade payable - Other than micro and small enterprises	**2.99**	–	1.59	–
Total trade payables...........................	**2.99**	–	1.59	–

Note No. 14 - Other Financial Liabilities

(₹ in Lakh)

Particulars			As at 31 March 2018	As at 31 March 2017
Other Financial Liabilities Measured at Amortised Cost				
Current				
(e)	Other liabilities			
	(1)	*Interest Accrued but not due on loan (from related party repayable on demand)*	**518.25**	518.25
Total other financial liabilities			**518.25**	518.25

Note No. 15 - Other Income

(₹ in Lakh)

Particulars		As at 31 March 2018	As at 31 March 2017
(b)	Fixed Deposits interest Income	**15.23**	4.63
	Sale of Current Investments - MF-Realised.................	**3.23**	–
	Sale of Current Investments - MF-Unrealised..............	**9.89**	–
Total Other Income		**28.34**	4.63

Note No. 16- Other Expenses

(₹ in Lakh)

Particulars			As at 31 March 2018	As at 31 March 2017
(a)	Auditors remuneration and out-of-pocket expenses		**0.25**	0.53
	(i)	As Auditors	**0.25**	0.29
	(ii)	For Taxation matters	–	–
	(iii)	For Company Law matters	–	–
	(iv)	For Other services	–	0.24

(₹ in Lakh)

Particulars	As at 31 March 2018	As at 31 March 2017
(b) Other expenses		
(1) Provision for diminution of Investments	–	–
(2) Provision for losses of subsidiaries	–	–
(3) Legal and other professional costs	**2.99**	1.17
(4) Miscellaneous Expenses	**0.06**	–
Total Other Income	**3.30**	1.70

Note No. 17 - Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

(₹ in Lakh)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(loss) for the year attributable to owners of the Company	**17,36,850**	2,88,432
Weighted average number of equity shares	**2,10,00,000**	2,10,00,000
Earnings per share from continuing operations - Basic	**0.08**	0.01

Note No. 18 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Debt-to-equity ratio as of 31 March 2018, 31 March 2017 is as follows:

(₹ in Lakh)

Particulars	31-Mar-18	31-Mar-17
Debt (A)	**2,637.00**	1,527.18
Equity (B)	**2,100.00**	2,100.00
Debt Ratio (A/B)	**1.26**	0.73

Categories of financial assets and financial liabilities

	As at 31 March 2018		
	Amortised Costs	FVTPL	Total
Current Assets			
Investments	–	**613.11**	**613.11**
Trade Receivables	–	–	–
Other Bank Balances	–	–	–
Loans	**12.76**	–	**12.76**
Non-current Liabilities			
Borrowings	**2,637.00**	–	**2,637.00**
Current Liabilities			
Trade Payables	**2.99**	**–**	**2.99**
Other Financial Liabilities	**–**	**–**	**–**
– Non Derivative Financial Liabilities	**518.25**	**–**	**518.25**

	As at 31 March 2017		
	Amortised Costs	FVTPL	Total
Current Assets			
Loans	12.82	–	12.82
Non-current Liabilities			
Borrowings	1,527.18	–	1,527.18
Current Liabilities			
Borrowings	–	–	–
Trade Payables	1.59	–	1.59
Other Financial Liabilities	–	–	–
- Non Derivative Financial Liabilities	518.25	–	518.25

Note No. 19 - Equity Share Capital

A. Equity share capital

	(₹ in Lakh)
As at 31 March 2017	**2100**
Changes in equity share capital during the year	–
As at 31 March 2018	**2,100**

Note No. 20 - Related Party Transactions

Discription of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Limited
Parent Company	Mahindra Lifespace Developers Limited
Fellow Subsidiary	Industrial Cluster Private Limited

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company
Nature of transactions with Related Parties		
Unsecured Optionally Convertible Redeemable Debentures (OCRDs) from Industrial Clusted Private Limited	31-Mar-18	771
	31-Mar-17	–

Nature of Balances with Related Parties	Balance as on	Parent Company
Interest Accrued on Inter Corporate Deposits from Mahindra Life Space Developers Ltd	31-Mar-18	518.25
	31-Mar-17	518.25
Unsecured Optionally Convertible Redeemable Debentures (OCRDs) from Mahindra Life Space Developers Ltd	31-Mar-18	2,637
	31-Mar-17	1,527
Unsecured Optionally Convertible Redeemable Debentures (OCRDs)- III- from Industrial Cluster Pvt Ltd	31-Mar-18	771
	31-Mar-17	–

Note - 21 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the "Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under:

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

Particulars		31-Mar-18	31-Mar-17
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	– Principal amount due to micro and small enterprises	–	–
	– Interest due on above	–	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 22- Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)-"Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 23- Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

In terms of our report attached.

For B. K. Khare & Co

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No 44784

Place: Mumbai
Date: 17th Apr, 2018

For and on behalf of the Board of Directors of Knowledge Township Ltd.

Jasmin Suchak
Chief Financial Officer
(PAN: APUPS9295Q)

Arti Shinde
Company Secretary
(PAN: AGSPB7125K)

Sangeeta Prasad (DIN-02791944)
Raghunath Murti (DIN: 00082761)
Vijay Khetan (DIN: 00465161)

Place: Mumbai
Date: 17th Apr, 2018

ANNUAL REPORT 2017-18
BOARD'S REPORT

Your Directors present their Tenth report together with the audited financial statement for the financial year ended on 31st March, 2018.

Financial Highlights

(₹ in lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Total Income	**Nil**	Nil
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	**(0.61)**	(1.64)
Less: Depreciation	**Nil**	Nil
Profit/(Loss) Before Finance Cost and Taxation	**(0.61)**	(1.64)
Less: Finance Cost	**Nil**	Nil
Profit/(Loss) Before Taxation	**(0.61)**	(1.64)
Less: Provision for Taxation	**Nil**	Nil
Profit/(Loss) for the year after Taxation	**(0.61)**	(1.64)
Add: Balance of Profit/(Loss) for earlier years	**(16.10)**	(14.46)
Balance carried forward	**(16.71)**	(16.10)

Dividend

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2017-18.

Reserves

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

Operations/State of the Company's affairs

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.

The Company is also exploring 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 affects 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 ₹ 1,000 lakh and Paid-up Equity Share Capital of the Company is ₹ 500 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.

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 became/ceased to be subsidiary/associate or joint venture company of the Company. Therefore, the requirements of consolidated financial statement is not applicable to the Company.

Board of Directors

As at 31st March, 2018 the Board of Directors comprises of following:

Name of 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

Ms. Sangeeta Prasad resigned from the office of Director with effect from 14th May, 2018 due to pre-occupation. The Board places on record its appreciation of the contribution made by Ms. Sangeeta Prasad during her tenure as a Director of the Company.

Pursuant to Sections 160, 161 and all other applicable provisions of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Mr. Siddharth Bafna (DIN: 07383837) was appointed by the Board of Directors at its meeting held on 14th May, 2018 as an Additional Non-Executive Non-Independent Director with effect from even date. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Bafna holds office up to the date of ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director. Accordingly, appointment of Mr. Bafna is proposed at the ensuing Annual General Meeting as Non-Executive Non-Independent Director. Mr. Siddharth Bafna is not disqualified from being appointed/re-appointed as Director by the virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayant Manmadkar (DIN: 03044559) a Non-Executive and Non-Independent Director retires by rotation at the 10th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Further, he 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

During the year, there are no changes in the position of Key Managerial Personnel (KMP). 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. The Company pays to the holding company proportionate employee cost for the KMP who is an employee of the holding company, in relation to the work of the Company.

Committees of the Board

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.

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.

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 (4) Board Meetings were held. The previous Annual General Meeting of the Company was held on 18th July, 2017.

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(5) of the Companies Act, 2013 ("the Act"), the Directors, based on the representations received from the operating personnel and after due enquiry, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have 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, 2018 and of the profit and 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 statement. The Board periodically reviews the internal control systems with the auditors.

Vigil Mechanism

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

Risk Management

The Company has appropriate risk management systems and procedure 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 Number-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 year 2019 subject to ratification of their appointment at every Annual General Meeting.

However, Section 139(1) of the Companies Act, 2013 is amended by the Companies Amendment Act, 2017 with effect from 8th May, 2018, thereby deleting the 1st proviso to the said sub-section which provides for annual ratification of the appointment of Auditors. Accordingly, the appointment of Statutory Auditors is not required to be ratified at every AGM.

As required under the provisions of Sections 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 auditors, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

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

The requirements of having internal auditor, cost auditor and secretarial auditor are presently not applicable to 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 making loans, giving guarantees, providing securities, acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate stipulated under Section 186 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. 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 Regulations 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 under review, are given in the prescribed format in 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 are included in this Report as Annexure 2 and forms part of this Report.

General

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- 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 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,

Jayant Manmadkar
Chairman
DIN: 03044559

Mumbai, 14th May, 2018

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/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 outflow.

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN: 03044559

Mumbai, 14th May, 2018

ANNEXURE 2

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2018

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

1. REGISTRATION AND OTHER DETAILS

1.	**CIN**	U45203MH2008PLC184190
2.	**Registration Date**	02/07/2008
3.	**Name of the Company**	Industrial Township (Maharashtra) Limited
4.	**Category/Sub-Category of the Company**	Company limited by shares/Indian Non-Government Company
5.	**Address of the Registered office and contact details**	Mahindra Towers, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018 Tel: (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 opportunity for large format development and residential development.

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, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai - 400 018	L45200MH1999PLC118949	Holding	100%	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding	–	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.	–	5,000,000	5,000,000	100	–	5,000,000	5,000,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other….	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	5,000,000	5,000,000	100	–	5,000,000	5,000,000	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)	–	**5,000,000**	**5,000,000**	**100**	–	**5,000,000**	**5,000,000**	**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	–	–	–	–	–	–	–	–	–

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)	**–**	**5,000,000**	**5,000,000**	**100**	**–**	**5,000,000**	**5,000,000**	**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	4,999,940	100.00	0.00	4,999,940	100.00	0.00	0.00
2	Mahindra Lifespace Developers Limited & Mr. Arun Nanda	10	0.00	0.00	10	0.00	0.00	0.00
3	Mahindra Lifespace Developers Limited & Mr. Suhas Kulkarni	10	0.00	0.00	10	0.00	0.00	0.00
4	Mahindra Lifespace Developers Limited & Ms. Sangeeta Prasad	10	0.00	0.00	10	0.00	0.00	0.00
5	Mahindra Lifespace Developers Limited & Mr. Ulhas Bhosale	10	0.00	0.00	10	0.00	0.00	0.00
6	Mahindra Lifespace Developers Limited & Ms. Anita Arjundas	10	0.00	0.00	10	0.00	0.00	0.00
7	Mahindra Lifespace Developers Limited & 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

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
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
Sangeeta Prasad – 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

**** Shares are held jointly with Mahindra Lifespace Developers Limited (first holder).***

#Ms. Sangeeta Prasad resigned from the Directorship of the Company with effect from 14th May, 2018.

5. INDEBTEDNESS

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

(₹ in Lakh)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
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,

Jayant Manmadkar
Chairman
DIN: 03044559

Mumbai, 14th May, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Industrial Township (Maharashtra) Limited

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of **Industrial Township (Maharashtra) Limited** ("the Company"), which comprise the balance sheet as at March 31, 2018, and the statements of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements")

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

   This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the financial position of the company as at March 31, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year then 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 terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143(3) of the Act, we report that:
    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. the Balance Sheet, the Statement of Profit and Loss, statement of Cash Flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
    d. In our opinion, the aforesaid Ind AS 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
    f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
       i. The Company does not have any pending litigations which would impact its financial position.
       ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses that need provision.
       iii. During the year, there were no amounts which were required to be transferred by the Company to the Investor Education and Protection Fund.

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

Padmini Khare Kaicker
Partner
Membership Number: 044784

Place: Mumbai
Dated: April 17 2018

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the Ind AS financial statements of Industrial Township (Maharashtra) Limited for the year ended March 31, 2018

1. The Company did not have any fixed assets during the year. Hence the provision 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 & spares. Hence para 3(ii)of the Order is not applicable.
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. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and section 186 of the Companies Act, 2013. Therefore the provisions of Clause 3(iv) of the Order are not applicable to the company.
5. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the Rules framed there under to the extent notified. Therefore the provisions of Clause 3(v) of the Order are not applicable to the company.
6. We have been informed that the Central Government has not prescribed maintenance of cost records by the under section 148(1) of the Companies Act, 2013.
7. (i) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Service Tax and other statutory dues applicable to it with the concerned authorities. The provisions of Excise Duty are not applicable to the operations of the Company. The Company did not have any employees and hence the provision of Provident Fund, Employee State Insurance are not applicable.

   (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax that and Goods and Service Tax were outstanding, at the year-end for a period of more than six months from the date they became payable.

   (iii) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax, Cess, and Goods and Service Tax which have not been deposited on account of any dispute.
8. Based on the records examined by us and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or banks or Government or debenture holders during the year under audit.
9. In our opinion and according to the information and explanations given to us, during the year, no term loans were obtained by the Company. During the year, there were no moneys raised by way of initial public offer or further public offer.
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 rad with Schedule V to the Companies Act, 2013.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. Based on the records examined by us and according to the information and explanations given to us, the transactions with related party are in compliance with section 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Company is not required to have an audit committee and hence the provision of section 177 of the Companies Act, 2013 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. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Dated: April 24 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDUSTRIAL TOWNSHIP (MAHARSHTRA) 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 March 31, 2018 in conjunction with our audit of the Ind AS 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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 March 31, 2018, 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 and Co.**
Chartered Accountants
Firm's Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Dated: April 17, 2018

BALANCE SHEET AS AT 31 MARCH 2018

₹ in Lakhs

		Note No.	As at 31 March 2018	As at 31 March 2017
I	**ASSETS**			
	CURRENT ASSETS			
	(a) Inventories	**2**	**489.89**	489.89
	(b) Financial Assets			
	(i) Cash and Cash Equivalents	**3**	**43.90**	24.56
	(c) Current Tax Assets (Net)		**2.75**	2.75
	SUB-TOTAL		**536.53**	517.20
	TOTAL ASSETS		**536.53**	517.20
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	**4**	**500.00**	500.00
	(b) Other Equity	**5**	**(16.71)**	(16.10)
	SUB-TOTAL		**483.29**	483.90
	LIABILITIES			
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Trade Payables	**6**	**2.23**	2.20
	(ii) Other Financial Liabilities	**7**	**51.01**	31.01
	(b) Other Current Liabilities	**8**	**–**	0.08
	SUB-TOTAL		**53.24**	33.29
	TOTAL		**536.53**	517.20

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

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

Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 17th April, 2018

Dhara Modi
Company Secretary
(PAN- BYTPM1518H)

Place: Mumbai
Date: 17th April, 2018

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni (DIN-00003936)
Jayantt Manmadkar (DIN-03044559)
Sangeeta Prasad (DIN-02791944)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

	Particulars	Note No.	For Year ended 31 March 2018"	For Year ended 31 March 2017
	Continuining Operations			
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Revenue (I + II)**		–	–
IV	**EXPENSES**			
	(a) Other expenses	9	0.61	1.64
	Total Expenses (V)		0.61	1.64
	Profit/(loss) before exceptional items and tax (I - IV)		(0.61)	(1.64)
	Exceptional Items		–	–
V	**Profit/(loss) before tax (VII - VIII)**		(0.61)	(1.64)
VII	**Profit/(loss) for the period (XI + XIV)**		(0.61)	(1.64)
			–	–
VIII	**Other comprehensive income**		–	–
IX	**Total comprehensive income for the period (XV + XVIII)**		(0.61)	(1.64)
X	**Total comprehensive income for the period attributable to:**			
	Owners of the Company		(0.61)	(1.64)
	Non controlling interests		–	–
XI	**Earnings per equity share (for continuing operation):**			
	(1) Basic	10	(0.01)	(0.03)
	(2) Diluted	10	(0.01)	(0.03)

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

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

Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 17th April, 2018

Dhara Modi
Company Secretary
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For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni (DIN-00003936)
Jayantt Manmadkar (DIN-03044559)
Sangeeta Prasad (DIN-02791944)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

₹ in Lakhs

Particulars	Note No.	For Year ended 31 March 2018	For Year ended 31 March 2017
Cash flows from operating activities			
Profit before tax for the year	**PL**	**(0.61)**	(1.64)
Movements in working capital:			
(Decrease)/increase in other liabilities		**19.95**	1.97
Cash generated from operations		**19.33**	0.34
Income taxes paid			
Net cash generated by operating activities		**19.33**	0.34
Cash flows from investing activities			
Net cash (used in)/generated by investing activities		–	
Cash flows from financing activities			
Net increase in cash and cash equivalents		**19.33**	0.34
Cash and cash equivalents at the beginning of the year		**24.56**	24.23
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		**43.90**	24.56

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

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

Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 17th April, 2018

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For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni (DIN-00003936)
Jayantt Manmadkar (DIN-03044559)
Sangeeta Prasad (DIN-02791944)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. General Information

The company was incorporated on August 16, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.4.1 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues will be recognized from these real estate projects only when

i. All critical approvals necessary for commencement of the project have been obtained and

ii. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and

iii. when at least 10% of the sales consideration is realised and

iv. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

2.4.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured based on the proportion of costs incurred for rendering of the service to date relative to the estimated total costs, except where this would not be representative of the stage of completion

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.2 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.9.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.11 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.12 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.13. First-time adoption – mandatory exceptions, optional exemptions, and

2.13.1. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.13.2. Derecognition of financial assets and financial

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

2.13.3. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.13.4. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.13.5. Assessment of embedded derivatives

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

2.13.6. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note No. 2 - Inventories

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
(a) *Work-in-progress*	**489.89**	489.89
Total Inventories (at lower of cost and net realisable value)	**489.89**	489.89

Note: Work in Progress includes Land and its related expenses

Note No. 3 - Cash and Bank Balances

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents		
(a) Balances with banks	**43.90**	24.36
(b) Cash on hand	**–**	0.20
Total Cash and cash equivalent	**43.90**	24.56
Total Other Bank balances	**–**	–

Note No. 4 - Equity Share Capital

₹ in Lakhs

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Authorised:				
Equity shares of ₹ 10 each with voting rights	**1,00,00,000**	**1,000**	1,00,00,000	500
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**50,00,000**	**500**	50,00,000	500
Total	**50,00,000**	**500**	50,00,000	500

Statement of Changes In Equity for the year ended 31 March 2018

₹ in Lakhs

A. Equity share capital	
As at 31 March 2018	**500**
Changes in equity share capital during the year	**–**
As at 31 March 2018	**500**
Changes in equity share capital during the year	**–**
As at 31 March 2018	**500**

Note No. 5 - Other Equity

₹ in Lakhs

	Reserves and Surplus	
	Retained Earnings	Total
As at 31 March 2016	(14.46)	(14.46)
Profit/(Loss) for the period	(1.64)	(1.64)
Other Comprehensive Income/(Loss)		–
Total Comprehensive Income for the year	(1.64)	(1.64)
As at 31 March 2017	(16.10)	(16.10)
Profit/(Loss) for the period	(0.61)	(0.61)
Other Comprehensive Income/(Loss)		
Total Comprehensive Income for the year	(0.61)	(0.61)
Any other changes (to be specified)		
As at 31 March 2018	**(16.71)**	**(16.71)**

Note No. 6 - Trade Payables

₹ in Lakhs

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	**Non-Current**	Current	Non-Current
Trade payable - Micro and small enterprises				
Trade payable - Other than micro and small enterprises	**2.23**		2.20	
Total trade payables	**2.23**	**–**	2.20	–

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

Note No. 7 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
Other Financial Liabilities Measured at Amortised Cost		
Non-Current		
(A) Other liabilities		
(1) Received from Land Aggregator	**51.01**	31.01
Total other financial liabilities	**51.01**	31.01

Note No. 8 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2018		As at 31 March 2017	
	Current	**Non-Current**	Current	Non-Current
a. Advances received from customers				
b. Statutory dues				
– taxes payable (other than income taxes)		**–**	0.08	
– Employee Recoveries and Employer Contributions				
TOTAL OTHER LIABILITIES		**–**	0.08	

Note No. 9 - Other Expenses

₹ in Lakhs

Particulars	For year ended 31 March 2018	For year ended 31 March 2017
(a) Auditors remuneration and out-of-pocket expenses	**0.25**	0.58
(i) As Auditors	**0.25**	0.29
(ii) For Taxation matters		
(iii) For Company Law matters		
(iv) For Rates & Taxes		0.29
(v) For reimbursement of expenses		
(b) Other expenses		
(1) Provision for diminution of Investments		
(2) Provision for losses of subsidiaries		
(3) Legal and other professional costs	**0.36**	1.06
Total Other Expenses	**0.61**	1.64

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note No. 10 - Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Note	Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
		₹	₹
	Profit/(loss) for the year attributable to owners of the Company	**(61,489)**	(1,63,519)
	Weighted average number of equity shares	**50,00,000**	50,00,000
	Earnings per share from continuing operations - Basic	**(0.01)**	(0.03)

Note No. 11 - Micro Small and Medium Enterprises Development Act 2006

The amount due to Micro and Small Enterprises as defined in the " Micro, Small and Medium Enterprises Development, Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosure relating to Micro and Small Enterprises as at 31 March 2018 are as under:

Disclosures required under Section22 of the Micro Small and Medium Enterprises Development Act 2006"

	Particulars	As at 31-03-2018	As at 31-03-2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	– Principal amount due to micro and small enterprises	–	–
	– Interest due on above	–	–
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	–	–
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	–	–
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	–	–

Note No. 12 - Segment Reporting

The Company operates in one segment namely Project and Development activity, hence separate segment reporting has not been made under Indian Accounting Standard (Ind- AS 108)- "Operating Segment". The operation of company comprises a single geographical segment, India.

Note No. 13 - Comparitives

The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached.

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

Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 17th April, 2018

Dhara Modi
Company Secretary
(PAN- BYTPM1518H)

Place: Mumbai
Date: 17th April, 2018

For and on behalf of the Board of Directors of
Industrial Township (Maharashtra) Ltd.

Suhas Kulkarni (DIN-00003936)
Jayantt Manmadkar (DIN-03044559)
Sangeeta Prasad (DIN-02791944)

ANNUAL REPORT 2017-18
BOARD'S REPORT

Your Directors present their Eighth report together with the audited financial statement for the financial year ended 31st March, 2018.

Financial Highlights

(Amount in ₹)

Particulars	**For the year ended 31st March, 2018**	For the year ended 31st March, 2017
Total Income	**752,400**	752,400
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	**697,495**	687,288
Less: Depreciation	**–**	–
Profit/(Loss) Before Finance Cost and Taxation	**697,495**	687,288
Less: Finance Cost	**–**	–
Profit/(Loss) Before Taxation	**697,495**	687,288
Less: Provision for Taxation	**179,605**	212,372
Profit/(Loss) for the year after Taxation	**517,890**	474,916
Add: Balance of Profit/(Loss) for earlier years	**955,576**	480,660
Balance carried forward	**1,473,466**	955,576

Dividend

With a view to conserve the resources of the Company, no dividend has been recommended by the Directors for the financial year 2017-18.

Reserves

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

Operations/State of the Company's affairs

The Company is evaluating suitable opportunities for residential development.

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

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

During the year, 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 excercised 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.

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 subsdiary / 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, 2018, the Board of Directors comprises of the following:

Name of Director	DIN	Designation
Mr. Jayant Manmadkar	03044559	Chairman, Non-Executive Non-Independent Director
Mr. Ramesh Ranganathan	03118598	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 8th Annual General Meeting ofthe 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.

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.

Committees of the Board

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.

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.

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 (4) Board Meetings were held. The previous Annual General Meeting (AGM) of the Company was held on 20th July, 2017.

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(5) of the Companies Act, 2013 ("the Act"), 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 have 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, 2018 and of the profit and 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 statement. The Board periodically reviews the internal control systems with the auditors.

Vigil Mechanism

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

Risk Management

The Company has appropriate risk management systems and procedure 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 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 of appointment of the 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 9th 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 auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

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

The requirement 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 making loans, giving guarantees, providing securities, acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate stipulated under Section 186 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 1** in the form AOC-2. The Directors draw attention to Note no. 19 to the financial statement which sets out details of transactions with related parties.

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 Regulations 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 under review, 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

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- 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 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 Board's 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,

Jayant Manmadkar
Chairman
DIN: 03044559

Mumbai, 24th April, 2018

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 arm's 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, fellow subsidiary and 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 (at the time of entering into contract): ₹ 34,72,310/-

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 24th April, 2018

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, 24th April, 2018

ANNEXURE 3

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) 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, 5th 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 the Company	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th 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)	–	–	–	–	–	–	–	–	–

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	
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) 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	–	49,940	100.00	–	–
2	Mahindra Lifespace Developers Limited & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Limited & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Limited & Ms. Sangeeta Prasad	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Limited & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Limited & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Limited & 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 andHolders 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
Mr. 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
Mr. 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

***** ***Shares are held jointly with Mahindra Lifespace Developers Limited (first holder)***

5. INDEBTNESS:

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

(Amount in ₹)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	20,000,000	–	–	20,000,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	20,000,000	–	–	20,000,000
Change in Indebtedness during the financial year				
• Addition	–	–	–	–
• Reduction	–	–	–	–
Net Change	–	–	–	–
Indebtedness at the end of the financial year				
i) Principal Amount	20,000,000	–	–	20,000,000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	20,000,000	–	–	20,000,000

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					
Punishment			**None**		
Compounding					
B. Directors					
Penalty					
Punishment			**None**		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			**None**		
Compounding					

For and on behalf of the Board,

Jayant Manmadkar
Chairman
DIN : 03044559

Mumbai, 24th April, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
ANTHURIUM DEVELOPERS LIMITED

Report on the Ind AS Financial Statements

1. We have audited the accompanying Ind AS financial statements of Anthurium Developers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), 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 Ind AS 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 Ind AS 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 Indian Accounting Standards specified under Section 133 of the Act. 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2018, 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 (including Other Comprehensive Income), and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d) In our opinion, the aforesaid Ind AS 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 March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 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 Registration No. : 105102W

Padmini Khare Kaicker
Partner
Membership No. : 044784

Place: Mumbai
Dated: April 24, 2018

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 March 31, 2018

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 is 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, 2018, for a period of more than 6 months from the date they become payable.

   ii) There are no disputed dues outstanding as on March 31, 2018 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). Term loans were applied for the purposes 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, 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 and Co.**
Chartered Accountants
Firm Registration No. : 105102W

Padmini Khare Kaicker
Partner
Membership No. : 044784

Place: Mumbai
Dated: April 24, 2018

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 March 31, 2018 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 March 31, 2018, 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 Registration No. : 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784

Place: Mumbai
Dated: April 24, 2018

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

		Note No.	As at 31st March, 2018	As at 31st March, 2017
I	**ASSETS**			
	CURRENT ASSETS			
	(a) Inventories	4	**20,000,000**	20,000,000
	(b) Financial Assets			
	(i) Trade Receivables			
	(ii) Cash and Cash Equivalents	5	**3,138,946**	3,285,654
	(c) Other Current Assets	6	**314,260**	389,219
	SUB-TOTAL		**23,453,206**	23,674,873
	TOTAL ASSETS		**23,453,206**	23,674,873
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	7	**500,000**	500,000
	(b) Other Equity	8	**1,473,466**	955,576
	SUB-TOTAL		**1,973,466**	1,455,576
	LIABILITIES			
	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	9	**20,000,000**	20,000,000
	(ii) Trade Payables	10	**70,025**	39,415
	(b) Other Current Liabilities	11	**1,409,715**	2,179,882
	SUB-TOTAL		**21,479,740**	22,219,297
	TOTAL		**23,453,206**	23,674,873

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 24th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 24th April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

		Note No.	As at 31st March, 2018	As at 31st March, 2017
Continuining Operations				
I	**Other Income**	12	**752,400**	752,400
II	**Total Revenue (I)**		**752,400**	752,400
III	**EXPENSES**			
	(i) Other expenses	13	**54,905**	65,113
	Total Expenses (III)		**54,905**	65,113
IV	**Profit/(loss) before tax (II-III)**		**697,495**	687,288
V	**Tax Expense**			
	(i) Current tax	14	**179,605**	212,372
	Total tax expense		**179,605**	212,372
VI	**Profit/(loss) for the period (IV-V)**		**517,890**	474,916
VII	**Total comprehensive income for the period**		**517,890**	474,916
VIII	**Earnings per equity share (for continuing operation):**			
	(i) Basic/Diluted	15	**10.36**	9.50

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 24th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 24th April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	Note No.	Period ended 31st March 2018	Year ended 31st March 2017
Cash flow from operating activities			
Profit before tax for the year	PL	**697,495**	687,288
Adjustments for:			
		697,495	687,288
Movements in working capital:			
(Increase)/decrease in other assets		**74,959**	75,240
Decrease in trade and other payables		**30,610**	(10,323)
(Decrease)/increase in other liabilities		**(770,167)**	(721,678)
Cash generated from operations			
Income taxes paid		**(179,605)**	(212,372)
Net cash generated by operating activities		**(146,708)**	(181,846)
Cash flows from investing activities			
Net cash (used in)/generated by investing activities		**–**	–
Net cash used in financing activities		**–**	–
Net increase in cash and cash equivalents		**(146,708)**	(181,846)
Cash and cash equivalents at the beginning of the year		**3,285,654**	3,467,499
Effects of exchange rate changes on the balance of cash held in foreign currencies		**3,138,946**	3,285,654
Cash and cash equivalents at the end of the year		**3,138,946**	3,285,654

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 24th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 24th April 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

	(Amount in ₹)
A. Equity share capital	
As at 1 April, 2016	500,000
Changes in equity share capital during the year	–
As at 31 March, 2017	500,000
Changes in equity share capital during the year	–
As at 31 March, 2018	500,000

B. Other Equity	**Retained earnings**
	(Amount in ₹)
Balance as at 1 April, 2016 (A)	**480,660**
Profit/(Loss) for the year (B)	474,916
Other comprehensive income (C)	–
Total comprehensive income (D) = [(B)+(C)]	474,916
Balance as 31 March, 2017 (E) = [(A)+ (D)]	**955,576**
Profit/(Loss) for the year (F)	517,890
Other comprehensive income (G)	–
Total comprehensive income (H) = [(F)+(G)]	517,890
Balance as at 31 March, 2018 (I) = [(E)+(H)]	**1,473,466**

See accompanying notes forming part of the financial statements

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 24th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 24th April 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

1. Corporate information

Anthurium Developers Limited ("the Company") is a public company incorporated in India on 02 June, 2010 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company 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.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant accounting policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 24th April, 2018.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

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

Financial assets and liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

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

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.7 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

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

2.11 Cash flow statement

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

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Inventories

Particulars	As at 31 March, 2018	As at 31 March 2017
(a) Others (Land)................	**20,000,000**	20,000,000
Total Inventories (at lower of cost and net realisable value).......	**20,000,000**	20,000,000

Note No. 5 - Cash and Bank Balances

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March 2017
Cash and cash equivalents		
(a) Balances with banks	**3,138,946**	3,285,654
Total Cash and cash equivalent.................	**3,138,946**	3,285,654

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note No. 6 - Other assets

Particulars	As at 31 March, 2018 Current	As at 31 March, 2018 Non-Current	As at 31 March 2017 Current	As at 31 March 2017 Non-Current
(a) **Advances other than capital advances**				
(i) Other advances	**314,260**	–	389,219	–
Total	**314,260**	–	389,219	–

Note No. 7 - Equity Share Capital

Particulars	As at 31 March, 2018 No. of shares		As at 31 March 2017 No. of shares	
Authorised:				
Equity shares of ₹ 10 each with voting rights	**100,000**	**1,000,000**	100,000	1,000,000
Equity shares of ₹ 10 each with differential voting rights				
Preference shares of ₹ 10 each				
Issued, Subscribed and Fully Paid:				
Equity shares of ₹ 10 each with voting rights	**50,000**	**500,000**	50,000	500,000
Equity shares of ₹ 10 each with differential voting rights				
Preference shares of ₹ 10 each				
Issued, Subscribed and Partly Paid:				
Equity shares of ₹ 10 each with voting rights	**50,000**	**500,000**	50,000	500,000
Equity shares of ₹ 10 each with differential voting rights				
Preference shares of ₹ 10 each				
Total	**50,000**	**500,000**	50,000	500,000

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Bonus	Other Changes (give details)	Closing Balance
(a) Equity Shares with Voting rights					
Year Ended 31st March 2017					
No. of Shares	50,000	–	–	–	50,000
Amount	500,000	–	–	–	500,000
Year Ended 31st March 2018					
No. of Shares	**50,000**	–	–	–	**50,000**
Amount	**500,000**	–	–	–	**500,000**

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares Equity Shares with Voting rights
As at 31 March 2018	
Mahindra Lifespace Developers Ltd. the Holding Company	**50000**
As at 31 March 2017	
Mahindra Lifespace Developers Ltd. the Holding Company	50000

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

Class of shares / Name of shareholder	As at 31 March 2018 Number of shares held	As at 31 March 2018 % holding in that class of shares	As at 31 March 2017 Number of shares held	As at 31 March 2017 % holding in that class of shares
Equity shares with voting rights				
Mahindra Lifespace Developers Ltd.	**50,000**	**100.00%**	50,000	100.00%

Note No. 8 - Other equity

Particulars	Retained earnings	Total
Balance as at 31st March, 2016	**480,660**	**480,660**
Profit/(Loss) for the year	474,916	**474,916**
Other comprehensive income	–	–
Total comprehensive income	474,916	**474,916**
Balance at 31st March, 2017	**955,576**	**955,576**
Profit/(Loss) for the year	517,890	517,890
Other comprehensive income	–	–
Total comprehensive income	517,890	517,890
Balance at 31st March, 2018	**1,473,466**	**1,473,466**

Note No. 9 - Current Borrowings

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March 2017
A. Secured Borrowings		
(a) Other Loans	**20,000,000**	20,000,000
Total Current Borrowings	**20,000,000**	20,000,000

Note No. 10 - Trade Payables

(Amount in ₹)

Particulars	As at 31 March, 2018 Current	As at 31 March, 2018 Non-Current	As at 31 March 2017 Current	As at 31 March 2017 Non-Current
Trade payable - Other than micro ans small enterprises	**70,025**	–	39,415	–
Total trade payables	**70,025**	–	39,415	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Note No. 11 - Other Liabilities

(Amount in ₹)

	Particulars	As at 31 March, 2018 Current	As at 31 March, 2018 Non-Current	As at 31 March 2017 Current	As at 31 March 2017 Non-Current
a.	Advances received from customers	**1,215,110**	–	1,967,510	–
b.	Provision for expenses	**15,000**	–	–	–
c.	Statutory dues				
	– taxes payable	**179,605**	–	212,372	–
	TOTAL OTHER LIABILITIES	**1,409,715**	–	2,179,882	–

Note No. 12 - Other Income

Particulars	As at 31 March, 2018	As at 31 March 2017
(a) Rental income from Investment property	**752,400**	752,400
Total Other Income	**752,400**	752,400

Note No. 13 - Other Expenses

Particulars	As at 31 March, 2018	As at 31 March 2017
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**29,626**	28,624
(b) Other expenses		
(i) Legal and other professional costs	**15,575**	20,872
(ii) Others	**9,704**	15,617
Total Other Expenses	**54,905**	65,113

Note No. 14 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

(Amount in ₹)

Particulars	As at 31 March, 2018	As at 31 March 2017
Current Tax:		
In respect of current year	**179,605**	212,372
Total income tax expense on continuing operations	**179,605**	212,372

Note No. 15 - Earnings per Share

Note	Particulars	For the year ended 31 March 2018 Per Share	For the year ended 31 March 2017 Per Share
	Basic Earnings per share		
	From continuing operations	**10.36**	9.50
	From discontinuing operations	–	–
	Total basic earnings per share	**10.36**	9.50
	Diluted Earnings per share		
	From continuing operations	**10.36**	9.50
	From discontinuing operations	–	–
	Total diluted earnings per share	**10.36**	9.50

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit/(loss) for the year attributable to owners of the Company	**517,890**	474,916
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	**517,890**	474,916
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	–	–
Profits used in the calculation of basic earnings per share from continuing operations	**517,890**	474,916
Weighted average number of equity shares	**50,000**	50,000
Earnings per share from continuing operations – Basic	**10.36**	9.50

Note No. 16 - As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the year ended 31st March, 2018 have been prepared on the basis of going concern.

Note No. 17 - Financial Instruments

Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31st March, 2018	As at 31st March, 2017
Debt (A)	**20,000,000**	20,000,000
Equity (B)	**1,973,466**	1,455,576
Debt Ratio (A / B)	**10.13**	13.74

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

				As at 31st March, 2018
	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Current Assets				
Other Bank Balances	**3,138,946**			**3,138,946**
Current Liabilities				
Borrowings	**20,000,000**			**20,000,000**
Trade Payables	**70,025**			**70,025**

				As at 31st March, 2017
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	3,285,654			3,285,654
Current Liabilities				
Borrowings	20,000,000			20,000,000
Trade Payables	39,415			39,415

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**
Non-derivative financial liabilities			
31-Mar-18			
Non-interest bearing			
Trade Payable	70,025	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	20,000,000
Non-derivative financial liabilities			

Particulars	**Less than 1 Year**	**1-3 Years**	**3 Years to 5 Years**
31-Mar-17			
Non-interest bearing			
Trade Payable	39,415	–	–
Long Term Borrowing			
Long Term Borrowing - Principal	–	–	20,000,000

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Note No. 18 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31-Mar-18 Carrying amount	31-Mar-18 Fair value	31-Mar-17 Carrying amount	31-Mar-17 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– cash & cash equivalents	**3,138,946**	–	3,285,654	–
– Other Current Assets	**314,260**	–	389,219	–
	3,453,206	–	3,674,873	–
Financial liabilities				
Financial liabilities held at amortised cost				
– loans from related parties	**20,000,000**		20,000,000	
– trade and other payables	**70,025**	–	39,415	–
Total	**20,070,025**	–	20,039,415	–

(Amount in ₹)

	Fair value hierarchy as at 31st March, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
(i) cash & cash equivalents	–	**3,138,946**	–	**3,138,946**
Total	–	**3,138,946**	–	**3,138,946**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Other loans		**20,000,000**		**20,000,000**
(ii) Trade Payable	–	**70,025**	–	**70,025**
Total	–	**20,070,025**	–	**20,070,025**

(Amount in ₹)

	Fair value hierarchy as at 31 March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash & cash equivalents	–	3,285,654	–	3,285,654
Total	–	3,285,654	–	3,285,654
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Other loans		20,000,000		20,000,000
(ii) Trade Payable	–	39,415	–	39,415
Total	–	20,070,025	–	20,070,025

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

19. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding Company	Mahindra Lifespace Developers Limited

Related parties with whom transactions have taken place during the year

Joint venture of a Holding company	Mahindra Homes Private Limited

Related party transactions

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

		(Amounts in INR Lakhs)
Nature of transactions with Related Parties	**For the year ended**	**Mahindra Homes Private Limited**
Lease Rentals Revenue - Land	31-Mar-18	7.52
	31-Mar-17	7.52

The following table provides the balances with related parties as on the relevant date:

Nature of Balances with Related Parties	**Balance as on**	**Mahindra Homes Private Limited**
Prepaid Rent	**31-Mar-18**	**12.15**
	31-Mar-17	19.68
Advance / Deposits	**31-Mar-18**	**200.00**
	31-Mar-17	200.00

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 24th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman (DIN-03044559)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 24th April 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Seventeenth Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Amount in Rs.)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Income	**11,13,015**	3,08,441
Profit before Depreciation and Taxation	**5,26,588**	(4,78,349)
Less: Depreciation	**–**	–
Profit before Taxation	**5,26,588**	(4,78,349)
Less: Provision for Taxation	**–**	–
Current Tax	**1,35,596**	–
(Excess) provision for tax relating to prior years	**–**	–
Deferred Tax	**–**	(624)
Profit after Taxation	**3,90,992**	(4,77,725)
(Loss) brought forward from previous year	**(16,22,15,541)**	(16,17,37,816)
Balance carried to Balance Sheet	**(16,18,24,549)**	(16,22,15,541)
Net Worth	**1,81,75,451**	1,77,84,459

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

OPERATIONS

During the year under review, your Company's income has increased to Rs.11,13,015 as compared to Rs. 3,08,441 in the previous year.

Your Company is looking out for other lines of business opportunities in future.

DIVIDEND

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the year under review.

RESERVES

The Company does not propose to transfer any amount to reserves.

SHARE CAPITAL

During the year under review, the authorised Share Capital of your Company stood at Rs. 20,00,00,000 divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10 each. The paid up Equity Share Capital as on 31st March, 2018 was Rs. 18,00,00,000 (Rupees Eighteen Crores Only) divided into 1,80,00,000 (One Crore Eighty Lakhs) Equity Shares of Rs.10 each. During the year under review the Company has not issued any shares or any convertible instruments.

HOLDING COMPANY

Your Company is a wholly owned subsidiary of Mahindra Lifespace Developers Limited.

PERFORMANCE AND FINANCIAL POSITION OF THE JOINT VENTURE/ ASSOCIATE/ SUBSIDIARY COMPANY

Your Company holds 99% of the Equity Share Capital of Mahindra Water Utilities Limited, the Subsidiary Company of your Company. Rathna Bhoomi Enterprises Private Limited is the Associate Company and Mahindra Inframan Water Utilities Private Limited is the Joint Venture Company as on 31st March, 2018.

A report on the performance and financial position of the Subsidiary, Associate and Joint Venture Companies and their contribution to the overall performance of the Company, is provided in Form AOC-1 which is attached to the financial statements and forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs vide its Notification G.S.R 742(E) dated 27th July, 2016 exempted a wholly owned subsidiary Company from preparation and presentation of Consolidated Financial Statements, provided the Company meets the conditions as mentioned in the said Notification.

Accordingly, the Company has not prepared Consolidated Financial Statements since it has met all requirements mentioned in the aforesaid notification.

BOARD OF DIRECTORS

Presently the Board comprises of the following Directors:

Sr. No.	Name of Director	DIN	Designation	Executive/Non-Executive Director	Independent/Non Independent Director
1.	Mr. Jayantt Manmadkar	03044559	Director	Non-Executive Director	Non Independent Director
2.	Mr. Suhas Kulkarni	00003936	Additional Director	Non-Executive Director	Non Independent Director
3.	Mr. Vijay Khetan	00465161	Director	Non-Executive Director	Independent Director
4.	Mr. Sanjay Jain	06446899	Director	Non-Executive Director	Independent Director

Mr. Jayantt Manmadkar (DIN: 03044559) retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

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

The Company has received declarations from all the Directors in Form DIR-8 as prescribed under Section 164 of the Companies Act, 2013 read with the Rule 14(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014 that they are not disqualified from being appointed as Directors of the Company pursuant to Section 164 of the Companies Act, 2013.

Ms. Anita Arjundas (DIN: 00243215), resigned from the Board with effect from 23rd October, 2017. The Board places its sincere appreciation on record and acknowledges the valuable contribution and guidance provided by Ms. Anita Arjundas during her stint as a Director of the Company.

Mr. Suhas Kulkarni (DIN: 00003936) was appointed as an Additional Director of the Company with effect from 23rd October, 2017. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 proposing candidature of Mr. Suhas Kulkarni for his appointment as Director at the ensuing Annual General Meeting. The Board recommends to the Shareholders the above appointment.

BOARD MEETINGS

The Board of Directors met four times during the year under review viz. on 20th April, 2017, 24th July, 2017, 23rd October, 2017 and 24th January, 2018. The gap between two consecutive Board meetings did not exceed 120 days.

The attendance of the Directors at the meetings of the Board was as follows:

Name of Director	Number of Board Meetings Attended
Ms. Anita Arjundas*	2
Mr. Vijay Khetan	4
Mr. Jayantt Manmadkar	4
Mr. Sanjay Jain	4
Mr. Suhas Kulkarni#	2

* Resigned with effect from 23rd October, 2017
# Appointed with effect from 23rd October, 2017

GENERAL MEETINGS

The 16th Annual General Meeting of the Company was held on 24th July, 2017. No Extra Ordinary General Meeting was held during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(b) that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the financial year ended on that date;

(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) that the annual accounts have been prepared on a going concern basis; and

(e) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly complied by the Company.

EVALUATION OF PERFORMANCE OF DIRECTORS

The Board of Directors of the Company carried out an annual evaluation of overall performance of the Independent Directors.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once during the year on 23rd October, 2017 without the presence of the Non-Independent Directors or Chief Executive Officer or Chief Financial Officer or any other Management Personnel. The Meeting was conducted in an informal and flexible manner 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 the Board that is necessary for the Board to effectively and reasonably perform their duties.

CODES OF CONDUCT

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") was re-constituted with effect from 23rd October, 2017.

The Nomination and Remuneration Committee consisted of the following Directors:

Name of the Member	Designation
Mr. Vijay Khetan	Chairman (Independent Director)
Mr. Sanjay Jain	Independent Director
Mr. Suhas Kulkarni*	Director

*Appointed as Member of the Committee w.e.f. 23rd October, 2017

The Committee met twice during the year under review viz. on 20th April, 2017 and 23rd October, 2017.

The attendance at the meetings of Nomination and Remuneration Committee was as follows:

Name of the Member	Number of Meetings Attended
Mr. Vijay Khetan	2
Mr. Sanjay Jain	2
Ms. Anita Arjundas#	2
Mr. Suhas Kulkarni*	–

*Appointed as Member of the Committee w.e.f. 23rd October, 2017
Resigned with effect from 23rd October, 2017

The Ministry of Corporate Affairs ("MCA") vide its notifications dated 05th July, 2017 and 13th July, 2017, has inter alia exempted unlisted public companies which are wholly owned subsidiary ("WOS") companies from constituting NRC.

Your Company being an unlisted public company and WOS of Mahindra Lifespace Developers Limited was entitled to the said exemption.

Pursuant to the aforesaid notifications, NRC Committee was dissolved with effect from 1st April, 2018 and its role was subsumed by the Board of Directors.

AUDIT COMMITTEE

The Audit Committee consisted of the following Directors:

Name of the Member	Designation
Mr. Jayantt Manmadkar	Director
Mr. Vijay Khetan	Independent Director
Mr. Sanjay Jain	Independent Director

The Audit Committee met twice during the year under review viz., on 20th April, 2017 and 24th January, 2018.

The attendance at the meetings of the Audit Committee was as follows:

Name of Director	Number of Meetings Attended
Mr. Jayantt Manmadkar	2
Mr. Sanjay Jain	2
Mr. Vijay Khetan	2

The Board has accepted all recommendations of the Audit Committee made during the year.

Pursuant to Ministry of Corporate Affairs ("MCA") vide its notifications dated 05th July, 2017 and 13th July, 2017, has inter - alia exempted unlisted public companies which are wholly owned subsidiary ("WOS") companies from constituting Audit Committee.

Your Company being an unlisted public company and WOS of Mahindra Lifespace Developers Limited was entitled to the said exemption.

The Audit Committee was dissolved with effect from 1st April, 2018 and its role was subsumed by the Board of Directors.

RISK MANAGEMENT POLICY

The Board has formulated a Risk Management Policy for the Company which identifies elements of risk, if any, which may threaten the existence of the Company and helps in managing the risks associated with the business of the Company.

Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness within the oragnization and to integrate risk management within the corporate culture.

VIGIL MECHANISM

The provision relating to Vigil Mechanism enumerated under Section 177 of the Companies Act, 2013 are not applicable to your Company.

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

Consequent to the dissolution of Nomination and Remuneration Committee, the said policies were amended suitably to enable Board to subsume all the powers of NRC under the said policies. As the Company is not covered under Section 178(1) of the Act, the said revised policies are not required to be annexed to this report.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013 are not applicable to your Company and accordingly, your Company is not required to have a CSR policy.

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS AND AUDIT REPORT

M/s. R. Jaitlia & Company, Chartered Accountants, (ICAI Firm Registration No. 117246W) were appointed as the Statutory Auditors of the Company at the 16th (Sixteenth) Annual General Meeting of the Company held on 24th July, 2017 to hold office up to the date of the 21st (Twenty First) Annual General Meeting of the Company, subject to ratification by the Shareholders of the Company at each Annual General Meeting ("AGM").

As required under the provisions of Section 139 of the Companies Act, 2013, your Company has obtained a written consent from the above Auditors to the effect that their appointment, if made, would be in conformity with the conditions and criteria specified therein.

The members are requested to ratify the appointment of Auditors at the forthcoming Annual General Meeting and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

REPORTING OF FRAUDS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this report.

SECRETARIAL AUDITOR, INTERNAL AUDITOR AND COST AUDITOR

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

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

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

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

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

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the ultimate holding company Mahindra and Mahindra Limited.

Your Company has not, whether directly or indirectly, given loans, made investments and/or provided guarantees/ securities which are required to be reported under section 186 of the Companies Act, 2013, during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

EXTRACT OF ANNUAL RETURN

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

INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate internal financial controls with reference to Financial Statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

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

SUSTAINABILITY

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

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

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

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES 2014

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

GENERAL DISCLOSURES

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which, loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Companies Act, 2013).

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Jayantt Manmadkar
Director

Suhas Kulkarni
Diector

Mumbai, 23rd April, 2018

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

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

(A) Conservation of energy:

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

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

(ii) the steps taken by the Company for utilizing alternate sources of energy: Not Applicable

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

(B) Technology absorption:

(i) the efforts made towards technology absorption: None

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

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

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

(C) Foreign exchange earnings and Outgo:

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

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

For and on behalf of the Board

Jayantt Manmadkar
Director

Suhas Kulkarni
Diector

Mumbai, 23rd April, 2018

ANNEXURE II TO THE DIRECTORS' REPORT

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's 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: Not Applicable

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Transaction Value	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Mahindra & Mahindra Limited-Ultimate Holding Company	Availment of Services	Rs.1,54,310/-	For one year	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis	Not applicable	Nil

Note: The above referred transaction is at arm's length and in the ordinary course of business. Accordingly Board approval is not required as per proviso to sub-section (1) of Section 188 of the Companies Act, 2013.

For and on behalf of the Board

Jayantt Manmadkar
Director

Suhas Kulkarni
Diector

Mumbai, 23rd April, 2018

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Mahindra Lifespace Developers Limited. Mahindra Towers, 5th Floor, Worli, Mumbai - 400 018.	L45200MH1999PLC118949	Holding Company	100%	2(46)
2	Mahindra and Mahindra Ltd. Gateway Building, Apollo Bunder, Mumbai 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)
3	Mahindra Water Utilities Limited. Gateway Building, Apollo Bunder, Mumbai 400 001	U45205MH1999PLC121235	Subsidiary	99%	2(87)
4	Mahindra Inframan Water Utilities Private Limited. Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.	U90000MH2004PTC144079	Joint Venture Company	50%	2(6)
5	Rathna Bhoomi Enterprises Private Limited Mahindra Towers, A Wing, 5th Floor, Dr. G. M. Bhosale Marg, Worli Mumbai 400018	U67120MH1997PTC291256	Associate	50%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category-wise Share Holding	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF*	0	6	6	–	0	6	6	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	0	1,79,99,994	1,79,99,994	100	0	1,79,99,994	1,79,99,994	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other…	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	**0**	**1,80,00,000**	**1,80,00,000**	**100**	**0**	**1,80,00,000**	**1,80,00,000**	**100**	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	**0**	**1,80,00,000**	**1,80,00,000**	**100**	**0**	**1,80,00,000**	**1,80,00,000**	**100**	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–

Category-wise Share Holding	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**0**	**1,80,00,000**	**1,80,00,000**	**100**	**0**	**1,80,00,000**	**1,80,00,000**	**100**	–

* 6 shares held by Mahindra Lifespace Developers Limited jointly with individuals to comply with the statutory provisions of Companies Act with regard to minimum number of members

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Shareholding at the end of the year (As on 31st March, 2018)			% of change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra Lifespace Developers Limited	1,79,99,994	100	–	1,79,99,994	100	–	0
2.	Mahindra Lifespace Developers Limited jointly with Mr. Roshan Gandhi**	1	0.00	–	1	0.00	–	0
3.	Mahindra Lifespace Developers Limited jointly with Mr. Ulhas Bhosale**	1	0.00	–	1	0.00	–	0
4.	Mahindra Lifespace Developers Limited jointly with Mr. Suhas Kulkarni**	1	0.00	–	1	0.00	–	0
5.	Mahindra Lifespace Developers Limited jointly with Mr. Basant Jain**	1	0.00	–	1	0.00	–	0
6.	Mahindra Lifespace Developers Limited jointly with Ms. Anita Arjundas**	1	0.00	–	1	0.00	–	0
7.	Mahindra Lifespace Developers Limited jointly with Mr. Narayan Shankar**	1	0.00	–	1	0.00	–	0
	Total	**1,80,00,000**	**100**	–	**1,80,00,000**	**100**	–	**0**

** shares held by Mahindra Lifespace Developers Limited jointly with individuals to comply with the statutory provisions of Companies Act with regard to minimum number of members

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Mahindra Lifespace Developers Limited##				
	At the beginning of the year (01.04.2017)	1,80,00,000	100	1,80,00,000	100
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	No Change	–	No Change	–
	At the end of the year (31.03.2018)	1,80,00,000	100	1,80,00,000	100

Includes 6 shares held by Mahindra Lifespace Developers Limited jointly with individuals.

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Not Applicable	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Ms. Anita Arjundas ***#				
	At the beginning of the year (01.04.2017)	1	0	1	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	No Change			
	At the end of the year (31.03.2018)	–	–	1	0
2	Mr. Suhas Kulkarni***##				
	At the beginning of the year (01.04.2018)	1	0	1	0
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No Change			
	At the end of the year (31.03.2018)	–	–	1	0

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

Resigned w.e.f. 23rd October, 2017

Appointed w.e.f. 23rd October, 2017

V. INDEBTEDNESS:

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

(Amount in Rs.)

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
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 (31.03.2018)				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NOT APPLICABLE

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	Gross Salary		
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- As % of Profit	Nil	Nil
	- Others, specify…	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	**Nil**	**Nil**
	Ceiling as per the Act	–	–

B. REMUNERATION OF OTHER DIRECTORS:

(Amount in Rs.)

	Particulars of Remuneration	Name of Directors				Total
		Mr. Suhas Kulkarni (Non-Independent)	**Mr. Jayantt Manmadkar (Non-Independent)**	**Mr. Sanjay Jain (Independent)**	**Mr. Vijay Khetan (Independent)**	
1.	Independent Directors					
	• Fee for attending Board/Committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
2.	Other Non-Executive Directors					
	• Fee for attending Board/Committee meetings	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total B = (1+2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total Managerial Remuneration (A+B)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Ceiling as per the Act	–				

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	**Company Secretary**	**Chief Financial Officer**	
		Mr. Santosh Gupta	Ms. Kinjal Vyas	Ms. Simly Venu	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	- As % of Profit	–	–	–	–
	- Others, specify…	–	–	–	–
5.	Others, please specify	**48,493** (Deputation charges)	**3,00,000** (Professional fees towards Secretarial Services)	**48,493** (Deputation charges)	**3,96,986**
	Total	**48,493**	**3,00,000**	**48,493**	**3,96,986**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Not Applicable

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			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board

Jayantt Manmadkar
Director

Suhas Kulkarni
Diector

Mumbai, 23rd April, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Mahindra Infrastructure Developers Limited("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of theseInd AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company'spreparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of theaccounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid Ind AS 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, 2018, and its Profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position.

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Place: Mumbai
Date: 23rd April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA INFRASTRUCTURE 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 Infrastructure Developers Limited ("the Company") as of March 31, 2018 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 March 31, 2018, 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 **R. Jaitlia and Co.**
Chartered Accountants
Firm Registration No. : 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Place: Mumbai
Date: 23rd April 2018

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

	Note No.	As at 31st March, 2018	As at 31st March, 2017
I **ASSETS**			
Non-current assets			
(a) Financial assets			
(i) Investments	4	**1,028,989**	1,028,989
(b) Other non-current assets	5	**2,600,627**	2,489,325
Total Non-current assets (I)		**3,629,616**	3,518,314
Current assets			
(a) Financial assets			
(i) Trade receivables	6	**200,161**	200,161
(ii) Cash and cash equivalents	7(a)	**2,411,578**	22,830,600
(iii) Bank balances other than (ii) above	7(b)	**23,282,299**	3,146,709
(iv) Others	8	**1,059,844**	152,480
(b) Other current assets	5	**830,030**	788,818
Total current assets (II)		**27,783,912**	27,118,768
Total assets [(I)+(II)]		**31,413,528**	30,637,082
II **EQUITY AND LIABILITIES**			
Equity			
(a) Equity share capital	9	**180,000,000**	180,000,000
(b) Other equity	10	**(161,824,549)**	(162,215,541)
Total equity (III)		**18,175,451**	17,784,459
Liabilities			
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	11		
– total outstanding dues of micro enterprises and small enterprises		**–**	–
– total outstanding dues of trade payables other than micro enterprises and small enterprises		**12,366,013**	12,082,963
(b) Other current liabilities	12	**872,063**	769,660
Total current liabilities (IV)		**13,238,076**	12,852,623
Total equity and liabilities [(III)+(IV)]		**31,413,528**	30,637,082

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Jayantt Manmadkar
Director (DIN: 03044559)

Kinjal Vyas
Company Secretary
ACS: 35527

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue from operations		–	–
II	Other income	13	1,113,015	308,441
III	**Total income (I+II)**		1,113,015	308,441
IV	**Expenses**			
	(a) Employee benefit expense	14	96,986	79,350
	(b) Other expenses	15	489,441	707,440
	Total Expenses (IV)		586,427	786,790
V	**Profit/(Loss) before tax (III-IV)**		526,588	(478,349)
VI	**Tax Expense**			
	(1) Current tax		135,596	–
	(2) Deferred tax	16	–	(624)
	Total tax expense		135,596	(624)
VII	**Profit/(Loss) for the year (V-VI)**		390,992	(477,725)
	Other comprehensive income		–	–
	(1) Items that will not be reclassified to profit or loss		–	–
	(2) Items that may be reclassified to profit or loss		–	–
VIII	**Total other comprehensive income (1)+(2)**		–	–
IX	**Total comprehensive income for the year (VII+VIII)**		390,992	(477,725)
X	**Earnings per equity share**			
	Basic/Diluted	18	0.02	(0.03)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Jayantt Manmadkar
Director (DIN: 03044559)

Kinjal Vyas
Company Secretary
ACS: 35527

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Adjustments for:		
Income tax expense recognised in the statement of profit and loss	**(135,596)**	(624)
Interest income recognised in profit or loss	**(1,113,015)**	(308,441)
Depreciation expenses	**–**	–
Impairment of property, plant and equipment	**–**	2,031
	(722,023)	(784,759)
Movements in working capital:		
Decrease in inventories	**–**	–
Decrease in trade receivables	**–**	21,913,260
Increase in other financial assets	**(948,576)**	(16,890)
Decrease in other current assets	**(111,302)**	15,398
Increase in trade payables	**283,050**	7,130
Increase/(decrease) in other current liabilities	**102,403**	31,517
Income taxes paid	**–**	(30,844)
Net cash generated by/(used in) operating activities	**(1,396,447)**	21,134,812
Cash flows from investing activities		
Purchase of investment - subsidiary (refer Note No.30)	**–**	(230,000)
Interest received	**1,113,015**	262,729
Bank balances not considered as cash and cash equivalents		
– Placed	**(20,135,590)**	(1,531,530)
– Matured	**–**	2,909,497
Net cash generated by investing activities	**(19,022,575)**	1,410,696
Net cash generated by financing activities	**–**	–
Net increase in cash and cash equivalents	**(20,419,022)**	22,545,508
Cash and cash equivalents at the beginning of the year	**22,830,600**	285,092
Cash and cash equivalents at the end of the year	**2,411,578**	22,830,600

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Jayantt Manmadkar
Director (DIN: 03044559)

Kinjal Vyas
Company Secretary
ACS: 35527

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity share capital	**(Amount in ₹)**
Balance as at 31st March, 2017	**180,000,000**
Changes in equity share capital during the period	–
Balance as at 31st December, 2018	**180,000,000**

B. Other Equity	**Retained earnings (Amount in ₹)**
Balance as 31st March, 2016	**(161,737,816)**
Profit/(Loss) for the year	(477,725)
Other comprehensive income	–
Total comprehensive income	(477,725)
Balance as at 31st March, 2017	**(162,215,541)**
Profit/(Loss) for the year	**390,992**
Other comprehensive income	**–**
Total comprehensive income	**390,992**
Balance as at 31st March, 2018	**(161,824,549)**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Jayantt Manmadkar
Director (DIN: 03044559)

Kinjal Vyas
Company Secretary
ACS: 35527

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10 May, 2001 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of infrastructure projects and infrastructure related services.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant accounting policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 23rd April, 2018.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

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

Financial assets and liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 *Financial liabilities and equity instruments*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 *Revenue recognition*

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

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

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 *Taxation*

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 *Cash and cash equivalents*

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

2.11 *Cash flow statement*

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

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 – Investments

Particulars		Face Value (Rs.)	As at 31st March, 2018 Nos.	As at 31st March, 2018 Amount in Rs.	As at 31st March, 2017 Nos.	As at 31st March, 2017 Amount in Rs.
A.	**Investments carried at cost or deemed cost**					
I.	**Unquoted Investments (all fully paid) Investments in Equity Instruments**					
	– **of subsidiaries**					
	Mahindra Water Utilities Private Limited	10	**98,999**	**778,999**	98,999	778,999
	(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture) (Refer Note No. 30)					
	– **of joint ventures**					
	Mahindra Inframan Water Utilities Private Limited	10	**24,999**	**249,990**	24,999	249,990
	Mahindra Water Utilities Private Limited (joint venture upto 26 July 2015, subsequently it has become subsidiary)		–	–	–	–
	– **of associate**					
	Ratna Bhoomi Enterprise Private Limited	10	**500**	–	500	–
	Investments in Preference shares					
	– **of associate**					
	10% Non-cumulative redeemable participating optionally convertible preference shares in Ratna Bhoomi Enterprise Private Limited (Refer Notes below)	10	**119,250**	–	119,250	–
	Total (A)	–	–	**1,028,989**		1,028,989
B.	**Investment carried at fair value through other comprehensive income**					
	Unquoted Investments (all fully paid)					
	Investments in Equity Instruments					
	New Tirupur Area Development Corporation Limited	10	**15,000,000**	–	15,000,000	–
	Total (B)	–	–	–	–	–
	Total Investments (A)+(B)	–	–	**1,028,989**		1,028,989

Notes:

1. The shares will be redeemed at par at the option of the associate, any time after five years but before twenty years from the date of allotment i.e 9 December, 2002. The shares at the option of the Company will be convertible into fully paid equity shares of the face value of Rs. 10 each anytime after 36 months from the date of allotment of the shares.

2. The Company has right to participate in surplus profit when in any financial year, after declaring and paying a divided of 10% to non-cumulative redeemable participating convertible preference shareholders and 10% to equity shareholders by the associate, there is any balance of surplus profits proposed to be distributed to shareholders, the same shall be applied in paying a dividend to both the classes of shareholders, viz., equity and 10% non-cumulative redeemable participating optionally convertible preference shares treated as one class. In the event of the winding up of the associate, if there is still a surplus after making a complete refund to all the shareholders, such surplus shall be distributed amongst both the classes of shareholders, viz equity and 10% non-cumulative redeemable participating optionally convertible preference shares treated as one class.

Note No. 5 – Other assets

Particulars		As at 31st March, 2018 Non-current	As at 31st March, 2018 Current	As at 31st March, 2017 Non-current	As at 31st March, 2017 Current
(a)	Income tax assets (net)	**2,474,427**	–	2,363,125	–
(b)	Balances with government authorities (other than income taxes)				
	GST receivables	–	**41,212**	–	–
	Service tax credit receivables	–	**788,818**	–	788,818
(c)	Security deposit				
	Unsecured, considered good	**126,200**	–	126,200	–
Total other assets		**2,600,627**	**830,030**	2,489,325	788,818

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 6 – Trade receivables

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
– Unsecured, considered good	**200,161**	22,113,421
Total trade receivables	**200,161**	22,113,421

Notes:

(i) The average credit period for sales of services ranges between 150 to 180 days.

(ii) At 31st March, 2018, the Company has only one customer (As at 31st March, 2016 and 1 April, 2015: two customers) accounting for the entire trade receivables.

Note No. 7

(a) Cash and cash equivalents

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balance with bank	**2,411,578**	22,830,600
Total cash and cash equivalents	**2,411,578**	22,830,600

(b) Other bank balances

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) In deposit accounts	**23,282,299**	3,146,709
Total other bank balances	**23,282,299**	3,146,709

Note No. 8 – Other financial assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Financial assets at amortised cost Interest accrued but not due on deposits	**1,001,713**	135,590
(b) Advance to related party (Refer Note No. 21)	**58,131**	16,890
Total other financial assets	**1,059,844**	152,480

Note No. 9 – Equity share capital

Particulars	As at 31st March, 2018 Number of shares	₹	As at 31st March, 2017 Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	**20,000,000**	**200,000,000**	20,000,000	200,000,000
	20,000,000	**200,000,000**	20,000,000	200,000,000
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	**18,000,000**	**180,000,000**	18,000,000	180,000,000
	18,000,000	**180,000,000**	18,000,000	180,000,000

Notes (i) to (iv) below

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

Particulars	As at 31st March, 2018 Number of shares	₹	As at 31st March, 2017 Number of shares	₹
Opening balance	**18,000,000**	**180,000,000**	18,000,000	180,000,000
Add: Issued during the year	–	–	–	–
Closing balance	**18,000,000**	**180,000,000**	18,000,000	180,000,000

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

(ii) Terms/rights attached to equity shares:

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

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

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

Particulars	As at 31st March, 2018	As at 31st March, 2017
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	**18,000,000**	18,000,000

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

Particulars	As at 31st March, 2018 Number of shares	% holding	As at 31st March, 2017 Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees.	**18,000,000**	**100%**	18,000,000	100%

Note No. 10 – Other equity

(Amount in ₹)

Particulars	Retained earnings	Total
Balance as at 31 March, 2016	**(161,737,816)**	**(161,737,816)**
Profit/(Loss) for the year	(477,725)	**(477,725)**
Other comprehensive income	–	–
Total comprehensive income	(477,725)	**(477,725)**
Balance at 31 March, 2017	**(162,215,541)**	**(162,215,541)**
Profit/(Loss) for the year	390,992	**390,992**
Other comprehensive income	–	–
Total comprehensive income	390,992	390,992
Balance at 31 March, 2018	**(161,824,549)**	**(161,824,549)**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 11 – Trade payables

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade payables for goods and services	**12,366,013**	12,082,963
Total trade payables	**12,366,013**	12,082,963

Note:

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

Note No. 12 – Other current liabilities

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
a. Others		
Statutory remittances (withholding taxes, service tax, etc.)	**872,063**	769,660
Total other current liabilities	**872,063**	769,660

Note No. 13 – Other Income

(Amount in ₹)

Particulars	As at 31st March, 2018	For the year ended 31st March, 2017
(a) Interest Income on bank deposits	**1,113,015**	308,441
Total other Income	**1,113,015**	308,441

Note No. 14 – Employee benefits expense

(Amount in ₹)

Particulars	As at 31st March, 2018	For the year ended 31st March, 2017
Salary and wages (including deputation charges)	**96,986**	79,350
Total employee benefit expenses	**96,986**	79,350

Note No. 15 – Other Expenses

(Amount in ₹)

Particulars	As at 31st March, 2018	For the year ended 31st March, 2017
(a) Professional charges	**452,806**	582,952
(b) Stamp & Filing Fees	**7,200**	7,800
(c) Payments to auditors (including GST/Service Tax):		
(i) For audit	**15,340**	86,250
(d) Impairment of property, plant and equipment	–	2,031
(e) Insurance premium	–	28,006
(f) Miscellaneous expenses	**14,096**	401
Total other expenses	**489,441**	707,440

Note No. 16 – Deferred tax liabilities

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Defered tax liabilities	–	–
Deferred tax liabilities	–	–

(i) Movement in deferred tax balances

(Amount in ₹)

Particulars	For the Year ended 31st March, 2018 Opening Balance	Recognised in profit and Loss	Reclassified from equity to profit and loss
Tax effect of items constituting deferred tax liabilities			
Property, plant and equipment	–	–	–
Net tax liabilities	–	–	–

(Amount in ₹)

Particulars	For the Year ended 31st March 2018 Opening Balance	Recognised in profit and Loss	Reclassified from equity to profit and loss
Tax effect of items constituting deferred tax liabilities			
Property, plant and equipment	–	–	–
Net tax liabilities	–	–	–

Note No. 17 – Contingent liabilities and commitments

(Amount in ₹)

Contingent liabilities (to the extent not provided for)	As at 31st March, 2018	As at 31st March, 2017
Contingent liabilities		
(a) Guarantee		
For Subsidiary Company/Joint Venture - Mahindra Water Utilities Limited		
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)		
– Amount of Gurantee outstanding	**180,000,000**	180,000,000
– Maximum liablity of the Company	**180,000,000**	180,000,000*

* During the year ended 31 March, 2016, the Company had aquired 48,999 shares of Mahindra Water Utilities Limited from United Utilities International Limited @ Rs.1/- per share vide Share Purchase Agreement dated 29 April, 2015. Consequently, as per the share purchase agreement, the Company and New Tirupur Area Development Corporation Limited entered a new performance gurantee agreement. The peroformance gurantee has been increased from Rs. 90,000,000 to Rs. 180,000,000 in the previous year.

Note No. 18 – Earnings per share

(Amount in ₹)

Sr. No.	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a)	Profit/(loss) for the year (₹)	**390,992**	(477,725)
(b)	Weighted average number of equity shares (No.)	**18,000,000**	18,000,000
(c)	Basic/Diluted earning per share (₹)	**0.022**	(0.03)
(d)	Nominal value per share (₹)	**10**	10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 19 – Segment Reporting

The company has a single reportable segment namely development of infrastructure projects and infrastructure related services in India for the purpose of Ind As 108 on segment reporting.

Note No. 20 – Project status with Tirumala Tirupati Devasthanams (TTD)

Solid Waste Treatment Agreement ("the Agreement") executed on 17 January, 2003 with Tirumala Tirupati Devasthanams (TTD) for operating a solid waste treatment plant ("the project") at Tirumala, has been terminated by the Company with effect from 19 June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the Agreement. The project has not been operating since the termination date. The Company has a right to claim the written down value of the fixed assets as of the termination date and an appropriate compensation from TTD in terms of the Agreement. Accordingly, no depreciation on the fixed assets of the project was provided after the date of termination and prior to impairment of fixed asset made during the year ended 31st March, 2015. The particulars of the project as on the date of termination to be transferred to TTD on acceptance of the termination by them are given below:

(Amount in ₹)

Description of assets	Written down value of the assets
Building	2,844,632
Plant & Machinery and Office equipment	16,881,474
Computer	4,782
Furniture and fixtures	10,256
Vehicles	47,629
Total	**19,788,773**

The Company passed a Board resolution dated 25th April 2016 & shareholder's resolution dated 26th April, 2016 approving transfer of the plant and other assets and liabilities for the benefit of TTD. Post that for a brief period Sustech Trust tried to operate the plant for the benefit of TTD, however the same was not as per the expectation of TTD, hence on 4th May, the Company has written letter to TTD granting it no objection certificate to TTD itself to operate the said plant. As of date, there is no formal transfer deed between the Company and TTD executed.

Note No. 21 – Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

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

Subsidiary

1	Mahindra Water Utilities Limited (subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)

Fellow Subsidiary

1	Mahindra Consulting Engineers Limited

Associate of Holding Company

1	Mahindra Knwoledge Park (Mohali) Limited

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Joint venture (MWUL)	Fellow subsidiary	Subsidiary	Associate
Nature of transactions with Related Parties							
Professional charges	31-Mar-18	154,310		–	–	–	–
	31-Mar-17	230,352					
Insurance premium	31-Mar-18	–	–	–	–	–	–
	31-Mar-17	12,608	–	–	–	–	–
Deputation charges	31-Mar-18	–	–	–	–	–	–
(including service tax)	31-Mar-17	–	96,986	–	–	–	–
Payment made on behalf of related party	31-Mar-18	–	–	–	–	–	41,241
	31-Mar-17	–	–	–	–	–	16,890

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Joint venture (MWUL)	Fellow subsidiariy	Subsidiariy	Associate
Maximum liablity to the Company in respect of gurantee outstanding	31-Mar-18	–	–	–	–	180,000,000	–
	31-Mar-17	–	–	–	–	180,000,000	–
	31-Mar-18	–	–	–	–	–	58,131
Receivable	31-Mar-17	–	–	–	–	–	16,890
	31-Mar-18	1,729,015	8,517,865	–	–	–	–
Payables	31-Mar-17	1,589,799	8,413,121	–	–	–	–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 22 – As the Company can continue its current operations with its own cash resources for a period of atleast one year, the accounts of the Company for the period ended 31 March, 2018 have been prepared on the basis of going concern.

Note No. 23 – Financial Instruments

(I) Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(II) Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Amount in ₹)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31 March, 2018						
Trade Payable	368,960	11,997,053	–	–	12,366,013	12,366,013
Total	**368,960**	**11,997,053**	**–**	**–**	**12,366,013**	**12,366,013**
31 March, 2017						
Trade Payable	12,082,963	–	–	–	12,082,963	12,082,963
Total	**12,082,963**	**–**	**–**	**–**	**12,082,963**	**12,082,963**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount in ₹)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 Years and above	Total	Carrying amount
Non-derivative financial assets						
31 March 2018						
Non interest rate bearing	2,669,870	–	–	–	2,669,870	2,669,870
Fixed interest rate bearing	23,282,299	–	–	–	23,282,299	3,146,709
Total	**25,952,169**	**–**	**–**	**–**	**25,952,169**	**5,816,579**
31 March 2017						
Non interest bearing	23,047,651	–	–	–	23,047,651	23,047,651
Fixed interest rate instruments	3,408,152	–	–	–	3,408,152	3,282,299
Total	**26,455,803**	**–**	**–**	**–**	**26,455,803**	**26,329,950**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 24 – Fair Value Measurement

Financial assets measured at fair value

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31-Mar-18	31-Mar-17				
Financial assets						
Investments in equity instruments						
– New Tirupur Area Development Corporation Limited (NTADCL) (15,000,000 equity shares of ₹ 10 each)	–	–	Level 3		On the basis of NTADCL's own data, taking into account all information about market participant that is reasonably available.	NA
Total financial liabilities	–	–				

Note No. 25 – Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Kinjal Vyas
Company Secretary
ACS: 35527

Jayantt Manmadkar
Director (DIN: 03044559)

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	Mahindra Water Utilities Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	–
4.	Share capital	1,000,000
5.	Reserves & surplus	615,768,750
6.	Total assets	653,632,144
7.	Total Liabilities	36,863,394
8.	Investments	310,042
9.	Turnover	237,233,310
10.	Profit before taxation	113,544,196
11.	Provision for taxation	31,510,192
12.	Profit after taxation	82,034,004
13.	Proposed Dividend	NIL
14.	% of shareholding	98.99%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Pvt Ltd.	Rathna Bhoomi Enterprises Pvt Ltd.
1. Latest audited Balance Sheet Date	31.03.2018	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
Nos.	24,999	500
Amount of Investment in Joint Venture / Associates	249,990	5000
Extend of Holding%	50%	50%
3. Description of how there is significant influence	Note A	Note A
4. Reason why the associate/joint venture is not consolidated		
5. Net worth attributable to shareholding as per latest audited Balance Sheet	119,775	(278,762)
6. Profit/Loss for the year		
i. Considered in Consolidation	–	–
ii. Not Considered in Consolidation	(196,819)	(29,000)

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

1. Names of Joint ventures or associates which are yet to commence operations.

2. Names of Joint ventures or associates which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance sheet is to be certified.

In terms of our report attached

For **R Jaitalia & Co.**
Chartered Accountants

Mukesh Maheshwari
Partner
Membership No:49818

Place: Mumbai
Date: 23rd April 2018

Santosh Gupta
Chief Executive Officer

For and on behalf of the Board of Directors

Simly Venu
Chief Financial Officer

Kinjal Vyas
Company Secretary

ACS: 35527

Jayantt Manmadkar
Director (DIN: 03044559)

Suhas Kulkarni
Director (DIN: 00003936)

Place: Mumbai
Date: 23rd April 2018

DIRECTORS' REPORT

Your Directors present their 19th Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS AND COMPANY'S STATE OF AFFAIRS:

(Amount in ₹)

Particulars	**For the year ended 31st March, 2018**	For the year ended 31st March, 2017
Total Income	**23,72,33,310**	17,59,14,545
Profit before Depreciation, Finance Cost and Taxation	**11,47,70,507**	5,82,09,960
Less: Depreciation & Amortization	**12,03,628**	10,36,450
Profit before Finance Cost & Taxation	**11,35,66,879**	5,71,73,510
Less: Finance Costs	**14,461**	6,445
Profit before Tax	**11,35,52,418**	5,71,67,065
Less: Taxation		
Current Tax	**2,28,50,000**	2,01,48,244
Deferred Tax	**86,62,457**	30,03,511
Profit after tax	**8,20,39,961**	3,40,15,310
Other Comprehensive Income Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit liabilities/(asset)	**(8,222)**	(14,36,853)
Tax relating to items that will not be reclassified to profit or loss	**2,265**	3,83,525
Total comprehensive income for the year	**8,20,34,004**	3,29,61,982
Balance of profit for earlier years	**53,37,34,746**	50,07,72,764
Less: Transfer to/(from) Reserve	**–**	–
Less: Depreciation on transition to Schedule II of the Companies Act, 2013	**–**	–
Profit available for appropriation	**61,57,68,750**	53,37,34,746
Balance of profit carried forward	**61,57,68,750**	53,37,34,746
Net Worth	**61,67,68,750**	53,47,34,746

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

OPERATIONS

During the year under review, your Company has rendered operation and maintenance services for the plant and facilities of New Tirupur Area Development Corporation Limited (NTADCL) at Tirupur under the operations and maintenance agreement. Your Company has consistently met its contracted performance targets both related to Water and Sewage Operations.

Your Company has recorded an income of Rs. 2372.33 Lakhs as against Rs. 1759.15 Lakhs in the previous year and the Profit after Tax has gone up to Rs.820.40 Lakhs from Rs. 340.15 Lakhs.

Your Company does not have Subsidiaries, Joint Ventures or Associates.

DIVIDEND

Your Directors recommend a dividend on its 1,00,000 fully paid-up equity shares of Rs. 10 each, @ Rs. 1000 per equity share, aggregating Rs. 1000 Lakhs.

If approved by the shareholders at the ensuing Annual General Meeting, the above dividend will be paid to those equity shareholders whose names appear on the Register of Members as on the record date fixed for this purpose, i.e. 28th June, 2018, the date of the Annual General Meeting of the Company. The dividend for the year together with income tax thereon, will result in cash outflow Rs. 1205.55 Lakhs.

Your Directors have not paid any interim Dividend during the year. There is no unpaid Dividend of earlier years which has been transferred or due to be transferred to Investor Education and Protection Fund during the year.

SHARE CAPITAL

The Authorised Share Capital of your Company as on 31st March, 2018 was Rs. 10 Lakhs, divided into 1,00,000 Equity Shares of Rs. 10/- each.

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 10 Lakhs, divided into 1,00,000 Equity Shares of Rs. 10/- each. During the year under review, your Company has not issued any shares or any convertible instruments.

BOARD OF DIRECTORS

Composition:

Presently the Board comprises of the following Directors:

Sr. No.	Name of Director and DIN	Designation	Executive/ Non Executive	Independent/ Non Independent
1.	Mr. S. Venkatraman (DIN: 00077193)	Director	Non-Executive	Non-Independent
2.	Mr. Narayan Shankar (DIN: 00109111)	Director	Non-Executive	Non-Independent
3.	Mr. Srinath R. (DIN: 07063293)	Director	Non-Executive	Non-Independent

Mr. Narayan Shankar (DIN: 00109111) retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 19th Annual General Meeting of the Company.

All Directors of your Company have given requisite declarations pursuant to Section 164 of the Companies Act, 2013, that they are not disqualified to be appointed as Directors.

There has been no change in Directors during the year under review.

During the year under review your Company was not required to appointment Independent Directors and constitute Audit Committee and Nomination and Remuneration Committee of the Board.

Provisions relating to Annual Evaluation of Board, Committees and individual Directors were not applicable to your Company for the year under review.

BOARD MEETINGS AND ANNUAL GENERAL MEETING:

The Board of Directors met four times during the year under review viz., on 17th April, 2017, 24th July, 2017, 23rd October, 2017, and 10th January, 2018. The gap between two consecutive Board meetings did not exceed 120 days. The 18th Annual General Meeting of your Company was held on 24th July, 2017.

The attendance of the Directors at the Board Meetings of the Company were as under:

Name of the Director	No. of Meetings attended
Mr. S. Venkatraman	4
Mr. Narayan Shankar	2
Mr. Srinath R.	4

COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no departures;

(ii) Accounting policies have been selected in consultation with the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the Profit of the Company for the year ended on that date;

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis.

(v) The Company has laid down internal financial controls. The Company has also assessed the adequacy of the Company's internal controls over financial reporting as of 31st March, 2018 and have found them to be adequate.

(vi) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors of your Company presently comprises of Mr. S. Venkatraman, Mr. Narayan Shankar and Mr. Srinath R.

The Corporate Social Responsibility Committee met once during the year under review viz., on 17th April, 2017 which was attended by Mr. S. Venkatraman and Mr. Srinath R.

KEY MANAGERIAL PERSONNEL

During the year under review, your Company had appointed Mr. T. Govindarajan as the Chief Financial Officer (CFO), Head Admin, Procurement & HRD of the Company w.e.f. 1st August, 2017, who is the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company has adopted Corporate Social Responsibility (CSR) Policy, as formulated and recommended by the Corporate Social Responsibility Committee, in accordance with the provisions of the Companies Act, 2013.

The objective of this policy is to promote an unified and strategic approach to CSR across the Company by incorporating under one ‘Rise for Good’ umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact. The Policy also seeks to ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company’s CSR and give back to society in an organised manner.

The Annual Report on the CSR activities of the Company is furnished in **Annexure I** and forms part of this Report.

RISK MANAGEMENT POLICY

Your Company has formulated a Risk Management Policy which identifies and evaluates risks and frames a response to mitigate the risks which may impact the Company.

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

INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate internal financial controls with reference to Financial Statements, commensurate with the size, scale and complexity of its operations. During the year under review, such controls were tested and no reportable material weaknesses in the design or operations were observed.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

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

SUSTAINABILITY

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

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

Your Company has in place a Policy on Prevention of Sexual Harassment of Women. Your Company has also constituted an “Internal Complaints Committee” to which employees can address their complaints. During the year, no complaints were received by the said Committee.

STATUTORY AUDITORS

The Members of the Company at their 15th Annual General Meeting (AGM) held on 30th September, 2014 had appointed, M/s. Deloitte Haskins & Sells, Chartered Accountants, Baroda (ICAI Registration Number 117364W), as the Statutory Auditors of the Company, to hold office from the conclusion of the 15th AGM until the conclusion of the fifth consecutive AGM of the Company to be held in the year 2019 (subject to ratification of the appointment by the members at every AGM held after this AGM).

Pursuant to the first proviso to Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Members are requested to ratify the appointment of Statutory Auditors at the ensuing 19th AGM of the Company and fix their remuneration.

Your Company has obtained a certificate from the Auditor, confirming that their appointment, if ratified, would be in accordance with the conditions prescribed under the Act and that they satisfy the criteria provided in section 141.

The Auditors’ Report for the year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, have not reported any instances of frauds committed in the Company by its officers or employees to the Board under Section 143 (12) of the Companies Act 2013, details of which need to be mentioned in this report.

SECRETARIAL AUDITOR, COST AUDITOR AND INTERNAL AUDITOR

During the year under review, the provisions relating to Secretarial Auditor, Cost Auditor and Internal Auditor were not applicable to your Company.

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

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

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public or its employees.

Your Company has not obtained any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the ultimate Parent Company Mahindra and Mahindra Limited.

MAHINDRA WATER UTILITIES LIMITED

Particulars of loans given, investments made, guarantees and securities provided, are given under the notes to the audited financial statements and the same forms part of the annual report.

PARTICULARS OF TRANSACTIONS WITH RELATED PARTIES

All transactions entered into by your Company with its related parties during the year were in the ordinary course of business and at arm's length.

During the year under review, there were no transactions referred to in section 188(1) of the Companies Act, 2013 with related parties of the Company which are required to be disclosed in this Report. Hence, Form AOC-2 is not required to be annexed to this report.

Details of transactions with related parties as required to be reported in line with the applicable accounting standards may be referred to under notes to the financial statements.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31st March, 2018 in Form MGT-9 is provided as **Annexure III** which forms part of this Report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any ESOP Scheme etc.
3. Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.
4. Provisions relating to Vigil Mechanism enumerated under Section 177 of the Companies Act, 2013.

No Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors and all the other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board
Mahindra Water Utilities Limited

S. Venkatraman	**Srinath R.**
Director	Director

Mumbai, 23rd April, 2018

ANNEXURE I TO THE DIRECTORS' REPORT

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 Programmes.

The objectives of your Company's CSR policy are to –

- Promote an unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.
- Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner.

During the year under review, your Company has contributed to CSR through one Implementation Agency viz;

- K C Mahindra Education Trust: Providing education support to 365 girl children.

A reference to the web-link to the CSR Policy and projects or programs: Not Applicable.

(2) The Composition of the CSR Committee:

Mr. S. Venkatraman

Mr. Narayan Shankar

Mr. Srinath R.

(3) Average net profit of the company for last three financial years: Rs. 560.39 Lakhs

(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 11.21 Lakhs

(5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year– Rs. 11.21 Lakhs

(b) Amount unspent, if any- NIL

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

Sr. No.	Particulars		Amount in Rs.
(1)	CSR project or activity identified:	Contribution to K.C. Mahindra Education Trust	–
(2)	Sector in which the project is covered:	Education of the girl child	–
(3)	Projects or programme (1) Local area or other: (2) Specify the state and district where projects or programs were undertaken:	 Other Barabanki, UP	–
(4)	Amount outlay (budget project or programme wise	Central CSR Sector CSR	5,61,000 8,12,400
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads		13,73,400 –
(6)	Cumulative expenditure up to the reporting period		13,73,400
(7)	Amount Spent direct or through implementing agency:	Paid to *implementing Agency – K.C. Mahindra Education Trust	–

* Details of implementing agency: K C Mahindra Education Trust: Providing education support to girl child.

(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 : **Not applicable**

Your Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
Mahindra Water Utilities Limited

S. Venkatraman Director

Srinath R. Director

Mumbai, 23rd April, 2018

ANNEXURE II TO THE DIRECTORS' REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

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

Though the activities of the Company are not power intensive, various measures are taken to contain and bring about saving in power consumption through improved operational methods, better house-keeping and awareness programs.

(ii) The steps taken by the company for utilizing alternate sources of energy: Not Applicable

(iii) The capital investment on energy conservation equipment: Nil

(B) Technology absorption:

(i) The efforts made towards technology absorption: None

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

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) The details of technology imported: Nil

b) The year of import : Nil

c) Whether the technology been fully absorbed: Nil

d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof: Nil

(iv) The expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo:

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

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

For and on behalf of the Board
Mahindra Water Utilities Limited

S. Venkatraman	**Srinath R.**
Director	Director

Mumbai, 23rd April, 2018

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

1.	Corporate Identification Number (CIN)	U45205MH1999PLC121235
2.	Registration Date	10/08/1999
3.	Name of the Company	MAHINDRA WATER UTILITIES 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 Water Utilities Limited Gateway Building, Apollo Bunder, Mumbai- 400001, Maharashtra. Tel: +9122 22895500 | Fax: +9122 22875485
6.	Whether listed Company	No
7.	Name, Address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Product/Services	NIC Code of the Product/Service	% to total turnover of the company
1.	Operation & Maintenance of water collection, treatment & distribution	**36000**	**100%**
2.	Operation & Maintenance of Sewerage	**37000**	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Mahindra and Mahindra Limited Gateway Building, Apollo Bunder, Mumbai 400001	L65990MH1945PLC004558	Ultimate holding Company	99.00*	2(46)
2.	Mahindra Lifespace Developers Limited 5th floor, Mahindra Towers, Worli, Mumbai-400018.	L45200MH1999PLC118949	Intermediate holding Company	99.00*	2(46)
3.	Mahindra Infrastructure Developers Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	U45201MH2001PLC131942	Holding Company	99.00	2(46)

* Through Mahindra Infrastructure Developers Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% 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.	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	98999*	98999*	99	–	98999*	98999*	99	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	–	**98999***	**98999***	**99**	–	**98999***	**98999***	**99**	–
(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)	–	**98999***	**98999***	**99**	–	**98999***	**98999***	**99**	–
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) Body Corp. (i) Indian (ii) Overseas	–	1001	1001	1	–	1001	1001	1	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	**1001**	**1001**	**1**	–	**1001**	**1001**	**1**	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	**1001**	**1001**	**1**	–	**1001**	**1001**	**1**	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	**1,00,000**	**1,00,000**	**100**	–	**1,00,000**	**1,00,000**	**100**	–

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

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2017)			Shareholding at the end of the year (As on 31st March, 2018)			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra Infrastructure Developers Limited	98,993	99.00	–	98993	99.00	–	–
2.	Mahindra Infrastructure Developers Limited jointly with Mr. M. A. Nazareth**	1	0.00	–	1	0.00	–	–
3.	Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman**	1	0.00	–	1	0.00	–	–
4.	Mahindra Infrastructure Developers Limited jointly with Mr. A. K. Nanda**	1	0.00	–	1	0.00	–	–
5.	Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar**	1	0.00	–	1	0.00	–	–
6.	Mahindra Infrastructure Developers Limited jointly with Mr. Suhas Kulkarni**	1	0.00	–	1	0.00	–	–
7.	Mahindra Infrastructure Developers Limited jointly with Mr. Roshan Gandhi**	1	0.00	–	1	0.00	–	–
	Total	**98,999**	**99.00**	**–**	**98,999**	**99.00**	–	–

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

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

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Mahindra Infrastructure Developers Limited				
	At the beginning of the year - 01.04.2017	98,993	99	98,993	99
	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 - 31.03.2018	–	–	**98,993**	**99**
2	Mahindra Infrastructure Developers Limited jointly with Mr. M. A. Nazareth**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
3	Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**
4	Mahindra Infrastructure Developers Limited jointly with Mr. A. K. Nanda**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**
5	Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**
6	Mahindra Infrastructure Developers Limited jointly with Mr. Suhas Kulkarni**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**
7	Mahindra Infrastructure Developers Limited jointly with Mr. Roshan Gandhi**				
	At the beginning of the year - 01.04.2017	1	0.00	1	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 - 31.03.2018	–	–	**1**	**0.00**

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**United Utilities International Limited**				
	At the beginning of the year –	1001	1.00	1001	1.00
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year – 31.03.2018	–	–	**1001**	**1.00**

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding for each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (As on 1st April, 2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman****				
	At the beginning of the year - 01.04.2017	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year - 31.03.2018	–	–	1	–
2.	**Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar****				
	At the beginning of the year - 01.04.2017	1	–	1	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year - 31.03.2018	–	–	1	–

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

V. INDEBTEDNESS

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

(Amount in ₹)

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in Indebtedness during the financial year				
• Addition	Nil	1,06,270	Nil	1,06,270
• Reduction	Nil	49,401	Nil	49,401
Net change	**Nil**	**56,869**	**Nil**	**56,869**
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	56,869	Nil	56,869
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**56,869**	**Nil**	**56,869**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in Rs.)
4.	Commission - as % of Profit - others, specify	–	–
5.	Others, please specify	–	–
	Total (A)	–	–
	Ceiling as per the Act		–

B. Remuneration of other Directors

(Amount in ₹)

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. S. Venkatraman	Mr. Narayan Shankar	Mr. Srinath R.	
1. Independent Directors • Fee for attending Board/Committee meetings	–	–	–	–
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total B(1)	–	–	–	–
2. Other Non-Executive Directors • Fee for attending Board/Committee meetings	90,000	–	–	90,000
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total B(2)	**90,000**	–	–	**90,000**
Total B = (1+2)	**90,000**	–	–	**90,000**
# Total Managerial Remuneration (A+B)	**90,000**	–	–	**90,000**
Overall Ceiling as per the Act	–			

Total remuneration to Manager and other Directors (being the total of A and B)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CS	CFO	
				#Mr. T. Govindarajan	
1.	Gross Salary				
	(a) Salary as per provisions contained under Section 17(1) of the Income Tax Act, 1961			19,11,173	19,11,173
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			40,000	40,000
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			–	–
2.	Stock Option			–	–
3.	Sweat Equity			–	–
4.	Commission – as % of profit Others, specify			– –	– –
5.	Others, please specify			–	–
	Total			**19,51,173**	**19,51,173**

Appointed w.e.f. 1st August, 2017

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board
Mahindra Water Utilities Limited

S. Venkatraman
Director

Srinath R.
Director

Mumbai, 23rd April, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Mahindra Water Utilities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

   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.

2. 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership No. 100459

Mumbai, 23rd April, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Water Utilities Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership No. 100459

Mumbai, 23rd April, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Water Utilities Limited on the Ind AS financial statements for the year ended March 31, 2018)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 or 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of Customs Duty, Excise Duty, Sales Tax, Value Added Tax and Cess are not applicable to the Company for the year.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Goods and Services Tax and other material statutory dues in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable. We have been informed that the provisions of Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.

(c) Details of dues of Income-tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved ₹	Amount Unpaid ₹
Income Tax Act, 1961	Income tax and interest, penalties	Appellate Authority – Bombay High Court	FY 2006 – 07	2,471,948	1,615,031
		Appellate Authority – Bombay High Court	FY 2007 – 08	2,654,400	2,654,400
		Appellate Authority – Commissioner (Appeals)	FY 2008 – 09	5,764,820	5,764,820
		Appellate Authority – Asst. Commissioner (CPC)	FY 2009 – 10	2,099,010	2,099,010
		Appellate Authority – Asst. Commissioner (CPC)	FY 2011 – 12	87,260	87,260
		Appellate Authority – Asst. Commissioner (CPC)	FY 2012 – 13	598,430	598,430
		Appellate Authority – Assessing Officer	FY 2013 – 14	48,040	48,040

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government nor has issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid / provided any managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act and hence, reporting under clause (xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117364W)

Ketan Vora
Partner
Membership No. 100459

Mumbai, 23rd April, 2018

BALANCE SHEET AS AT MARCH 31, 2018

	Particulars	Note No.	As at March 31, 2018 ₹	As at March 31, 2017 ₹
A	**ASSETS**			
	1 Non-current assets			
	(a) Property, Plant and Equipment	4	**4,982,892**	5,173,607
	(b) Financial Assets			
	Trade receivables	5	**110,063,517**	220,047,774
	Other Financial assets	6	**893,050**	19,000
	(c) Deferred tax assets (net)	24	**10,710,580**	19,370,772
	(d) Other non-current assets	7	**19,147,900**	15,263,792
	Total Non-Current Assets		**145,797,939**	259,874,945
	2 Current assets			
	(a) Financials Assets			
	(i) Investments	8	**310,042**	297,289
	(ii) Trade receivables	5	**165,038,134**	140,145,893
	(iii) Cash and cash equivalents	9	**85,746,590**	94,879,166
	(iv) Bank Balances other than (iii) above	9	**100,444,211**	69,664,450
	(v) Loans	10	**150,000,000**	-
	(vi) Other financial assets	6	**6,295,228**	5,203,395
	(b) Other Current Assets	7	**-**	1,413,109
	Total Current Assets		**507,834,205**	311,603,302
	Total Assets		**653,632,144**	571,478,247
B	**EQUITY AND LIABILITIES**			
	1 Equity			
	(a) Equity Share capital	11	**1,000,000**	1,000,000
	(b) Other Equity	12	**615,768,750**	533,734,746
	Total equity		**616,768,750**	534,734,746
	LIABILITIES			
	2 Current liabilities			
	(a) Financial Liabilities			
	(i) Trade payables	13	**5,623,699**	4,515,871
	(ii) Other financial liabilities	14	**9,759,872**	10,786,771
	(b) Other current liabilities	15	**3,309,445**	1,646,027
	(c) Provisions	16	**6,651,528**	8,266,961
	(d) Current Tax liabilities (net)	17	**11,518,850**	11,527,871
	Total Current Liabilities		**36,863,394**	36,743,501
	Total Equity and Liabilities		**653,632,144**	571,478,247
	See accompanying notes to the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T Govindarajan Chief Financial Officer, Head-Admin, Procurement & HRD

Place: Mumbai
Date : April 23, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars		**Note No.**	**For the year ended March 31, 2018 ₹**	For the year ended March 31, 2017 ₹
I.	Revenue from operations	18	**191,996,084**	166,214,774
II.	Other Income	19	**45,237,226**	9,699,771
III.	**Total Revenue (I + II)**		**237,233,310**	175,914,545
IV.	**EXPENSES**			
	(a) Employee benefit expense	20	**64,542,416**	58,887,271
	(b) Finance costs	21	**14,461**	6,445
	(c) Depreciation and amortisation expense	4	**1,203,628**	1,036,450
	(d) Other expenses	22	**57,920,387**	58,817,314
	Total expenses (IV)		**123,680,892**	118,747,480
V.	**Profit before tax (III – IV)**		**113,552,418**	57,167,065
VI.	**Tax expense**			
	(i) Current tax	24	**22,850,000**	20,148,244
	(ii) Deferred tax expense		**8,662,457**	3,003,511
	Total tax expense		**31,512,457**	23,151,755
VII.	**Profit after tax attributable to Owners of the Company (V - VI)**		**82,039,961**	34,015,310
VIII.	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit liabilities/(asset)		**(8,222)**	(1,436,853)
	Tax relating to items that will not be reclassified to profit or loss		**2,265**	383,525
			(5,957)	(1,053,328)
IX.	**Total comprehensive income for the year (VII + VIII)**		**82,034,004**	32,961,982
X.	**Earnings per equity share:**	25		
	(i) Basic		**820.40**	340.15
	(ii) Diluted		**820.40**	340.15
	See accompanying notes to the financial statements	1-37		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T Govindarajan Chief Financial Officer, Head-Admin, Procurement & HRD

Place: Mumbai
Date : April 23, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars		**For the year ended March 31, 2018**		For the year ended March 31, 2017
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		**113,552,418**		57,167,065
Adjustments for:				
Depreciation and amortisation expense	**1,203,628**		1,036,450	
Gain on disposal of property, plant and equipment	**(158,000)**		(212,128)	
Finance Cost	**14,461**		6,445	
Provision for doubtful trade receivables written off / (written back)	**(28,825,697)**		2,372,493	
Service tax receivable written off	**–**		2,535,171	
Dividend Income	**(12,752)**		(16,327)	
Interest Income from loan to related party	**(3,649,315)**		–	
Interest Income from Bank	**(12,570,594)**	**(43,998,269)**	(9,468,316)	(3,746,212)
Operating Profit before Working Capital changes		**69,554,149**		53,420,853
Movements in working capital				
Decrease in Trade receivables	**113,917,713**		68,399,298	
(Increase)/Decrease in Loan and advances, Other Financial assets and Other assets	**106,934**		104,434	
Increase/(Decrease) Trade payables, Provisions, Other financial liabilities and other liabilities	**120,692**	**114,145,339**	(22,500,086)	46,003,646
Cash generated from operations		**183,699,488**		99,424,499
Income-tax paid (net of refunds)		**(26,111,004)**		(23,783,998)
NET CASH GENERATED FROM OPERATING ACTIVITIES		**157,588,484**		75,640,501
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	**(1,012,913)**		(3,138,369)	
Proceeds from sale of property, plant and equipment	**158,000**		236,300	
Interest received - Fixed Deposits at Bank	**11,449,821**		8,194,570	
Interest received - Loan to related party	**3,478,254**		–	
(Increase) / decrease in short term loan to related party	**(150,000,000)**		–	
Increase in other bank balances	**(30,779,761)**		(60,813,615)	
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(166,706,599)**		(55,521,114)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

	Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
		₹	₹	₹	₹
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Finance costs paid	**(14,461)**		(6,445)	
	NET CASH USED IN FINANCING ACTIVITIES		**(14,461)**		(6,445)
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**(9,132,576)**		20,112,942
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**94,879,166**		74,766,224
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**85,746,590**		94,879,166

Note:

The above Cash flow statement has been prepared under the ‘Indirect Method’ as set out in Indian Accounting Standard (IND AS) 7 ‘Cash Flow Statement’.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T Govindarajan Chief Financial Officer, Head-Admin, Procurement & HRD

Place: Mumbai
Date : April 23, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

	₹
As at March 31, 2016	1,000,000
Changes in equity share capital during the year	–
As at March 31, 2017	1,000,000
Changes in equity share capital during the year	–
As at March 31, 2018	1,000,000

B. Other Equity

Particulars	Reserves and Surplus		
	Retained earnings	Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)	Total
	₹	₹	₹
Balance as at March 31, 2016	500,923,045	(150,281)	500,772,764
Profit for the year	34,015,310	–	34,015,310
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(1,053,328)	(1,053,328)
Total Comprehensive Income for the year	34,015,310	(1,053,328)	32,961,982
Balance at March 31, 2017	534,938,355	(1,203,609)	533,734,746
Profit for the year	82,039,961	–	82,039,961
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(5,957)	(5,957)
Total Comprehensive Income for the year	82,039,961	(5,957)	82,034,004
Balance as at March 31, 2018	**616,978,316**	**(1,209,566)**	**615,768,750**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Ketan Vora
Partner

Place: Mumbai
Date : April 23, 2018

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

T Govindarajan Chief Financial Officer, Head-Admin, Procurement & HRD

Place: Mumbai
Date : April 23, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on August 10, 1999 under the provisions of Companies Act, 1956. The Company is engaged in operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Significant accounting policies:

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment:

Property, Plant and Equipment held for use in supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. Estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 is fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.4 Impairment of tangible assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.4 Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable.

i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.

ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Note 3 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Note 4. Property, Plant and Equipment

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	₹	₹	₹	₹	₹
I. Gross carrying amount					
Balance as at March 31, 2016	**1,313,579**	**82,770**	**435,926**	**1,955,562**	**3,787,837**
Additions during the year ended March 31, 2017	1,441,672	293,590	29,607	1,373,500	3,138,369
Disposals of Assets during the year ended March 31, 2017	76,928	–	57,616	–	134,544
Balance as at March 31, 2017	**2,678,323**	**376,360**	**407,917**	**3,329,062**	**6,791,662**
Additions during the year ended March 31, 2018	45,942	22,900	84,347	859,724	1,012,913
Disposals of Assets during the year ended March 31, 2018	25,625	–	–	603,530	629,155
Balance as at March 31, 2018	**2,698,640**	**399,260**	**492,264**	**3,585,256**	**7,175,420**
II. Accumulated depreciation					
Balance as at March 31, 2016	**83,633**	**40,149**	**142,214**	**425,981**	**691,977**
Depreciation / amortisation expense for the year	463,632	74,521	157,101	341,196	1,036,450
Eliminated on disposal of assets	52,756	–	57,616	–	110,372
Balance as at March 31, 2017	**494,509**	**114,670**	**241,699**	**767,177**	**1,618,055**
Depreciation / amortisation expense for the year	612,170	81,825	111,467	398,166	1,203,628
Eliminated on disposal of assets	25,625	–	–	603,530	629,155
Balance as at March 31, 2018	**1,081,054**	**196,495**	**353,166**	**561,813**	**2,192,528**
Net carrying amount (I-II)					
Balance as at March 31, 2018	**1,617,586**	**202,765**	**139,098**	**3,023,443**	**4,982,892**
Balance as at March 31, 2017	2,183,814	261,690	166,218	2,561,885	5,173,607

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 5. Trade receivables

Particulars		**As at March 31, 2018**		As at March 31, 2017	
		Current	**Non Current**	Current	Non Current
		₹	₹	₹	₹
(a)	Unsecured, considered good	**165,038,134**	**110,063,517**	140,145,893	220,047,774
(b)	Doubtful	**–**	**31,418,315**	–	60,244,012
	Less: Allowance for Expected Credit Losses	**–**	**(31,418,315)**	–	(60,244,012)
	Total	**165,038,134**	**110,063,517**	140,145,893	220,047,774

Trade receivables

The entire trade receivables balance as at March 31, 2018 and March 31, 2017 is due from M/s. New Tirupur Area Development Corporation Ltd., the sole client of the Company.

The average credit period on invoice for services is 30 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corporation Ltd.

The Company has been providing operations & maintenance services to the client on a long term contract basis. As per the operation and maintenance agreement with NTADCL, the Company has been raising invoices on NTADCL for the services rendered to them.

During the year ended March 31, 2017, the Company and NTADCL had formalised the settlement of dues and the revenue terms for future period. Per the arrangement, the dues upto March 31,2017 will be settled in quarterly installments over a period of 3 years beginning from April 1, 2017 and invoices raised from the year ended March 31, 2018 will be settled as per the normal credit period. In view of this, no loss on account of shortfall in cash is expected by the Company. As the dues are expected to be settled over a period of time, the Company has derived the expected credit loss allowance towards the time value of money for fixed fee services. The provision carried in books is adequate to meet this loss.

The Company has provided Nil in current year (Previous Year Rs. 2,372,493 /-) towards Other Re-imbursements due from NTADCL.

The Company has incurred expenses towards certain specified categories of maintenance of plant and facilities. As per the terms of the aforementioned agreement with NTADCL, the Company is entitled to reimbursement of the aforesaid expenses, which the Company has also claimed from NTADCL. The Company had received a confirmation on the payment due for such reimbursable services. However, as a matter of abundant caution, as well as pending receipt of such payments, the Company had expensed off such amounts in the previous year ended March 31, 2017 aggregating to Rs.2,403,607/- to the Statement of Profit and Loss.

Based on further negotiations/ discussions with NTADCL, the company is confident of receiving these payments and hence no further provision has been done in the current year.

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at March 31, 2018**	As at March 31, 2017
	₹	₹
Balance as at beginning of the year	**60,244,012**	57,871,519
Impairment losses recognised in the year based on 12 month expected credit losses		
On receivables originated in the year	**–**	–
Other receivables	**(28,825,697)**	2,372,493
Balance at end of the year	**31,418,315**	60,244,012

Note 6. Other Financial Assets

Particulars	**As at March 31, 2018**		As at March 31, 2017	
	Current	**Non Current**	Current	Non Current
	₹	₹	₹	₹
Financial assets at amortised cost				
(a) Interest accrued on deposits with bank	**5,904,167**	**–**	4,783,395	–
(b) Interest accrued on Loan to Related Party	**171,061**	**–**	–	–
(c) Balance with bank held as margin money	**–**	**874,050**	–	–
(d) Security deposits	**220,000**	**19,000**	220,000	19,000
(e) Advance to related party	**–**	**–**	200,000	–
Total	**6,295,228**	**893,050**	5,203,395	19,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 7. Other assets

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non Current	Current	Non Current
	₹	₹	₹	₹
Advance income tax including fringe benefit tax	–	18,458,758	–	15,206,775
Others				
(a) Gratuity Assets (Net of provision)	–	689,142	–	57,017
(b) Balance with government authorities				
– Service tax receivables	–	–	1,413,109	–
Total	–	19,147,900	1,413,109	15,263,792

Note 8. Investment

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of units	₹	No. of units	₹
Investments Carried at: Fair Value Through Profit and Loss				
Unquoted Investments				
Investments in Mutual Funds				
HDFC Cash Management Fund of ₹ 10/-each fully paid up	30,567.602	310,042	29,310.263	297,289
Total	30,567.602	310,042	29,310.263	297,289

Note 9. Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
(a) Balance with Banks		
(i) In Current Account	3,866,590	6,079,166
(ii) In Deposit Account	81,880,000	88,800,000
	85,746,590	94,879,166
(b) Other bank Balances		
Balance with Banks		
(i) On Margin Accounts	–	874,050
(ii) Fixed Deposits with maturity greater than 3 months	100,444,211	68,790,400
	100,444,211	69,664,450
Total	186,190,801	164,543,616

Note 10. Loans

Particulars	As at March 31, 2018		As at March 31, 2017	
	Current	Non Current	Current	Non Current
	₹	₹	₹	₹
Unsecured, considered good				
(a) Loan to related party	150,000,000	–	–	–
Total	150,000,000	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 11. Equity Share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Nos	₹	Nos	₹
Authorised shares:				
Equity Shares of Rs. 10 each	**100,000**	**1,000,000**	100,000	1,000,000
	100,000	**1,000,000**	100,000	1,000,000
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	**100,000**	**1,000,000**	100,000	1,000,000
	100,000	**1,000,000**	100,000	1,000,000

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

Equity:	As at March 31, 2018		As at March 31, 2017	
	Nos	₹	Nos	₹
Opening Balance	**100,000**	**1,000,000**	100,000	1,000,000
Closing Balance	**100,000**	**1,000,000**	100,000	1,000,000

Terms/rights attached to equity shares

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

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

Details of shares held by the holding company:

Particulars	As at March 31, 2018	As at March 31, 2017
	Number of shares	Number of shares
Mahindra Infrastructure Developers Limited, the holding company	**98,999**	98,999

Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%

Note 12. Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Retaining Earnings		
Opening Balance	**533,734,746**	500,772,764
Add: Profit for the year	**82,039,961**	34,015,310
Other Comprehensive Income / (Loss) for the year (net of tax)	**(5,957)**	(1,053,328)
Closing Balance	**615,768,750**	533,734,746
Balance at March 31, 2018	**615,768,750**	533,734,746

Retained Earnings represents the cumulative profits of the Company and the effects of remesurement of defined benefit obligations. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 13. Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Trade Payable - Micro and Small enterprises	–	–
Trade payable other than micro and small enterprises	**5,623,699**	4,515,871
Total	**5,623,699**	4,515,871

Note:

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

There are no dues to any enterprise under the Micro, Small and Medium Enterprises Development Act 2006. Average credit period on purchase of certain goods from suppliers is one month. No interest is charged on the outstanding balance.

Note 14. Other financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Measured at Amortised cost		
(a) Payable to employees	**9,504,872**	10,531,771
(b) Deposits received from Service providers	**255,000**	255,000
Total	**9,759,872**	10,786,771

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus.

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations if any.

Note 15. Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
(a) Statutory Dues - Taxes payable (other than income taxes)	**3,300,592**	1,646,027
(b) Interest payable U/s 234B of the Income Tax Act	**8,853**	–
Total	**3,309,445**	1,646,027

Note 16. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
(a) Provision for employee benefits		
Compensated absences	**6,651,528**	8,266,961
Total	**6,651,528**	8,266,961

Note 17 Current Tax Liabilities (net)

Particulars	As at March 31, 2018	As at March 31, 2017
	₹	₹
Provision for tax (net of advance tax)	**11,518,850**	11,527,871
Total	**11,518,850**	11,527,871

Note 18. Revenue from Operations

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	₹	₹
(a) Revenue from rendering of services	**186,300,000**	162,000,000
(b) Revenue from ancillary services	**5,696,084**	4,214,774
Total	**191,996,084**	166,214,774

Note 19. Other Income

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	₹	₹
(a) Interest Income on financial assets carried at amortised cost - bank deposits		
(i) Bank deposits	**12,570,594**	9,468,316
(ii) Loan to related party	**3,649,315**	–
(b) Dividend Income	**12,752**	16,327
(c) Provision for doubtful debts written back	**28,825,697**	–
(d) Gain on Sale of Property, plant and equipment	**158,000**	212,128
(e) Miscellaneous Income	**20,868**	3,000
Total	**45,237,226**	9,699,771

Note 20. Employee Benefits Expenses

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	₹	₹
(a) Salaries and wages	**59,461,961**	54,049,132
(b) Contribution to provident and other funds (See below Note)	**2,863,123**	2,674,273
(c) Staff welfare expenses	**2,217,332**	2,163,866
Total	**64,542,416**	58,887,271

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service/employment.

Contribution to provident fund and other funds include contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note 21. Finance Cost

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	₹	₹
Interest expense - interest on delayed/deferred payment of income tax/service tax.	**14,461**	6,445
Total	**14,461**	6,445

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 22. Other expenses:

	Particulars	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
(a)	Rent including lease rentals	**306,774**	300,000
(b)	Rates and taxes	**184,300**	543,921
(c)	Insurance	**1,250,564**	1,180,990
(d)	Repairs and maintenance - Machinery	**1,181,558**	1,082,846
(e)	Repairs and maintenance - Others	**1,523,095**	1,573,086
(f)	Legal and professional charges	**1,099,756**	754,305
(g)	Travelling and Conveyance Expenses	**830,332**	686,216
(h)	Printing & Stationery	**635,075**	730,830
(i)	Postage and telephone	**914,652**	926,094
(j)	Subcontracting, Hire and Service Charges	**37,275,781**	34,260,677
(k)	Provision for doubtful trade receivables	**–**	2,372,493
(l)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	**1,373,400**	1,255,200
(m)	Service tax receivable written off	**–**	2,535,171
(n)	Vehicle running expenses	**7,837,742**	7,169,658
(o)	Payment to auditors (refer Note (i) below)	**1,200,000**	1,356,245
(p)	Directors Fee	**90,000**	100,000
(q)	Miscellaneous Expenses	**2,217,358**	1,989,582
Total		**57,920,387**	58,817,314

Note (i)

Payment to auditors:	For the Year ended 31st March, 2018 ₹	For the Year ended 31st March, 2017 ₹
Payment to auditors (net of service tax input credit)		
For Statutory audit	**870,000**	870,000
For Certification and other services	**330,000**	480,000
For Out of pocket expenses	**–**	6,245
Total	**1,200,000**	1,356,245

Note 23. Contingent liabilities, Contingent Assets and commitments

Contingent liabilities (to the extent not provided for)

	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Contingent liabilities		
Claims against the Company not acknowledged as debt		
Items in respect of which the Company has succeeded in appeal, but the Service Tax Department is pursuing an appeal	**–**	8,939,479
Income tax demands disputed for various assessment years, on account of disallowance of certain expenses, where the Company has preferred appeal with the higher authorities	**10,925,698**	10,891,168
	10,925,698	19,830,647

In respect of items mentioned above the timing of outflow of economic benefits cannot be ascertained.

There are no Contingent Assets and Commitments at the end of each reporting periods

Note 24. Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Current Tax:		
In respect of current year	**22,850,000**	20,148,244
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**8,662,457**	(661,283)
Adjustments due to changes in tax rates	**–**	3,664,794
	8,662,457	3,003,511
Total income tax expense	**31,512,457**	23,151,755

(b) Income tax recognised in other Comprehensive income

Particulars	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities/(assets)	**(2,265)**	(383,525)
Total	**(2,265)**	(383,525)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(2,265)**	(383,525)
Total	**(2,265)**	(383,525)

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31st March, 2018 ₹	Year ended 31st March, 2017 ₹
Profit before tax	**113,552,418**	57,167,065
Income tax expense calculated at 27.553% (2017: 33.063%)#	**31,287,098**	18,901,147
Reduction in tax rate	**–**	3,664,794
Effect of income that is exempt from taxation	**(3,514)**	(5,398)
Effect of expenses that is non-deductible in determining taxable profit	**228,873**	591,212
Effect of rounding off	**31,512,457**	23,151,755
Income tax expense recognised In profit or loss	**31,512,457**	23,151,755

The tax rate used for the March 31, 2018 and March 31, 2017 in reconciliations above is the corporate tax rate of 27.553% for FY 2017-18 and 33.063% for FY 2016-17 (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(d) Movement of Deferred Tax

	For the Year ended 31 March, 2018			
Particulars	**Opening Balance** ₹	**Recognised in profit and Loss** ₹	**Recognised in Other comprehensive income** ₹	**Closing Balance** ₹
Tax effect of items constituting deferred tax liabilities				
Gratuity Assets	**15,709**	**176,435**	**(2,265)**	**189,879**
[A]	**15,709**	**176,435**	**(2,265)**	**189,879**
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	**392,039**	**(91,925)**	**–**	**300,114**
Employee Benefits	**117,613**	**(6,653)**	**–**	**110,960**
Expenses allowable on actual payment	**2,277,796**	**(445,100)**	**–**	**1,832,696**
Provisions	**16,599,033**	**(7,942,344)**	**–**	**8,656,689**
[B]	**19,386,481**	**(8,486,022)**	**–**	**10,900,459**
Net Tax Asset (Liabilities) [B-A]	**19,370,772**	**(8,662,457)**	**2,265**	**10,710,580**

	For the Year ended 31 March, 2017			
Particulars	**Opening Balance** ₹	**Recognised in profit and Loss** ₹	**Recognised in Other comprehensive income** ₹	**Closing Balance** ₹
Tax effect of items constituting deferred tax liabilities				
Gratuity Assets	234,616	164,618	(383,525)	15,709
	234,616	164,618	(383,525)	15,709
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	711,610	(319,571)	–	392,039
Employee Benefits	72,741	44,872	–	117,613
Expenses allowable on actual payment	2,306,963	(29,167)	–	2,277,796
Provisions	19,134,060	(2,535,027)	–	16,599,033
	22,225,374	(2,838,893)	–	19,386,481
Net Tax Asset (Liabilities)	21,990,758	(3,003,511)	383,525	19,370,772

Note 25. Earnings per Share

Particulars	**For the Year ended 31st March, 2018** ₹	For the Year ended 31st March, 2017 ₹
	Per Share	Per Share
Basic Earnings per share	**820.40**	340.15
Diluted Earnings per share	**820.40**	340.15
	820.40	340.15

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	**For the Year ended 31st March, 2018** ₹	For the Year ended 31st March, 2017 ₹
Profit for the year attributable to owners of the Company	**82,039,961**	34,015,310
Earning used in the calculation of basic and diluted earnings per share	**82,039,961**	34,015,310
Weighted average number of equity shares for the purposes of basic and earnings per share (Face value per share Rs. 10)	**100,000**	100,000
Earnings per share - Basic & Diluted	**820.40**	340.15

Note 26. Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-18 ₹	31-Mar-17 ₹
Equity	**616,768,750**	534,734,746
Less: Cash and Bank Balances	**(186,190,801)**	(164,543,616)
	430,577,949	370,191,130

Categories of financial assets and financial liabilities

	As at March 31, 2018			
	Amortised Costs** ₹	**FVTPL** ₹	**FVOCI** ₹	**Total** ₹
Non-current Assets				
Trade Receivables	**110,063,517**	–	–	**110,063,517**
Loans and advances	**893,050**	–	–	**893,050**
Current Assets				
Investments	–	**310,042**	–	**310,042**
Trade Receivables	**165,038,134**	–	–	**165,038,134**
Cash and Cash Equivalents	**85,746,590**	–	–	**85,746,590**
Other Bank Balances	**100,444,211**	–	–	**100,444,211**
Loans and advances	**150,000,000**	–	–	**150,000,000**
Other Financial Assets				
– Non Derivative Financial Assets	**6,295,228**	–	–	**6,295,228**
Current Liabilities				
Trade Payables	**5,623,699**	–	–	**5,623,699**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**9,759,872**	–	–	**9,759,872**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

	As at March 31, 2017			
	Amortised Costs** ₹	FVTPL ₹	FVOCI ₹	Total ₹
Non-current Assets				
Trade Receivables	220,047,774	–	–	220,047,774
Loans and advances	19,000	–	–	19,000
Current Assets				
Investments	–	297,289	–	297,289
Trade Receivables	140,145,893	–	–	140,145,893
Cash and Cash Equivalents	94,879,166	–	–	94,879,166
Other Bank Balances	69,664,450	–	–	69,664,450
Loans and advances	–	–	–	–
Other Financial Assets				
– Non Derivative Financial Assets	5,203,395	–	–	5,203,395
Current Liabilities				
Trade Payables	4,515,871	–	–	4,515,871
Other Financial Liabilities				
– Non Derivative Financial Liabilities	10,786,771	–	–	10,786,771

** The Company considers that the carrying amount of these financial instruments recognised in the financials statements approximate their fair values.

Fair value of investments

Investments represent investment by the Company in units of HDFC Cash Management Fund. The closing value at the end of each accounting period represents NAV as per HDFC Cash Management Fund and hence no separate fair valuation.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.

(ii) The Company has invested in units of HDFC Cash Management Fund which has the NAV of Rs.310,042 as at the end of the reporting period(Previous year Rs.297,289). HDFC has been regular in dividend payments and the credit risk on the investment is minimal.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year ₹	1-3 Years ₹	3 Years to 5 Years ₹	5 years and above ₹
Non-derivative financial liabilities				
31-Mar-18				
Non-interest bearing	**15,383,571**	–	–	–
Total	**15,383,571**	–	–	–
31-Mar-17				
Non-interest bearing	15,302,642	–	–	–
Total	15,302,642	–	–	–

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year ₹	1-3 Years ₹	3 Years to 5 Years ₹	5 years and above ₹
Non-derivative financial assets				
31-Mar-18				
Non-interest bearing	**507,834,205**	**110,063,517**	–	**893,050**
Total	**507,834,205**	**110,063,517**	–	**893,050**
31-Mar-17				
Non-interest bearing	310,190,193	220,047,774	–	19,000
Total	310,190,193	220,047,774	–	19,000

Note - 27 Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

	Fair value as at			
	March 31, 2018	March 31, 2017	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets/ financial liabilities measured at Fair value	₹	₹		
Financial assets				
Investments				
Mutual fund investments	**310,042**	297,289	Level -1	Net asset value published by HDFC Mutual Fund
Total financial assets	**310,042**	297,289		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note 28. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 1,782,192 /- (2017 : Rs.1,874,922 /-) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at	
	31-Mar-18	31-Mar-17
Discount rate(s)	**7.85%**	7.30%
Expected rate(s) of salary increase	**8.00%**	7.00%
Expected rate of return on plan assets	**7.85%**	7.30%
Attrition rate		
Age (Years)		
21 – 30	**10.00%**	10.00%
31 – 40	**5.00%**	5.00%
41 – 50	**3.00%**	3.00%
51 – 59	**1.00%**	1.00%

Defined benefit plans – as per actuarial valuation on March 31, 2018

Particulars	Funded Plan Gratuity **2018** ₹	2017 ₹
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	**651,125**	556,773
2. Past Service Credit	**–**	–
3. Interest on net defined benefit liability/ (asset)	**(4,163)**	(54,285)
Components of defined benefit costs recognised in profit or loss	**646,962**	502,488
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**(109,471)**	43,622
Actuarial (gains) and losses arising from changes in financial assumptions	**329,582**	219,087
Actuarial (gains) and losses arising from experience adjustments	**(213,107)**	1,197,367
Change in asset ceiling, excluding amounts included in interest expenses	**1,218**	(23,223)
Components of defined benefit costs recognised in other comprehensive income	**8,222**	1,436,853
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31,		
1. Present value of defined benefit obligation as at March 31,	**6,684,418**	5,574,480
2. Fair value of plan assets as at March 31,	**7,374,778**	5,631,497
3. Surplus/(Deficit)	**690,360**	57,017
4. Amount not recognised due to asset limit	**(1,218)**	–
5. Current portion of the above	**–**	–
6. Non current portion of the above	**689,142**	57,017
II. Change in the obligation during the year ended March 31,		
1. Present value of defined benefit obligation at the beginning of the year	**5,574,480**	5,292,339
2. Add/(Less) on account of scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	**651,125**	556,773
- Past Service Cost	**–**	–
- Interest Expense (Income)	**398,588**	359,068

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars		Funded Plan Gratuity 2018 ₹	2017 ₹
4.	Recognised in Other Comprehensive Income		
	Remeasurement (gains) / losses		
	- Actuarial Gain (Loss) arising from:		
	i. Demographic Assumptions	**–**	–
	ii. Financial Assumptions	**329,582**	219,087
	iii. Experience Adjustments	**(213,107)**	1,197,367
5.	Benefit payments	**(56,250)**	(2,050,154)
6.	Others (Specify)	**–**	–
7.	**Present value of defined benefit obligation at the end of the year**	**6,684,418**	5,574,480
III.	**Change in fair value of plan assets during the year ended March 31,**		
1.	Fair value of plan assets at the beginning of the year	**5,631,497**	6,023,517
2.	Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3.	Expenses Recognised in Profit and Loss Account		
	– Expected return on plan assets	**402,751**	415,003
4.	Recognised in Other Comprehensive Income		
	Remeasurement gains/(losses)		
	– Actual Return on plan assets in excess of the expected return	**109,471**	(43,622)
5.	Contributions by employer (including benefit payments)	**1,287,309**	1,286,753
6.	Benefit payments	**(56,250)**	(2,050,154)
7.	**Fair value of plan assets at the end of the year**	**7,374,778**	5,631,497
IV.	The Major categories of plan assets		
	– Insurer managed funds (Non Quoted Value)	**7,374,778**	5,631,497

Notes:

The current service cost and net interest expenses for the year is included in the “Employee benefits expenses” line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is included in other comprehensive income.

V. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Impact on defined benefit obligation**	
		Increase in assumption	**Decrease in assumption**
Discount rate	2018	5,988,048	7,508,185
	2017	4,956,828	6,247,877

Principal assumption		**Impact on defined benefit obligation**	
		Increase in assumption	**Decrease in assumption**
Salary growth rate	2018	7,498,733	5,982,960
	2017	6,242,762	4,952,368

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

VI. Maturity profile of defined benefit obligation:

	2018	2017
Expected benefits for year 1	**264,559**	228,728
Expected benefits for year 2	**690,960**	238,065
Expected benefits for year 3	**258,924**	620,590
Expected benefits for year 4	**253,082**	226,001
Expected benefits for year 5	**496,729**	217,173
Expected benefits for year 6	**452,155**	439,488
Expected benefits for year 7	**806,709**	397,933
Expected benefits for year 8	**330,960**	664,574
Expected benefits for year 9	**510,671**	280,851
Expected benefits for year 10	**16,088,236**	12,359,855

VII. Plan Assets

The fair value of Company’s pension plan asset as of March 31, 2018 and 2017 category are as follows:

	2018	2017
Asset category:		
Cash and cash equivalents	**–**	–
Debt instruments (quoted)	**–**	–
Debt instruments (unquoted)	**–**	–
Equity instruments (quoted)	**–**	–
Deposits with Insurance companies	**7,374,778**	5,631,497
	7,374,778	5,631,497

The Company’s policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2018 is 11.31 years (2017: 11.57 years)

VIII. Experience Adjustments:

	Year ended 2018	2017	2016	2015	2014	2013
	Gratuity					
1. Defined Benefit Obligation	6,684,418	5,574,480	–	4,331,427	3,473,492	3,195,772
2. Fair value of plan assets	7,374,778	5,631,497	–	5,216,027	4,029,884	3,685,244
3. Surplus/(Deficit)	690,360	57,017	–	884,600	556,392	489,472
4. Experience adjustment on plan liabilities [(Gain)/Loss]	(213,107)	1,197,367	–	(213,265)	92,472	222,262
5. Experience adjustment on plan assets [Gain/(Loss)]	(109,471)	43,622	(26,012)	63,205	90,390	28,276

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 29. Related Party Transactions

Name of the related party	**Relationship**
Mahindra & Mahindra Limited	Ultimate Holding Company
Mahindra Lifespace Developers Limited	Parent of the Holding Company
Mahindra Infrastructure Developers Limited	Holding Company

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

List of other related parties & relationships

Name of the related party	**Relationship**
Mahindra Retail Private Limited	Fellow subsidiary

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	**Mahindra & Mahindra Limited** ₹	**Mahindra Infrastucture Developers Limited** ₹	**Mahindra Retail Private Limited** ₹	**Total** ₹
Loan to related party	–	–	150,000,000	150,000,000
	(–)	(–)	(–)	(–)
Interest on loan to related party	–	–	3,649,315	3,649,315
	(–)	(–)	(–)	(–)
Purchase of property and other assets	–	–	–	–
	(46,843)	(–)	(–)	(46,843)
Insurance	1,264	–	–	1,264
	(18,912)	(–)	(–)	(18,912)
Travelling Expenses	28,000	–	–	28,000
	(75,400)	(–)	(–)	(75,400)
Professional Charges	203,639	–	–	203,639
	(159,501)	(–)	(–)	(159,501)
Printing	–	–	49,909	49,909
	(–)	(–)	(–)	(–)
Safety Consumbles	–	–	37,320	37,320
	(–)	(–)	(–)	(–)
Book & Peroidcals	–	–	4,400	4,400
	(–)	(–)	(–)	(–)
Training Fee	33,288	–	–	33,288
	(18,180)	(–)	(–)	(18,180)

Nature of Balances with Related Parties	**Mahindra & Mahindra Limited** ₹	**Mahindra Infrastucture Developers Limited** ₹	**Mahindra Retail Private Limited** ₹	**Total** ₹
Trade payables	16,073	–	57,329	73,402
	(–)	(–)	(–)	(–)
Loan to related party	–	–	150,000,000	150,000,000
	(–)	(–)	(–)	(–)
Interest Accrued on Loan to related party	–	–	171,061	171,061
	(–)	(–)	(–)	(–)
Other Recoverables	–	–	–	–
	(–)	(–)	(–)	(–)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Note:
Previous year's figures are in brackets.
Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

Note - 30 Disclosure under Section 186(4) of the Companies Act, 2013:

Name	Nature	Given during the year (Rs.)	Closing Balance (Rs.)	Period	Rate of Interest	Purpose
Mahindra Retail Private Limited	Loan	2017-18	150,000,000	"27.03.2018 to 26.09.2018"	9.25%	Business

Note - 31

The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The company operates only in India. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments.

Note - 32

The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is Rs. 306,774/- (Previous year 300,000 /-)

Note - 33

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

Note - 34

Accounting Standards Issued but not effective.

In March, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 - Revenue from Contracts with Customers (which is based on IFRS 15, Revenue from Contracts with Customers). The new standard is effective for accounting periods beginning on or after 1 April 2018. The Company is evaluating the requirements of the new standard and the effect on the financial statements is being evaluated.

Note - 35

In respect of the current year, the Board at its meeting held on 23rd April, 2018 has recommended a dividend of Rs.1000 per share on equity shares of Rs.10 each subject to approval by shareholders at the Annual General Meeting. The same has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 31st March, 2018. The total estimated equity dividend to be paid is Rs.100,000,000. The payment of this dividend is estimated to result in payment of dividend tax of Rs. 20,555,294 @ 20.56% on the amount of dividends grossed up for the related dividend distribution tax.

Note - 36

No other material events have occurred after the balance sheet date and up to the approval of the financial statements.

Note - 37

The financial statements were approved for issue by the Board of Directors on April 23, 2018.

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Twenty-second Report along with the Audited Accounts of your Company for the Financial Year ended 31st March, 2018.

Financial Highlights and State of Company's Affairs

(Amount in Rupees)

Particulars	**For the year ended March 31, 2018**	For the year ended March 31, 2017
Total Income	**5,503**	5,200
Expenses -Other Expenses	**30,821**	3,99,848
Total Expenses	**30,821**	3,99,848
Profit/(Loss) before Depreciation, Amortization, Interest and taxation	**(25,318)**	(3,94,648)
Depreciation & Amortization	**–**	–
Profit/(Loss) before Interest and taxation	**(25,318)**	(3,94,648)
Finance Cost	**14,181**	–
Profit/(Loss) before taxation	**(39,499)**	(3,94,648)
Provision for taxation for the year		
— Current Tax	**–**	–
— Deferred Tax	**–**	–
— Fringe Benefit Tax	**–**	–
Profit/(Loss) for the year after taxation	**(39,499)**	(3,94,648)
Balance of Loss from earlier years	**(29,60,239)**	(25,65,591)

No material changes and commitments have occurred after the closure of the financial year ended 31st March, 2018 till the date of this Report, which would affect the financial position of the Company.

Operations

During the year under review, your Company has not commenced any operations due to lack of viable business propositions. Efforts are being made to locate suitable business opportunities.

Dividend

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

Reserves

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

Share capital

During the year, the Authorized Share Capital of your Company stood at Rs. 1,00,000 (Rupees One Lakh) comprising of 21 Equity Shares of the face value of Rs. 10 each and 9,979 Preference Shares of Rs 10 each. The paid up Share Capital as on 31st March, 2018 was Rs. 1,00,000 (Rupees One Lakh Only) divided into 21 (Twenty One) Equity Shares of Rs. 10 each and 9979 (Nine Thousand Nine Hundred and Seventy Nine only) 7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares of Rs. 10 each. During the year under review there is no change in the paid up share Capital of the Company.

Holding Company

During the year under review, your Company has become Subsidiary of Mahindra Lifespace Developers Limited ("MLDL") with effect from 28th December, 2017 pursuant to the Scheme of Amalgamation ("Scheme") of Kismat Developers Private Limited (one of the existing shareholder of the Company), Topical Builders Private Limited (one of the existing shareholder of the Company) and Raigad Industrial and Business Park Limited with Mahindra World City (Maharashtra) Limited and their respective shareholders and creditors as approved by the National Company Law Tribunal, Mumbai Bench becoming effective from the aforesaid date.

Consequent to the aforesaid Scheme becoming effective, your Company became a subsidiary of MLDL and in thereof Mahindra & Mahindra Limited, the ultimate holding company.

Subsidiaries, Associates and Joint Ventures

Consequent to the aforesaid merger, Kismat Developers Private Limited has ceased to be an Associate of your Company with effect from 28th December, 2017.

Your Company has no Subsidiaries, Associates or Joint Ventures as on 31st March, 2018.

Consolidated Financial Statements

The requirements of consolidated financial statements are not applicable to your Company as your Company does not have any subsidiaries, associates and joint ventures.

Composition of the Board of Directors

The Board of Directors of the Company comprises of the following Directors:

Sr. No	Name of the Director	DIN	Designation	Executive/Non Executive	Independent/Non independent
1.	Mr. Roshan Gandhi	00010478	Director	Non-Executive	Non Independent
2.	Mr. Vinay Mohan	01172665	Director	Non- Executive	Non Independent
3.	Mr. V. Sundaresan#	07936987	Additional Director	Non- Executive	Non Independent

Appointed as an Additional Director w.e.f. 27th December, 2017

Mr. V. Sundaresan was appointed as an Additional Director with effect from 27th December, 2017. The Company has received a notice pursuant to section 160 of the Companies Act, 2013 proposing candidature of Mr. V Sundaresan for his appointment as Director at the ensuing Annual General Meeting. The Board recommends to the shareholders the above appointment.

All the Directors of your Company have given requisite declarations pursuant to section 164 of the Companies Act, 2013 that they are not disqualified to be appointed as Directors of your Company.

Mr. Vinay Mohan, (DIN: 01172665), retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Your Company is not required to constitute any mandatory Committees of the Board.

Provisions relating to Annual Evaluation of Board and Individual Directors are not applicable to your Company.

Meetings of the Board and General Meeting

The Board of Directors held four meetings during the year under review on 22nd April, 2017, 10th August, 2017, 5th December, 2017 and 29th January, 2018. The maximum interval between any two Board meetings did not exceed 120 days.

The attendance at the meetings of the Board was as under:-

Name of Directors	No. of meetings attended
Mr. Roshan Gandhi	4
Mr. Vinay Mohan	4
Mr. V. Sundaresan #	0 (out of 1)

 # Appointed as an Additional Director w.e.f. 27th December, 2017.

The 21st Annual General Meeting of the Company was held on 27th September, 2017. No Extra Ordinary General Meeting was held during the year under review.

Directors' Responsibility Statement

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

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the Loss of the Company for the year ended on that date;

(iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis;

(v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Compliance with the Provisions of Secretarial Standard 1 and Secretarial Standard 2

The applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly complied by the Company.

Key Managerial Personnel

The provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company. Hence, no Key Managerial Personnel was appointed during the year under review.

Code of Conduct

Your Company has adopted Code of Conduct for Corporate Governance ("the Codes") for its Directors. The Code enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos.

Statutory Auditors and Auditors' Report

M/s. R Jaitlia & Co., Chartered Accountants, (ICAI Firm Registration No. 117246W) were appointed as the Statutory Auditors of the Company at the 21st Annual General Meeting held on 27th September, 2017 to hold office up to the date of the 26th Annual General Meeting of the Company subject to ratification by the Shareholders of the Company at each Annual General Meeting ("AGM").

As required under the provisions of section 139 of the Companies Act, 2013, your Company has obtained a written consent from the above Auditors to the effect that their appointment, if made, would be in conformity with the conditions and criteria specified therein.

The members are requested to ratify the appointment of Auditors at the forthcoming AGM and fix their remuneration.

The Auditors' Report does not contain any qualification, reservation or adverse remark or disclaimer.

Reporting on Frauds by Auditors

During the year under review, the Statutory Auditors have not reported any instances of frauds.

Secretarial Auditor, Internal Auditor and Cost Auditor

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

Risk Management Policy

The Board has formulated a Risk Management Policy for the Company which identifies elements of risk, if any, which may threaten the existence of the Company and helps in managing the risks associated with the business of the Company.

Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness within the organization and to integrate risk management within the corporate culture.

Vigil Mechanism

The provision relating to Vigil Mechanism enumerated under section 177 of the Companies Act, 2013 are not applicable to your Company.

Internal Financial Controls

The Company has laid down internal financial controls with reference to the Financial Statements and these controls are adequate.

Corporate Social Responsibility

The provisions relating to Corporate Social Responsibility enumerated under section 135 of the Companies Act, 2013 are not applicable to your Company.

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

The particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of the Companies Act, 2013 read with the Companies Rule 8 (3) of The Companies (Accounts) Rules, 2014 are given as **Annexure I** to this Report.

Disclosure of Particulars of Employees as required under Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013 and Deposit under Chapter V of the Companies Act, 2013

Your Company has neither given any loan, guarantee or provided any security in connection with a loan nor made any investment pursuant to section 186 of the Companies Act, 2013 during the year under review.

Your Company has not made any loans/advances and investment which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V applicable to the Utimate holding Company, Mahindra & Mahindra Limited.

Your Company has not accepted any deposits from the public during the year under review. There were no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Particulars of Contracts or Arrangements with Related Parties

All the contracts/arrangements/transactions entered, during the year under review, with related parties referred to in sub section 1 of Section 188 of Companies Act, 2013, and Rules made thereunder, were in ordinary course of business and at arm's length.

There were no material contracts or arrangements or transactions with related parties, particulars of which are required to be furnished in terms of section 134 of Companies Act, 2013.

Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual return as on 31st March, 2018 is attached herewith as **Annexure II** and forms part of this report.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

Safety, Health and Environmental Performance

Your Company's commitment towards safety, health and environment is being continuously enhanced by giving adequate training on safety and health.

General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.

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

4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which, loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).

Acknowledgements

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

For and on behalf of the Company

Roshan Gandhi	**Vinay Mohan**
Director	Director

Mumbai, 20th April, 2018

ANNEXURE I TO THE DIRECTOR'S REPORT

PARTICULARS AS PER THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

A. CONSERVATION OF ENERGY

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

Necessary measures are taken to contain and bring about saving in power consumption, wherever practicable.

(ii) The steps taken by the company for utilizing alternate sources of energy: None

(iii) The capital investment on energy conservation equipments : Nil

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption: None

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

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

a) the details of technology imported: Not Applicable

b) the year of import: Not Applicable

c) whether the technology been fully absorbed: Not Applicable

d) if not fully absorbed areas where absorption has not taken place, and the reasons thereof: Not Applicable

(iv) The expenditure incurred on Research and Development: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (in terms of actual inflow and outflow)

There were no foreign exchange earnings and Outgo during the year under review.

For and on behalf of the Company

Roshan Gandhi
Director

Vinay Mohan
Director

Mumbai, 20th April, 2018

ANNEXURE II TO THE DIRECTORS' REPORT

FORM NO. MGT - 9

Extract of Annual Return as on the financial year ended March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

1.	Corporate Identification Number (CIN)	U45200MH1996PTC099607
2.	Registration Date	16/05/1996
3.	Name of the Company	Moonshine Construction Private Limited
4.	Category/Sub-Category of the Company	Indian Non-Government Company Limited by shares
5.	Address of the Registered office and contact details	Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai - 400018, Ph No: 022-24905828
6.	Whether listed company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product/service	% to total turnover of the Company
NA	NA	NA	NA

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited Regd. Office: Mahindra Towers, Worli, Mumbai-400018	L45200MH1999PLC118949	Holding	100*	2(46)
2	Mahindra & Mahindra Limited Regd. Office: Gateway Building, Apollo Bunder, Mumbai-400001	L65990MH1945PLC004558	Ultimate Holding Company	-	2(46)

* Mahindra Lifespace Developers Limited (MLDL) along with Mahindra World City (Maharshtra) Limited, a wholly owned subsidiary of MLDL and Deep Mangal Developers Private Limited, a subsidiary of MLDL.

IV. 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 (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% 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.	–	21	21	100	–	21	21	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	**21**	**21**	**100**	–	**21**	**21**	**100**	–

Category of Shareholder	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% 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)	–	**21**	**21**	**100**	–	**21**	**21**	**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 (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	**21**	**21**	**100**	–	**21**	**21**	**100**	–

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Topical Builders Private Limited ("TBPL")	10	47.62	–	–	–	–	(100)
2.	Deep Mangal Developers Private Limited	1	04.76	–	1	04.76	–	–
3.	Kismat Developers Private Limited ("KDPL")	10	47.62	–	–	–	–	(100)
4.	Mahindra World City (Maharashtra) Limited ("MWCML")*	–	–	–	20	95.24	–	+100
	Total	**21**	**100**	–	**21**	**100**	–	–

* Shares held by TBPL and KDPL stood vested in MWCML with effect from 28th December, 2017 pursuant to the Scheme of Amalgamation ("Scheme") of KDPL, TBPL and Raigad Industrial and Business Park Limited with MWCML and their respective shareholders and creditors as approved by the National Company Law Tribunal, Mumbai Bench.

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

Sr. No.	Name of Promoter	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Topical Builders Pvt. Limited ("TBPL")					
	At the beginning of the year	10	47.62		–	–
	(Decrease): Equity shares stood vested to Mahindra World City (Maharashtra) Limited on 28th December 2017 pursuant to the Scheme of Amalgamation#	–	–	(10)	–	–
	At the end of the year (as on 31.03.2018)	–	–		–	–
2.	Kismat Developers Pvt. Limited ("KDPL")					
	At the beginning of the year	10	47.62		–	–
	Decrease): Equity shares stood vested to Mahindra World City (Maharashtra) Limited on 28th December 2017 pursuant to the Scheme of Amalgamation #	–	–	(10)	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	–	–
3.	Mahindra World City (Maharashtra) Limited ("MWCML")					
	At the beginning of the year	–	–		–	–
	(Increase): Equity Shares stood vested from TBPL and KDPL to MWCML on 28th December 2017 pursuant to the Scheme of Amalgamation #	–	–	20	20	95.24
	At the end of the year (as on 31.03.2018)			–	20	95.24

Scheme of Amalgamation ("Scheme") of KDPL, TBPL and Raigad Industrial and Business Park Limited with MWCML and their respective shareholders and creditors as approved by the National Company Law Tribunal, Mumbai Bench effective from 28th December, 2017.

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

Sr. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	–	–	–	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	–	–	–	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	–

V INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2017)				
i) Principal Amount	–	25,65,000.00	–	25,65,000.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**25,65,000.00**	**–**	**25,65,000.00**
Change in Indebtedness during the financial year				
• Addition	–	1,00,000.00	–	1,00,000.00
• Reduction	–	–	–	–
Net Change	**–**	**1,00,000.00**	**–**	**1,00,000.00**
Indebtedness at the end of the financial year (as on 31.03.2018)				
i) Principal Amount	–	26,65,000.00	–	26,65,000.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	14,181.00	–	14,181.00
Total (i+ii+iii)	**–**	**26,79,181.00**	**–**	**26,79,181.00**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	– as % of profit	–	–
	– others, specify...	–	–
5.	Others, please specify	–	–
	Total (A)	–	–
	Ceiling as per the Act	–	–

B. Remuneration to other directors:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	**Independent Directors**		
	• Fee for attending board/committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	**–**	**–**
2	**Other Non-Executive Directors**		
	• Fee for attending board/committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (2)	**–**	**–**
	Total (B)=(1+2)	**–**	**–**
	Total Managerial Remuneration (A+B)	**–**	
	Overall Ceiling as per the Act	–	

C. Remuneration to key managerial personnel other than MD/Manager/WTD: Not Applicable

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	– as % of profit	–	–	–	–
	– others, specify...	–	–	–	–
5.	Others, please specify	–	–	–	–
	Total	**–**	**–**	**–**	**–**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: None

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	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of the Company

Roshan Gandhi
Director

Vinay Mohan
Director

Mumbai, 20th April, 2018

INDEPENDENT AUDITOR'S REPORT

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Moonshine Construction Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor'sResponsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Company is a Private Limited Company and the provisions of the Companies (Auditors' Report) Order are not applicable to the Company.

2. As required by Section 143(3) of the Act, we report, to the extent applicable 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
Firm Registration No.: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai
Date: 20th April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MOONSHINE CONSTRUCTION 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 Moonshine Construction Private Limited ("the Company") as of March 31, 2018 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 March 31, 2018, 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 **M/s. R. Jaitlia & Co.**
Chartered Accountants
Firm Registration No.: 117246W

Mukesh Maheshwari
Partner
Membership No.: 049818

Place: Mumbai

Date: 20th April 2018

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

	Note No.	As at 31st March 2018	As at 31st March 2017
I ASSETS			
NON-CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	4	**25,000**	25,000
Total Non-Current Assets (I)		**25,000**	25,000
CURRENT ASSETS			
(a) Financial Assets			
(i) Cash and Cash Equivalents	5	**95,156**	28,074
(ii) Bank balances other than (i) above	5	**68,599**	59,394
(b) Other Current Assets	6	**1,861**	5,563
Total Current Assets (II)		**165,616**	93,031
Total assets [(I)+(II)]		**190,616**	118,031
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	7	**210**	210
(b) Other Equity	8	**(2,999,738)**	(2,960,239)
Total equity (III)		**(2,999,528)**	(2,960,029)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	9	**99,790**	99,790
Total Non-current liabilities (IV)		**99,790**	99,790
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10	**2,665,000**	2,565,000
(ii) Trade Payables	11	**383,339**	385,436
(iii) Other Financial Liabilities	12	**12,762**	–
(b) Other Current Liabilities	13	**29,253**	27,834
Total current liabilities (V)		**3,090,354**	2,978,270
Total equity and liabilities [(III)+(IV)+(V)]		**190,616**	118,031

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **R Jaitalia & Co.**
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No: 49818

Place: Mumbai
Date: 20th April 2018

For and on behalf of the Board of Directors

Roshan L Gandhi (DIN-00010478)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
	Continuining Operations			
I	Revenue from operations		–	–
II	Other Income	14	**5,503**	5,200
III	**Total Revenue (I + II)**		**5,503**	5,200
IV	**EXPENSES**			
	(i) Finance costs	15	**14,181**	–
	(ii) Other expenses	16	**30,821**	399,848
	Total Expenses		**45,002**	399,848
V	**Loss for the period (III— IV)**		**(39,499)**	(394,648)
VI	**Loss before tax**		**(39,499)**	(394,648)
VII	**Other comprehensive income**		**–**	–
VIII	**Total comprehensive income for the period (VI + VII)**		**(39,499)**	(394,648)
IX	**Earnings per equity share (for continuing and discontinued operations):**			
	(1) Basic/Diluted	17	**(1,880.92)**	(18,792.76)

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For **R Jaitalia & Co.**
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No: 49818

Place: Mumbai
Date: 20th April 2018

For and on behalf of the Board of Directors

Roshan L Gandhi (DIN-00010478)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(Amount in Rs.)

Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
Cash flows from operating activities			
Profit before tax for the year	PL	**(39,499)**	(394,648)
Adjustments for:			
Investment income recognised in profit or loss		**(5,503)**	(5,200)
		(45,002)	(399,848)
Movements in working capital:			
(Increase)/decrease in other assets		**(5,503)**	5,200
(Decrease)/increase in other liabilities		**112,084**	423,013
Net cash generated by operating activities		**61,579**	28,365
Cash flows from investing activities			
Interest received		**5,503**	–
Net cash (used in)/generated by investing activities		**5,503**	–
Net increase in cash and cash equivalents		**67,082**	28,365
Cash and cash equivalents at the beginning of the year		**28,074**	4,909
		95,156	4,909
Cash and cash equivalents at the end of the year		**95,156**	28,074

Change in Liability arising from financing activities **(Amount in Rs.)**

Particulars	**As at 1st April, 2017**	**Cash Flow**	**As at 31st March, 2018**
Non Current Borrowings	–	–	–
Current Borrowings (Refer Note 10)	2,565,000.00	100,000.00	2,665,000.00
Current maturities of Long term debt	–	–	–
Total	**2,565,000.00**	**100,000.00**	**2,665,000.00**

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For **R Jaitalia & Co.**
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No: 49818

Place: Mumbai
Date: 20th April 2018

For and on behalf of the Board of Directors

Roshan L Gandhi (DIN-00010478)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

A. Equity Share Capital

As at 1st April, 2016	210
Changes in equity share capital during the year	–
As at 31st March, 2017	210
Changes in equity share capital during the year	–
As at 31st March, 2018	**210**

a. Equity share capital

	Equity share capital (no of shares)
Balance at April 1st 2016	21
Changes in equity share capital during the year	–
Balance at March 31st 2017	21
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at March 31st 2018	21

Particulars	**Retained earnings**
Balance as at 31st March, 2016	**(2,565,591)**
Profit/(Loss) for the year	(394,648)
Other comprehensive income	–
Total comprehensive income	(394,648)
Balance at 31st March, 2017	(2,960,239)
Profit/(Loss) for the period	(39,499)
Other comprehensive income	**–**
Total comprehensive income	(39,499)
Balance at 31st March, 2018	**(2,999,738)**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For **R Jaitalia & Co.**
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No: 49818

Place: Mumbai
Date: 20th April 2018

For and on behalf of the Board of Directors

Roshan L Gandhi (DIN-00010478)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

Notes forming part of the financial statements

1. Corporate information

Moonshine Construction Private Limited ("the Company") is a private limited company incorporated in India on 16 May, 1996 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant accounting policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 20th April, 2018.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

2.4 Inventories

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

Financial assets and liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

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

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

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

2.11 Cash slow statement

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

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No. 4 - Investments

(Amount in Rs.)

Particular	Face Value (Rs.)	As at 31 March 2018 Nos.	As at 31 March 2018 Amount in Rs.	As at 31 March 2017 Nos.	As at 31 March 2017 Amount in Rs.
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Equity Instruments					
– of associate					
Kismat Developers Private Limited	10	–	–	10	100
Investments in Preference shares					
Preference shares in Mahindra World City Maharashtra Limited	10	**2,500**	**25,000**	2,490	24,900
Total Investments (A)			**25,000**		25,000

Note No. 5 - Cash and Bank Balances

(Amount in Rs.)

Particulars	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents		
(a) Balances with banks	**95,156**	28,074
Total Cash and cash equivalent	**95,156**	28,074
Other Bank Balances		
(b) Balances with Banks:		
(i) In deposit accounts	**68,599**	59,394
Total Other Bank balances	**68,599**	59,394
Total Other Bank balances	**163,755**	87,468

Note No. 6 - Other assets

(Amount in Rs.)

Particular	As at 31 March 2018 Current	As at 31 March 2018 Non Current	As at 31 March 2017 Current	As at 31 March 2017 Non Current
(a) Advances other than capital advances				
(i) Interest accrued but not due on term deposit accounts	**1,861**	**–**	5,563	–
	1,861	**–**	5,563	–

Note No. 7 - Equity share capital

(Amount in Rs.)

Particular	As at 31 March 2018 Number of shares	As at 31 March 2018 Rs.	As at 31 March 2017 Number of shares	As at 31 March 2017 Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	**21**	**210**	21	210

(Amount in Rs.)

Particular	As at 31 March 2018 Number of shares	As at 31 March 2018 Rs.	As at 31 March 2017 Number of shares	As at 31 March 2017 Rs.
(b) Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10 each	**21**	**210**	21	210
	21	**210**	21	210

Notes (i) to (iv) below

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

(Amount in Rs.)

Particular	As at 31 March 2018 Number of shares	As at 31 March 2018 Rs.	As at 31 March 2017 Number of shares	As at 31 March 2017 Rs.
Opening balance	**21**	**210**	21	210
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**21**	**210**	21	210

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

(ii) Terms/rights attached to equity shares:

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

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

(iii) Details of shares held by:

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Topical Builders Private Limited	–	10
Kismat Developers Private Limited	–	10
Mahindra World City Maharashtra Limited	20	–

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

(Amount in Rs.)

Particular	As at 31st March 2018		As at 31st March 2017	
	Number of shares	% holding	Number of shares	% holding
Topical Builders Private Limited	–	–	10	47.62%
Kismat Developers Private Limited	–	–	10	47.62%
Mahindra World City Maharashtra Limited	20	95.24%	–	–

Note No. 8 - Other equity

(Amount in Rs.)

Parti culars	Retained earnings	Total
Balance as at 31st March, 2016	**(2,565,591)**	**(2,565,591)**
Profit/(Loss) for the year	(394,648)	(394,648)
Other comprehensive income	–	–
Total comprehensive income	(394,648)	(394,648)
Balance at 31st March, 2017	**(2,960,239)**	**(2,960,239)**
Profit/(Loss) for the period	(39,499)	(39,499)
Other comprehensive income	–	–
Total comprehensive income	(39,499)	(39,499)
Balance at 31st March, 2018	**(2,999,738)**	**(2,999,738)**

Note No. 9 - Non-Current Borrowings

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Measured at amortised cost*		
A. Unsecured Borrowings - at amortised Cost		
(i) Other Loans		
Redeemable preference share capital	99,790	99,790
Total Unsecured Borrowings	99,790	99,790
Total Borrowings	99,790	99,790

Note No. 10 - Current Borrowings

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
A. Unsecured Borrowings		
(i) Loans from related parties*	150,000	50,000
(ii) Deposits	2,515,000	2,515,000
Total Unsecured Borrowings	2,665,000	2,565,000

*The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited. @ 9.95% p.a.

Note No. 11 - Trade Payables

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Trade payable - Other than micro ans small enterprises	383,339	385,436
Total trade payables	383,339	385,436

Note:

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

Note No. 12 - Other current liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
Other Financial Liabilities Measured at Amortised Cost		
Current		
(a) Interest accrued	12,762	–
Total other current liabilities	12,762	–

Note No. 13 - Other Financial Liabilities

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
a. Others		
Statuatory remittances (withholding taxes, service tax, etc.)	29,253	27,834
Total other current liabilities	29,253	27,834

Note No. 14 - Other Income

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Interest Income		
(i) Interest on Bank Deposits	5,503	5,200
Total Other Income	5,503	5,200

Note No. 15 - Finance Cost

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Interest expense	14,181	–
Total finance costs	**14,181**	–

Note No. 16 - Other Expenses

(Amount in Rs.)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Rent including lease rentals	–	61,557
(b) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	5,900	5,750
(c) Other expenses		
(i) Legal and other professional costs	21,256	322,341
(ii) Others	3,665	10,200
Total Other Expenses	**30,821**	399,848

Note No. 17 - Earnings per Share

(Amount in Rs.)

Particulars	For the period ended 31st March, 2018	For the year ended 31st March, 2017
(a) Net loss for the period	(39,499)	(394,648)
(b) Nominal value per share	10	10
(c) Weighted average number of equity shares (No.)	21	21
(d) Basic/Diluted earning per share	(1,880.92)	(18,792.76)

Note No. 18 - Related Party Transactions

Related party disclosures as required by Ind As 24 “Related Party Disclosures” are given below.

Enterprises Controlling the Company

1	**Mahindra Lifespace Developers Limited**	**Holding Company**

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Associate
Nature of transactions with Related Parties				
Inter Corproate Deposits	31-Mar-18	–	100,000	–
	31-Mar-17	–	50,000	–
Interest on ICD	31-Mar-18	–	12,762	–
	31-Mar-17	–	–	–

Nature of Balances with Related Parties	Balances as on	Ultimate Holding Company	Holding Company	Associate
Payables (ICD and Interest on ICD)	31-Mar-18	–	162,762	–
	31-Mar-17	–	–	–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 19 - The accounts of the Company for the year ended 31 March, 2018 have been prepared on the basis of going concern.

Note No. 20 - Financial Instruments

[I] Capital management

The Company’s capital management objectives is to ensure the Company’s ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company does not have any borrowings.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Trade receivables

Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date and the Company measures the loss allowances at an amount equal to lifetime expected credit lossess. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits:

Credit risk from balances with banks is managed by the Company in accordance with the Company’s policy. Investments of surplus funds are made only with bank.

(B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company’s short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company’s remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Amount in Rs.)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31 March, 2017						
Trade Payable	10,655	372,684	–	–	383,339	383,339
Total	**10,655**	**372,684**	**–**	**–**	**383,339**	**383,339**
31 March, 2017						
Trade Payable	385,436	–	–	–	385,436	385,436
Total	**385,436**	**–**	**–**	**–**	**385,436**	**385,436**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount in Rs.)

Particulars	Less than 1 Year	1-3 Years	3-4 Years	5 years and above	Total	Carrying amount
Non-derivative financial assets						
31 March 2018						
Non interest rate bearing	**95,156**	**–**	**–**	**–**	**95,156**	**95,156**
Fixed interest rate bearing	**68,599**	**–**	**–**	**–**	**68,599**	**68,599**
Total	**163,755**	**–**	**–**	**–**	**163,755**	**163,755**
31 March 2017						
Non interest rate bearing	28,074	–	–	–	28,074	28,074
Fixed interest rate bearing	59,394	–	–	–	59,394	59,394
Total	87,468	–	–	–	87,468	87,468

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchnage fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 21 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in markets that are not active
- inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval
- implied volatilities
- credit spreads
- inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(Amount in Rs.)

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	**95,156**	–	**95,156**
(ii) Other bank balances	–	**68,599**	–	**68,599**
Total	–	**163,755**	–	**163,755**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Trade payables	–	**383,339**	–	**383,339**
Total	–	**383,339**	–	**383,339**

(Amount in Rs.)

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	28,074	–	28,074
(ii) Other bank balances	–	59,394	–	59,394
Total	–	**87,468**	–	**87,468**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Trade payables	–	385,436	–	385,436
Total	–	**385,436**	–	**385,436**

In terms of our report attached.

For **R Jaitalia & Co.**
Chartered Accountants
Firm Registration No: 117246W

Mukesh Maheshwari
Partner
Membership No: 49818

Place: Mumbai
Date: 20th April 2018

For and on behalf of the Board of Directors

Roshan L Gandhi (DIN-00010478)

Vinay Mohan Srivastva (DIN-01172665)

Place: Mumbai
Date: 20th April 2018

ANNUAL REPORT 2017-18
BOARD'S REPORT

Your Directors present their Twenty Ninth report together with the audited financial statement for the financial year ended 31st March, 2018.

Financial Highlights

(₹ in lakhs)

Particulars	2018	2017
Income	–	–
Loss before Interest and Taxation	**(0.07)**	(0.15)
Less: Interest	**(3.52)**	(3.49)
Loss before Taxation	**(3.59)**	(3.64)
Less: Provision for Taxation	–	–
Loss for the year	**(3.59)**	(3.64)
Less: Balance of Loss for prior years	**(13.18)**	(9.54)
Balance carried forward	**(16.77)**	(13.18)

Dividend

In view of the carried forward lossess, no dividend has been recommended by your Directors for the financial year 2017-18.

Reserves

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

Operations

The Company is looking for an appropriate opportunity to undertake development activities and to monetise its inventory.

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 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 your Company is ₹ 5 lakh and the paid-up equity share capital of your Company is ₹ 1.007 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.

Holding Company

As on 31st March, 2018, the shareholding of the Company was as under:

Name of shareholders	% of holding
Kismat Developers Private Limited	3.97
Topical Builders Private Limited	73.48
Mahindra World City (Maharashtra) Limited	4.97
Mahindra Lifespace Developers Limited	17.58
Total	**100.00**

During the year, Kismat Developers Private Limited, Topical Builders Private Limited and Raigad Industrial & Business Park Limited merged into Mahindra World City (Maharashtra) Limited. Consequent to the merger, the investments held by Kismat Developers Private Limited and Topical Builders Private Limited in the Company vested into Mahindra World City (Maharashtra) Limited.

Accordingly, the Company is a subsidiary company of Mahindra World City (Maharashtra) Limited and consequently a subsidiary of the company Mahindra Lifespace Developers Limited and of ultimate holding Company Mahindra and Mahindra Limited.

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

Board of Directors

As at 31st March, 2018, the Board of Directors comprise of the following:

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

As per the Articles of Association of your Company, the Directors are not liable to retire by rotation.

Pursuant to Sections 160 and 161 and all other applicable provisions of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Mr. Siddharth Bafna, was appointed by the Board of Directors at its meeting held on 17th April, 2018, as an Additional Director in the category of Non-Executive Non-Independent Director with effect from even date. In accordance with Section 161(1) of the Companies Act, 2013, he holds office up to the date of ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director. Accordingly, appointment of Mr. Bafna is proposed at the ensuing Annual General Meeting as Non-Executive Non-Independent Director. Mr. Siddharth Bafna is not disqualified from being appointed/re-appointed as Director by the 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 Section 203 of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to the Company.

Committies of the Board

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.

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.

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 (4) Board meetings were held. The previous Annual General Meeting of the Company was held on 20th July, 2017.

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(5) 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. The Company has 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, 2018 and of the profit and loss of the Company for that period;

c. The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Company has prepared the annual accounts on a going concern basis; and

e. The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Finacial Controls

The Company has in place adequate internal financial controls with reference to the financial statement. The Board periodically reviews the internal control systems with the auditors.

Vigil Mechanism

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

Risk Management

The Company has appropriate risk management systems and procedure 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. R. Jaitlia & Co., Chartered Accountants, Mumbai, (ICAI Registration No.: 117246W) were appointed as auditors for a term of five consecutive years from the conclusion of 25th Annual General Meeting till the conclusion of 30th Annual General Meeting to be held in the calendar year 2019 subject to ratification of their appointment at every Annual General Meeting.

As required under the provisions of Sections 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 they are eligible to continue as Statutory Auditor of the Company.

Accordingly, the members are requested to ratify the appointment of M/s. R. Jaitlia & Co., as Statutory Auditors of Company from the conclusion of the 29th Annual General Meeting till the conclusion of the 30th Annual General Meeting to be held in the year 2019.

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

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

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

During the year, the Company has not entered into any transaction of making loans, giving guarantees, providing securities, acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate stipulated under Section 186 of the Companies Act, 2013 ("the Act").

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

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

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 your 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

- The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.
- 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 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 Board's 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.

Acknowledgement

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

For and on behalf of the Board,

Jayantt Manmadkar
Chairman
DIN: 03044559

Mumbai, 17th April, 2018

ANNEXURE 1

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	The Company is looking for an appropriate opportunity to undertake development activities and adequate energy conservation measures will be taken at an appropriate time
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not applicable
(iii)	the capital investment on energy conservation equipments	:	Not applicable

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

For and on behalf of the Board,

Jayantt Manmadkar
Chairman
DIN: 03044559

Mumbai, 17th April, 2018

ANNEXURE 2

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

(Pursuant to Section 92(3) of Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS

1.	**CIN**	U70102MH1989PTC051878
2.	**Registration Date**	25/05/1989
3.	**Name of the Company**	Deep Mangal Developers 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, 5th Floor, Dr. G. M. Bhosale Marg, Worli, Mumbai 400 018
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

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

\# The Company is looking out for appropriate business opportunities in the space of real estate development

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate of the Company	% of shares held	Applicable Section
1.	Mahindra World City (Mahrashtra) Limited	U45200MH1997PTC108695	Immediate Holding	82.42%	2(46)
2.	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	17.58%	2(46)
3.	Mahindra & Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding	–	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	–	740	740	73.49	–	830	830	82.42	8.93

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):-	**–**	**740**	**740**	**73.49**	**–**	**830**	**830**	**82.42**	**8.93**
(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)	**–**	**740**	**740**	**73.49**	**–**	**830**	**830**	**82.42**	**8.93**
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	–	267	267	26.51	–	177	177	17.58	8.93
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
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):-	–	267	267	26.51	–	177	177	17.58	8.93
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	267	267	26.51	–	177	177	17.58	8.93
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**–**	**1007**	**1007**	**100**	**–**	**1007**	**1007**	**100**	**–**

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Topical Builders Private Limited	740	73.49	–	–	–	–	(73.49)
2.	Mahindra World City (Maharashtra) Limited[1]	50	(4.96)		830	82.42		77.46

[1] Mahindra World City (Maharashtra) Limited was not a promoter as on 1st April, 2017

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

The changes in the Shareholding of Promoter Group is provided at point no. 4(ii) above.

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding		Date of transaction	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares at the beginning (01.04.2017)/ end of the year 31.03.2018	% of total shares of the Company				No. of Shares	% of total Shares of the company
1	Mahindra Lifespace Developers Limited	177	17.58	01.04.2017	No Change		–	–
		177	**17.58**	**31.03.2018**			**177**	**17.58**
2	Mahindra World City (Maharashtra) Ltd[2]	50	4.96	01.04.2017				
				28.12.2017	780	vested due to merger	780	
		830	**82.42**	**31.03.2018**			**830**	**82.42**
3	Kismat Developers Private Limited	40	3.97	01.04.2017		Shareholder Company merged into Mahindra World City (Maharashtra) Limited		
				28.12.2017	40		3.97	
		–	**–**	**31.03.2018**				

[2] Mahindra World City (Maharashtra) Limited is a promoter as on 31st March, 2018.

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

5. INDEBTEDNESS

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

(₹ in Lakh)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	214.33	–	214.33
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	10.45	–	10.45
Total (i+ii+iii)	–	**224.78**	–	**224.78**
Change in Indebtedness during the financial year				
• Addition	–	1.00	–	1.00
• Reduction	–	–	–	–
Net change	–	**1.00**	–	**1.00**
Indebtedness at the end of the financial year				
i) Principal Amount	–	215.33	–	215.33
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	13.62	–	13.62
Total (i+ii+iii)	–	228.95	–	228.95

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 Applicabe

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,

Jayantt Manmadkar
Chairman
DIN : 03044559

Mumbai, 17th April, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Deep Mangal Developers Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Deep Mangal Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company'spreparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of theaccounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid Ind AS 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, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Company is a Private Limited Company and the provisions of the Companies (Auditors' Report) Order are not applicable to the Company.

2. As required by Section 143(3) of the Act, we report, to the extent applicable 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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".Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **M/s. R. Jaitlia & Co.**
Chartered Accountants
FRN: 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Place: Mumbai
Date: 17th April 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DEEP MANGAL DEVELOPERS 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 **Deep Mangal Developers Private Limited** ("the Company") as of March 31, 2018 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 March 31, 2018, 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 **R. Jaitlia and Co.**
Chartered Accountants
Firm Registration No. : 117246W

Mukesh Maheshwari
Partner
Membership No. : 049818

Place: Mumbai
Date: 17th April 2018

BALANCE SHEET AS AT YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

		Note No.	As at 31st March, 2018	As at 31st March, 2017
I	**ASSETS**			
	Non-current assets			
	(a) Financial Assets			
	(i) Investments	4	**5,010**	5,010
	Total Non-current assets (I)		**5,010**	5,010
	Current assets			
	(a) Inventories	5	**21,459,505**	21,459,505
	(b) Financial Assets			
	(i) Cash and Cash Equivalents	6	**100,638**	41,327
	Total current assets (II)		**21,560,143**	21,500,832
	TOTAL ASSETS		**21,565,153**	21,505,842
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share Capital	7	**100,700**	100,700
	(b) Other Equity	8	**(1,677,077)**	(1,318,137)
	Total equity (III)		**(1,576,377)**	(1,217,437)
	Liabilities			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	9	**21,533,457**	21,433,457
	(ii) Trade Payables	11	**211,173**	210,234
	(iii) Other Financial Liabilities	10	**1,361,675**	1,044,649
	(c) Other Current Liabilities	12	**35,225**	34,939
	Total current liabilities (IV)		**23,141,530**	22,723,279
	TOTAL		**21,565,153**	21,505,842

See accompanying notes forming part of the financial statements.

In terms of our report attached.

For R Jaitalia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:49818
Place: Mumbai
Date: 17th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar (DIN-03044559)

Suhas Kulkarni (DIN-00003936)
Place: Mumbai
Date: 17th April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I	Revenue from operations		–	–
II	Other Income		–	–
III	**Total Revenue (I + II)**		–	–
IV	**EXPENSES**			
	(a) Finance costs	13	**352,251**	349,365
	(b) Other expenses	14	**6,689**	14,598
	Total Expenses (IV)		**358,940**	363,963
	Loss before tax (III-IV)		**(358,940)**	(363,963)
V	**Loss for the period (IV)**		**(358,940)**	(363,963)
VI	**Other comprehensive income**		–	–
VII	**Total comprehensive income for the period (V +VI)**		**(358,940)**	(363,963)
VIII	**Earnings per equity share**			
	Basic/Diluted	15	**(356.44)**	(361.43)

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitalia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:49818
Place: Mumbai
Date: 17th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar (DIN-03044559)

Suhas Kulkarni (DIN-00003936)
Place: Mumbai
Date: 17th April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
Cash flows from operating activities			
Profit before tax for the year	PL	**(358,940)**	(363,963)
Adjustments for:		**(358,940)**	(363,963)
(Decrease)/increase in other liabilities		**418,251**	405,165
Net cash generated by operating activities		**59,311**	41,202
Cash flows from investing activities			
Net increase in cash and cash equivalents		**59,311**	41,202
Cash and cash equivalents at the beginning of the year		**41,327**	125
		100,638	41,327
Cash and cash equivalents at the end of the year		**100,638**	41,327

Change in Liability arising from financing activities (Amount in Rs.)

Particulars	As at 01st April, 2017	Cash Flow	As at 31st March, 2018
Non Current Borrowings	–	–	–
Current Borrowings (Refer Note 9)	21,433,457	100,000	21,533,457
Current maturities of Long term debt	–	–	–
Total	**21,433,457**	**100,000**	**21,533,457**

See accompanying notes forming part of the financial statements

In terms of our report attached.

For R Jaitalia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:49818
Place: Mumbai
Date: 17th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar (DIN-03044559)

Suhas Kulkarni (DIN-00003936)
Place: Mumbai
Date: 17th April 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital

	(Amount in Rs.)
As at 1st April, 2016	100,700
Changes in equity share capital during the year	–
As at 31st March 2017	100,700
Changes in equity share capital during the year	–
As at 31st March 2018	**100,700**

a. Equity share capital

	Equity share capital (no. of shares)
Balance at March 31, 2016	1,007
Changes in equity share capital during the year	–
Issue of equity shares	
Balance at March 31, 2017	1,007
Changes in equity share capital during the year	
Issue of equity shares	–
Balance at March 31, 2018	**1,007**

Other equity

Particulars	**Retained earnings**
Balance as at 31 March, 2016	**(954,174)**
Profit/(Loss) for the year	(363,963)
Other comprehensive income	–
Total comprehensive income	(363,963)
Balance as at 31 March, 2017	**(1,318,137)**
Profit/(Loss) for the year	(358,940)
Other comprehensive income	–
Total comprehensive income	(358,940)
Balance as at 31 March, 2018	**(1,677,077)**

In terms of our report attached.

For R Jaitalia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:49818
Place: Mumbai
Date: 17th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar (DIN-03044559)

Suhas Kulkarni (DIN-00003936)
Place: Mumbai
Date: 17th April 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate information

Deep Mangal Developers Private Limited ("the Company") is a public company incorporated in India on 25May, 1989 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company islocated at 5th Floor, Mahindra Towers, Dr. G.M.Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provision of the act. The aforesaid financial statements have been approved by the Company's Board of Directors and authorised for issue in the meeting held on 17th April, 2018.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Depreciation on assets (other than impaired assets) is calculated on straight line method at the rate of 11.31% p.a. which is based on useful life of about 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the Companies Act, 2013.

The Company does not held any Plant, Property and Equipment as on 31st March, 2018.

2.3 Impairment of assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement profit and loss.

The Company does not held any Plant, Property and Equipment as on 31st March, 2018.

2.4 Inventories

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

Financial assets and liabilities

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of profit or loss.

2.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

2.6.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.6.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.7 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.7.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.7.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.7.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.8 Revenue recognition

Revenue on account of sale of services is recognised under the completed service contract method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

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

Dividend income is recognised in the statement of profit and loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.10 Cash and cash equivalents

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

2.11 Cash flow statement

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

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Note No. 4 - Investments

Particular	Face Value (Rs.)	As at 31st March 2018		As at 31st March 2017	
			Amount in Rs.	Nos.	Amount in ₹
A. Investments carried at cost or deemed cost					
I. Unquoted Investments (all fully paid)					
Investments in Preference shares					
- of associate					
7% Non-cumulative redeemable participating optionally convertible preference shares in Moonshine Construction Private Limited	**10**	**500**	**5,000**	500	5,000
	10	**1**	**10**	1	10
TOTAL INVESTMENTS (A)		**–**	**5,010**	–	5,010

Note No. 5 - Inventories

Particular	As at 31st March, 2018	As at 31st March 2017
a) Work-in-progress	**21,459,505**	21,459,505
Total Inventories (at lower of cost and net realisable value)	**21,459,505**	21,459,505

Note No. 6 - Cash and Bank Balances

(Amount in Rs.)

Particular	As at 31st March, 2018	As at 31st March 2017
Cash and cash equivalents		
a) Balances with banks	**100,638**	41,327
b) Cash on hand	**–**	–
Total Cash and cash equivalent	**100,638**	41,327

Note No. 7 - Equity share capital

Particular	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	**Rs.**	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 100 each with voting rights	**5,000**	**500,000**	5,000	500,000
	5,000	**500,000**	5,000	500,000
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 100 each	**1,007**	**100,700**	1,007	100,700
	1,007	**100,700**	1,007	100,700

Notes (i) to (iv) below

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

Particular	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	**Rs.**	Number of shares	₹
Opening balance	**1,007**	**100,700**	1,007	100,700
Add: Issued during the year	**–**	**–**	–	–
Closing balance	**1,007**	**100,700**	1,007	100,700

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

(ii) Terms/rights attached to equity shares:

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

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

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

Particular	As at 31st March, 2018	As at 31st March, 2017
Mahindra Lifespace Developers Limited, the holding company	**177**	177

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

Particular	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares	**% holding**	Number of shares	% holding
Topical Builders Private Limited	**–**	**–**	740	73.49%
Mahindra Lifespace Developers Limited the holding company,	**177**	**17.58%**	177	17.58%
Mahindra World City (Maharashtra) Limited	**830**	**82.42%**	50	4.97%
Kismat Developers Private Limited	**–**	**–**	40	3.96%

During the year Topical Builders Pvt Ltd, Kismat Developers Pvt Ltd and Raigad Industrial & Business Developers Limited goes in the scheme of amalgamation with Mahindra World City (Maharashtra) Limited.

Note No. 8 - Other equity

(Amount in Rs.)

Particulars	**Retained earnings**	**Total**
Balance as at 31st March, 2016	**(954,174)**	**(954,174)**
Profit/(Loss) for the year	(363,963)	(363,963)
Other comprehensive income	–	–
Total comprehensive income	(363,963)	(363,963)
Balance at 31st March, 2017	**(1,318,137)**	**(1,318,137)**
Profit/(Loss) for the year	(358,940)	(358,940)

(Amount in Rs.)

Particulars	Retained earnings	Total
Other comprehensive income	–	–
Total comprehensive income	(358,940)	(358,940)
Balance at 31st March, 2018	**(1,677,077)**	**(1,677,077)**

Note No. 9 - Current Borrowings

(Amount in Rs.)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
A. Unsecured Borrowings		
(i) Loans from related parties*	**3,555,000**	3,455,000
(ii) Deposits	**17,978,457**	17,978,457
Total Unsecured Borrowings	**21,533,457**	21,433,457
Total Current Borrowings	**21,533,457**	21,433,457

* The Unsecured Inter Corporate Deposit taken from Mahindra Lifespace Developers Limited @ 9.95% p.a.

Note No. 10 - Other Financial Liabilities

(Amount in Rs.)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Other Financial Liabilities Measured at Amortised Cost		
Current		
(i) Interest accrued	**1,361,675**	1,044,649
Total other financial liabilities	**1,361,675**	1,044,649

Note No. 11 - Trade Payables

(Amount in Rs.)

	As at 31st March, 2018		As at 31st March, 2017	
Particulars	Current	Non-Current	Current	Non-Current
Trade payable - Micro and small enterprises	–		–	
Trade payable - Other than micro ans small enterprises	**211,173**	–	210,234	–
Total other liability	**211,173**		210,234	–

Note No. 12 - Other Liabilities

(Amount in Rs.)

	As at 31st March, 2018		As at 31st March, 2017	
Particulars	Current	Non-Current	Current	Non-Current
a. Statutory dues				
- taxes payable (other than income taxes)	**35,225**	–	34,939	–
Total trade payables	**35,225**	–	34,939	–

Note No. 13 - Finance Cost

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Interest expense	**352,251**	349,365
Total finance costs	**352,251**	349,365

Note No. 14 - Other Expenses

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	**5,899**	5,750
(b) Other expenses		
(i) Legal and other professional costs	**590**	5,175
(ii) Others	**200**	3,673
Total other expenses	**6,689**	14,598

Note No. 15 - Earnings per Share

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Net loss for the period	**(358,940)**	(363,963)
(b) Nominal value per share	**10**	10
(c) Weighted average number of equity shares (No.)	**1,007**	1,007
(d) Basic/Diluted earning per share	**(356.44)**	(361.43)

Note No. 16 - Related Party Transactions

Related party disclosures as required by Ind As 24 "Related Party Disclosures" are given below.

Enterprises Controlling the Company

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

Particulars	For the year ended	Ultimate Holding Company	Holding Company	Associate
Nature of transactions with Related Parties				
Inter Corproate Deposits received	31–Mar–18	–	100,000	–
	31–Mar–17	–	50,000	
Nature of Balances with Related Parties	**Balances as on**	**Ultimate Holding Company**	**Holding Company**	**Associate**
Payables	31–Mar–18	–	4,911,675	–
	31–Mar–17	–	4,494,649	–

Notes:

1. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
2. Related parties have been identified by the Management.

Note No. 17

The accounts of the Company for the year ended 31 March, 2018 have been prepared on the basis of going concern.

Note No. 18 - Financial Instruments

[I] Capital management

The Company's capital management objectives is to ensure the Company's ability to continue as a going concern

The capital structure of the Company consists of equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primary trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

(i) Financial instruments and cash deposits: Credit risk from balances with banks is managed by the Company in accordance with the Company's policy. Investments of surplus funds are made only with bank.

B) LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Amount in Rs.)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial liabilities						
31 March, 2018						
Other financial liabilities	**1,361,675**	**–**	**–**	**–**	**1,361,675**	**1,361,675**
Total	**1,361,675**	**–**	**–**	**–**	**1,361,675**	**1,361,675**
31 March, 2017						
Other financial liabilities	1,044,649	–	–	–	1,044,649	1,044,649
Total	**1,044,649**	**–**	**–**	**–**	**1,044,649**	**1,044,649**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Amount in Rs.)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above	Total	Carrying Value
Non-derivative financial assets						
31 March 2018						
Non interest rate bearing	**100,638**	**–**	**–**	**–**	**100,638**	**100,638**
Fixed interest rate bearing	**–**	**–**	**–**	**–**	**–**	
Total	**100,638**	**–**	**–**	**–**	**100,638**	**100,638**
31 March 2017						
Non interest rate bearing	41,327	–	–	–	41,327	41,327
Fixed interest rate bearing	–	–	–	–	–	
Total	**41,327**	**–**	**–**	**–**	**41,327**	**41,327**

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have significant other price risk.

Note No. 19 - Fair Value Measurement

Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1 Inputs:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. If an entity holds a position in a single asset or liability and the asset or liability is traded in an active market, the fair value of the asset or liability is measured within Level 1 as the product of the quoted price for the individual asset or liability and the quantity held by the entity, even if the market's normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

Level 2 Inputs:

Level 2 inputs are inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include:

-quoted prices for similar assets or liabilities in active markets

-quoted prices for identical or similar assets or liabilities in markets that are not active

-inputs other than quoted prices that are observable for the asset or liability, for example-interest rates and yield curves observable at commonly quoted interval

-implied volatilities

-credit spreads

-inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs')

Level 3 Inputs:

Level 3 inputs inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Trade receivables	–	–	–	–
(ii) Cash and cash equivalents	–	100,638	–	100,638
(iii) Other bank balances	–	–	–	–
(iv) Other financial assets	–	5,010	–	5,010
Total	–	**105,648**	–	**105,648**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Other financial liabilities	–	–	–	–
Total	–	–	–	–

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	41,327	–	41,327
(ii) Other financial assets	–	5,010	–	5,010
Total	–	**46,337**	–	**46,337**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Other financial liabilities	–	–	–	–
Total	–	–	–	–

Financial assets/financial liabilities	Fair value hierarchy as at 31 March, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	125	–	125
(ii) Other financial assets	–	5,010	–	5,010
Total	–	**5,135**	–	**5,135**
Financial liabilities				
Financial liabilities held at amortised cost				
(i) Other financial liabilities	–	756,710	–	756,710
Total	–	**756,710**	–	**756,710**

In terms of our report attached.

For R Jaitalia & Co.
Chartered Accountants
Firm Registration No:117246W

Mukesh Maheshwari
Partner
Membership No:49818
Place: Mumbai
Date: 17th April 2018

For and on behalf of the Board of Directors

Jayant Manmadkar (DIN-03044559)

Suhas Kulkarni (DIN-00003936)

Place: Mumbai
Date: 17th April 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Twenty Sixth Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rs. in Lakhs)

Particulars	**For the year ended 31st March, 2018**	For the year ended 31st March, 2017
Gross Income	**1.24**	1.79
Total Expenses	**17.13**	24.91
(Loss) before Interest, Depreciation and Taxation	**(15.89)**	(23.12)
Less: Depreciation	**0.03**	0.01
(Loss) for the year	**(15.92)**	(23.13)
Balance of (Loss) brought forward from earlier years	**(2466.60)**	(2443.47)
Balance carried forward	**(2482.52)**	(2466.60)

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

Further, there has been no change in the nature of business of your Company.

OPERATIONS

During the year under review, the Company registered a loss of Rs.15.92 Lakhs. This was primarily attributed to the fact that the Company had completed all project works in hand. The stress during the year was on realizations from projects where contractual remedies were sought and which are at various stages.

DIVIDEND

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

RESERVES

Loss for the year has been carried forward and no amount has been transferred to Reserves.

SHARE CAPITAL

The authorized Share Capital of your Company as on 31st March, 2018 stood at Rs. 10,00,00,000 (Rupees Ten Crores Only) comprising of 45,00,000 Equity Shares of the face value of Rs. 10 each and 5,50,000 Preference Shares of Rs 100 each. The Paid-up Share Capital as on 31st March, 2018 was Rs. 7,80,05,200 (Rupees Seven Crores Eighty Lakhs Five Thousand and Two Hundred Only) divided into 24,00,520 Equity Shares of Rs.10 each and 5,40,000 10% Non-Cumulative Redeemable Participating Preference Shares of Rs. 100 each. During the year under review the Company has not issued any shares or any convertible instruments.

The 10% Non-Cumulative Redeemable Participating Preference Shares were redeemable at par on 13th March, 2015, however since the Company has continued to incur loss during the year and as on 31st March, 2018, its accumulated losses exceeded the paid up share capital and free reserves of the Company, the same cannot be redeemed.

HOLDING COMPANY

During the year under review, your Company has become Subsidiary of Mahindra World City (Maharashtra) Limited ('MWCML') with effect from 28th December, 2017 pursuant to the Scheme of Amalgamation ("Scheme") of Kismat Developers Private Limited (one of the existing shareholder of the Company), Topical Builders Private Limited (one of the existing shareholder of the Company) and Raigad Industrial & Business Park Limited with Mahindra World City (Maharashtra) Limited and their respective shareholders and creditors as approved by the National Company Law Tribunal, Mumbai Bench becoming effective from the aforesaid date.

Currently MWCML is holding more than 50% of the share capital in the Company along with its subsidiary Deep Mangal Developers Private Limited.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year none of the companies have become or ceased to be Subsidiaries, Associates or Joint Ventures.

CONSOLIDATED FINANCIAL STATEMENTS

The requirements of consolidated financial statements are not applicable to your Company as your Company does not have any subsidiaries, associates and joint ventures.

BOARD OF DIRECTORS

The Board of Directors of your Company comprises of the following Directors:

Composition:

Sr. No.	Name of Director	DIN	Designation	Executive/ Non Executive	Independent/Non Independent
1.	Mr. Vijay Paradkar	00149410	Director	Non-Executive	Non-Independent
2.	Mr. Roshan Gandhi	00010478	Director	Non-Executive	Non-Independent
3.	Mr. Narayan Shankar	00109111	Director	Non-Executive	Non-Independent

Mr. Roshan Gandhi (DIN: 00010478) retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Mr. Narayan Shankar (DIN: 00109111) who was appointed as an Additional Director w.e.f. 29th April, 2017 was appointed at the 25th Annual General Meeting held on 27th September, 2017 as a Director of the Company.

All the Directors of your Company have given requisite declarations pursuant to Section 164 of the Companies Act, 2013 that they are not disqualified to be appointed as Directors of your Company.

Your Company is not required to constitute any mandatory Committees of the Board.

Provisions relating to Annual Evaluation of Board and Individual Directors are not applicable to your Company.

MEETINGS OF THE BOARD AND GENERAL MEETING

Your Board of Directors met four times during the year under review viz., on 29th May, 2017, 18th September, 2017, 6th December, 2017 and 29th January, 2018. The maximum interval between any two meetings did not exceed 120 days.

The attendance at the meetings of the Board was as follows:

Name of the Director	No. of meetings attended
Mr. Roshan Gandhi	4
Mr. Vijay Paradkar	4
Mr. Narayan Shankar	4

The 25th Annual General Meeting of the Company was held on 27th September, 2017. No Extra Ordinary General Meeting was held during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, your Directors based on the representation 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;

(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 and of the loss of the Company for the year under review;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(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.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by the company.

CODES OF CONDUCT

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

RISK MANAGEMENT POLICY

The Board has formulated a Risk Management Policy for the Company which identifies elements of risk, if any, which may threaten the existence of the Company and helps in managing the risks associated with the business of the Company.

Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness within the organisation and to integrate risk management within the corporate culture.

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 2 (51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Key Managerial Personnel of your Company consists of Ms. Yashashree Sumedh Ukidave as Company Secretary.

STATUTORY AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, (ICAI Firm Registration No. 105102W) were appointed as Auditors for a period of 5 years i.e. from the conclusion of the Twenty Second Annual General Meeting until the conclusion of the Twenty Seventh Annual General Meeting to be held in the year 2019, subject to ratification by the Members of the Company at every Annual General Meeting ('AGM'). In view of the same, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The Board of Directors of the Company recommends ratification of their appointment at the ensuing AGM of the Company.

M/s. B. K. Khare & Co., Chartered Accountants, have given written consent to act as Statutory Auditors of your Company if their appointment is ratified and have also confirmed that the said appointment would be in conformity with the provisions of Section 139 and Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Auditors Report does not contain any qualifications, reservations or adverse remark or disclaimer.

REPORTING OF FRAUDS

During the year under review, the Statutory Auditors have not reported any instances of frauds.

SECRETARIAL AUDITOR, INTERNAL AUDITOR AND COST AUDITOR

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

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

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

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013 are not applicable to your Company.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 AND DEPOSIT UNDER CHAPTER V OF THE COMPANIES ACT, 2013

Your Company has neither given any loan, guarantee or provided any security in connection with a loan nor made any investment pursuant to Section 186 of the Companies Act, 2013 during the year under review.

Your Company has not made any loans/advances and investment which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V applicable to the Ultimate Holding Company, Mahindra & Mahindra Limited.

Your Company has not accepted any deposits from the public or its employees during the year under review. There were no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/arrangements/transactions entered into by the Company with related parties were in the ordinary course of business and on arm's length basis. During the year under review, the Company had not entered into any contract/ arrangement/transaction with related parties which could be considered material. Hence pursuant to Section 134(3)(h) there are no transactions requiring reporting of the particulars thereof in this report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 is provided as **Annexure II** and forms part of this Report.

VIGIL MECHANISM

The provision relating to Vigil Mechanism enumerated under the Section 177 of the Companies Act, 2013 are not applicable to your Company.

INTERNAL FINANCIAL CONTROLS

The Company has laid down Internal Financial Controls with reference to the Financial Statements and these controls are adequate.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced by giving adequate training on safety and health.

SUSTAINABILITY

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

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

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

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
3. Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which, loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3) (c) of the Companies Act, 2013).
5. There is no Managing Director or Whole Time Director in your Company.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Vijay Paradkar	**Roshan Gandhi**
Director	Director

Mumbai, 24^{th} April, 2018

ANNEXURE I TO THE DIRECTORS' REPORT

PARTICULARS AS PER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

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

(A) Conservation of energy:

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

Necessary measures are taken to contain and bring about saving in power consumption, wherever practicable.

(ii) the steps taken by the company for utilizing alternate sources of energy: Not Applicable

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

(B) Technology absorption:

(i) the efforts made towards technology absorption: None

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

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

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

(C) Foreign exchange earnings and Outgo:

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

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

For and on behalf of the Board

Vijay Paradkar
Director

Roshan Gandhi
Director

Mumbai, 24th April, 2018

ANNEXURE II TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U45200MH1992PLC068846
ii)	Registration Date	30/09/1992
iii)	Name of the Company	Mahindra Construction Company Limited
iv)	Category/Sub-Category of the Company	Company Limited by Shares (Indian Non-Government Company)
v)	Address of the Registered office and contact details	Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai- 400018, Maharashtra. Tel: +9122 24905828 | Fax: +9122 2490 0833
vi)	Whether listed Company (Yes/No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	Mahindra & Mahindra Limited Regd Office: Gateway Building, Apollo Bunder, Mumbai 400001	L65990MH1945PLC004558	Ultimate Holding Company	91.66*	2(46)
2.	Mahindra Lifespace Developers Limited Regd. Office: Mahindra Towers, 5th Fl, Rd No. 13, Worli, Mumbai-400018	L45200MH1999PLC118949	Intermediate Holding	–	2(46)
3.	Mahindra World City (Maharashtra) Limited Regd. Office: Mahindra Towers, Worli, Mumbai-400018	U45309MH2005PLC156225	Immediate Holding	51.97**	2 (46)

* includes shareholding of Mahindra World City (Maharashtra) Limited and Deep Mangal Developers Private Limited which are indirect subsidiaries of Mahindra & Mahindra Limited.

** Mahindra World City (Maharashtra) Limited along with its subsidiaries Deep Mangal Developers Private Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	–	–	–	–	–	–	–	–	–
a) Individual/HUF	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt.	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	9,00,000	9,00,000	37.49	–	22,00,380	22,00,380	91.66	54.17
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	–	**9,00,000**	**9,00,000**	**37.49**	–	**22,00,380**	**22,00,380**	**91.66**	**54.17**
(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)	–	**9,00,000**	**9,00,000**	**37.49**	–	**22,00,380**	**22,00,380**	**91.66**	–
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) Body Corp.									
(i) Indian	–	13,00,390	13,00,390	54.17	–	10	10	–	(54.17)
(ii) Overseas	–	2,00,000	2,00,000	8.34	–	2,00,000	2,00,000	8.34	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	130	130	0.00	–	130	130	0.00	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	**15,00,520**	**15,00,520**	**62.51**	–	**2,00,140**	**2,00,140**	**8.34**	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	**15,00,520**	**15,00,520**	**62.51**	–	**2,00,140**	**2,00,140**	**8.34**	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	**24,00,520**	**24,00,520**	**100**	–	**24,00,520**	**24,00,520**	**100**	–

(ii) Shareholding of Promoters (Equity):

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Shareholding at the end of the year (as on 31.03.2018)			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra & Mahindra Limited	9,00,000	37.49	–	9,00,000	37.49	–	–
2.	Mahindra World City (Maharshtra) Limited*	–	–	–	10,00,380	41.67	–	100
3	Deep Mangal Developers Private Limited*	–	–	–	3,00,000	12.49	–	100
	Total	**9,00,000**	**37.49**	–	**22,00,380**	**91.66**	–	–

*Pursuant to the Scheme of Amalgamation ("Scheme") of Kismat Developers Private Limited, Topical Builders Private Limited and Raigad Industrial & Business Park Limited with Mahindra World City (Maharashtra) Limited and their respective shareholders and creditors with effect from 28th December, 2017, Mahindra World City (Maharashtra) Limited and Deep Mangal Developers Private Limited are classified as promoters of the Company.

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

Sr. No.	Name of Promoter	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
1	Mahindra & Mahindra Limited					
	At the beginning of the year	9,00,000	37.49	–	9,00,000	37.49
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	No Change				
	At the end of the year (as on 31.03.2018)	–	–	–	**9,00,000**	**37.49**
2	Mahindra World City (Maharashtra) Limited					
	At the beginning of the year	–	–	–	–	–
	(Increase): Equity Shares stood vested from Topical Builders Private Limited and Kismat Developers Private Limited on 28th December, 2017 pursuant to the Scheme of Amalgamation #	–	–	10,00,380	**10,00,380**	**41.67**
	At the end of the year (as on 31.03.2018)	–	–	–	**10,00,380**	**41.67**
3	Deep Mangal Developers Private Limited (Classified as promoter pursuant to the scheme of amalgamation#)					
	At the beginning of the year	3,00,000	12.49	–	3,00,000	12.49
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity/etc.)	No Change				
	At the end of the year (as on 31.03.2018)	–	–	–	**3,00,000**	**12.49**

The Scheme of Amalgamation ("Scheme") of Kismat Developers Private Limited, Topical Builders Private Limited and Raigad Industrial & Business Park Limited with Mahindra World City (Maharashtra) Limited and their respective shareholders and creditors with effect from 28th December, 2017.

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

Sr. No.	Name of Top Ten Shareholders	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
1.	**Topical Builders Private Limited**					
	At the beginning of the year	7,00,380	29.18	–	–	–
	Decrease: Equity Shares stood vested from Topical Builders Private Limited to Mahindra World City (Maharashtra) Limited on 28th December, 2017 pursuant to the Scheme of Amalgamation#	–	–	(7,00,380)	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	–	–
2.	**Kismat Developers Private Limited**					
	At the beginning of the year	3,00,000	12.50	–	–	–
	Decrease: Equity Shares stood vested from Kismat Developers Private Limited to Mahindra World City (Maharashtra) Limited on 28th December, 2017 pursuant to the Scheme of Amalgamation#	–	–	(3,00,000)	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	–	–
3.	**Zeus International Trade Agency Limited**					
	At the beginning of the year	2,00,000	8.33	–	2,00,000	8.33
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**2,00,000**	**8.33**
4.	**Mr. Anand Gopal Mahindra**					
	At the beginning of the year	50	0.002	–	50	0.002
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**50**	**0.002**
5.	**Mr. Arun Kumar Nanda**					
	At the beginning of the year	50	0.002	–	50	0.002
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**50**	**0.002**
6.	**Mrs. Indira Mahindra Jointly with Mr. Anand G. Mahindra**					
	At the beginning of the year	10	0.0003	–	10	0.0003
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**10**	**0.0003**
7.	**Mr. Zhooben Bhiwandiwala**					
	At the beginning of the year	10	0.0003	–	10	0.0003
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**10**	**0.0003**

Sr. No.	Name of Top Ten Shareholders	Shareholding at the beginning of the year (as on 01.04.2017)		Increase/ Decrease in No. of shares	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the company
8.	**Prudential Management & Services Private Limited jointly with Mr. M.A. Nazareth**					
	At the beginning of the year	10	0.0003	–	10	0.0003
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–	–
	At the end of the year (as on 31.03.2018)	–	–	–	**10**	**0.0003**

\# Scheme of Amalgamation ("Scheme") of Kismat Developers Private Limited, Topical Builders Private Limited and Raigad Industrial & Business Park Limited with Mahindra World City (Maharashtra) Limited as approved by the National Company Law Tribunal, Mumbai Bench effective from 28th December, 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (as on 01.04.2017)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mr. Narayan Shankar**				
	At the beginning of the year	10	0.0003	10	0.0003
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	–	–	–	–
	At the end of the year - 31.03.2018	–	–	**10**	**0.0003**

V. INDEBTEDNESS

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

(in Rs.)

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2017)				
i) Principal Amount	Nil	11,33,26,105	Nil	11,33,26,105
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**11,33,26,105**	**Nil**	**11,33,26,105**
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net change	**Nil**	**Nil**	**Nil**	**Nil**
Indebtedness at the end of the financial year (as on 31.03.2018)				
i) Principal Amount	Nil	11,33,26,105	Nil	11,33,26,105
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	**Nil**	**11,33,26,105**	**Nil**	**11,33,26,105**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

(in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross Salary	–	–
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	–	–
	(b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission - As % of Profit - Others, specify	–	–
5.	Others, please specify	–	–
	Total (A)	–	–
	Ceiling as per the Act		–

B. Remuneration of other Directors:

(in Rs.)

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Roshan Gandhi	Mr. Vijay Paradkar	Mr. Narayan Shankar	
1. Independent Directors • Fee for attending Board/Committee meetings	–	–	–	–
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total (1)	–	–	–	–
2. Other Non-Executive Directors • Fee for attending Board/Committee meetings	–	–	–	–
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total (2)	–	–	–	–
Total B = (1+2)	–	–	–	–
Total Managerial Remuneration (A+B)	–	–	–	–
Overall Ceiling as per the Act	–			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Ms. Yashashree Ukidave, Company Secretary	
1.	Gross Salary		
	(a) Salary as per provisions contained under Section 17(1) of the Income Tax Act, 1961	–	–
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission – As % of profit Others, specify...	–	–
5.	Others – Professional Fees	3,00,000	3,00,000
	Total	**3,00,000**	**3,00,000**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty			NiL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NiL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NiL		
Punishment					
Compounding					

For and on behalf of the Board

Vijay Paradkar
Director

Roshan Gandhi
Director

Mumbai, 24th April, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA CONSTRUCTION COMPANY LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of Mahindra Construction Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. 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 Act.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the Company's internal financial controls over financial reporting based on our audit.
5. 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.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting. 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 the financial statements are free from material misstatement and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
7. An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and 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 exits 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 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
8. 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 and the financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

9. A company's internal financial controls 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.

10. 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

11. 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

12. 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, and its loss (financial performance including other comprehensive income), its statement of cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

13. We draw attention to:

    a. Note 25 of the financial statements which states that the accounts are prepared on going concern basis notwithstanding accumulated losses exceed paid up share capital for the reasons detailed in the said note. The matters set forth in the said note indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as going concern.

    b. Note 27 of the financial statements. The company has not made provision for interest of Rs.84.14 Lakhs payable on unsecured loans of Rs.994.42 lakhs taken by the company which has resulted in loss for the year ended 31/03/2018 and accumulated losses up to 31/03/2018 being understated to that extent.

    Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

14. 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

15. 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. In our opinion considering nature of business, size of operation and organisational structure of the entity, 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 March 31, 2018, 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.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. During the year, 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 Registration Number 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Mumbai, April 24, 2018

"ANNEXURE A" TO THE AUDITOR'S REPORT

Referred to in paragraph 13 of our report of even date on the financial statements of **Mahindra Construction Company Limited** for the year ended March 31, 2018

1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management in accordance with a planned program of physical verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.

2 As the company did not have inventories during the year the questions of physical verification, procedures followed for such physical verification and maintenance of records do not arise.

3 The Company has not granted any loans, secured or unsecured to any of the companies, firms nor other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) (a) and (b) of the said order are not applicable to the company.

4 The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and Section 186. Therefore, para 3(iv) of the Order is not applicable to the company.

5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, para 3(v) of the Order is not applicable to the company.

6 The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

7 (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, duty of customs, value added tax, cess and other applicable statutory dues with the appropriate authorities.

(b) 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, Service Tax, duty of customs and Value Added Tax and other material statutory dues that were outstanding, at the year-end for a period of more than six months from the date they became payable.

(c) There are no disputed dues of income tax or service tax or duty of customs or value added tax which have not been deposited with the relevant authority, except as stated below:

Act under which dispute is pending and nature of dispute	**Forum**	**Amount Disputed Rs. Lakhs**
Income Tax Act, 1961 Penalty u/s 271(1)(c) relating to assessment year 2005-06	Income Tax appellate tribunal	31.88
Income tax demand related to assessment year 2015-16	Income Tax Authority	0.88

8 Based on the records examined by us and according to the information and explanations given to us, the Company has not borrowed any money from financial institution or banks or debenture holders during the year under audit.

9 In our opinion and according to the information and explanations given to us, during the year, no term loans were obtained by the Company. During the year, there were no moneys raised by way of initial public offer or further public offer.

10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees have been noticed nor have been reported during the year.

11 On the basis of examination of relevant records and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12 The Company is not a 'Nidhi Company', therefore, para 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

13 Provisions of Sections 177 of the Act are not applicable to the Company. There are no transactions during the year with related parties covered under Section 188 of the Act.

14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit, therefore, para 3(xiv) of the Order is not applicable to the company.

15 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order 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. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Shirish Rahalkar
Partner
Membership No. 111212

Mumbai, April 24, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Amount in Rs. Lakhs

	Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
I	**ASSETS**			
	NON-CURRENT ASSETS			
	(a) Property, Plant and Equipment	1	**–**	0.02
	(b) Loans	2	**2.08**	1.46
	(c) Other Non-current Tax Assets	3	**39.51**	39.24
	SUB-TOTAL		**41.59**	40.72
	Current assets			
	(a) Financials Assets			
	(i) Cash and Cash Equivalents	4	**5.58**	5.59
	(ii) Bank balances other than (ii) above	4	**12.32**	22.11
	(iii) Other financial Assets	5	**0.20**	1.80
	SUB-TOTAL		**18.10**	29.50
	TOTAL ASSETS		**59.69**	70.22
II	**EQUITY AND LIABILITIES**			
	1 EQUITY			
	(a) Equity Share capital	6	**240.05**	240.05
	(b) Other Equity	7	**(2,482.52)**	(2,466.60)
	SUB-TOTAL		**(2,242.47)**	(2,226.55)
	LIABILITIES			
	2 NON-CURRENT LIABILITIES			
	(a) Provisions		**2.90**	2.90
	SUB-TOTAL		**2.90**	2.90
	3 CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	9	**1,673.26**	1,673.26
	(ii) Trade Payables	10	**585.69**	583.03
	(iii) Other Financial Liabilities	11	**9.26**	9.39
	(b) Provisions	12	**30.42**	27.93
	(c) Other Current Liabilities	13	**0.63**	0.26
	SUB-TOTAL		**2,299.26**	2,293.87
	TOTAL		**59.69**	70.22

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

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 24th April, 2018

For and on behalf of the Board of Directors

Narayan Shankar Director

Roshan Gandhi Director

Vijay Paradkar Director

Yashashree Ukidave Company Secretary

Mumbai, 24th April, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs. Lakhs

Particulars	**Note No.**	**For the year ended 31st March 2018**	For the year ended 31st March 2017
I. Revenue from operations		**–**	–
II. Other Income	14	**1.24**	1.79
III. **Total Revenue (I + II)**		**1.24**	1.79
IV. **EXPENSES**			
(i) Personnel Expenses	15	**5.99**	10.68
(ii) Depreciation and amortisation cost	16	**0.03**	0.01
(iii) Other expenses	17	**11.14**	14.23
Total expenses (IV)		**17.16**	24.92
V. **Profit before tax (III – IV)**		**(15.92)**	(23.13)
VI. **Tax expense**			
(1) Current tax		**–**	–
(2) Deferred tax		**–**	–
Total tax expense		**–**	–
VII. **Profit for the period (V – VI)**		**(15.92)**	(23.13)
VIII. **Profit for the period attributable to:**			
Owners of the Company		**(15.92)**	(23.13)
Non controlling interests		**–**	–
IX. **Total comprehensive income for the period attributable to:**			
Owners of the Company		**(15.92)**	(23.13)
Non controlling interests		**–**	**–**
X. **Earnings per equity share:**			
(1) Basic	18	**(0.66)**	(0.96)
(2) Diluted	18	**(0.66)**	(0.96)

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

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 24th April, 2018

For and on behalf of the Board of Directors

Narayan Shankar Director

Roshan Gandhi Director

Vijay Paradkar Director

Yashashree Ukidave Company Secretary

Mumbai, 24th April, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Indirect Method)

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	**(15.92)**	(23.13)
Adjustments for:		
Depreciation	**0.03**	0.01
Interest on bank deposits	**(1.24)**	(1.79)
	(1.21)	(1.78)
Operating Profit/(Loss) before Working capital changes	**(17.13)**	(24.91)
Changes in:		
Trade and other receivables	**(0.60)**	0.62
Trade and other payables	**5.38**	(0.53)
	4.78	0.08
Cash generated from operations	**(12.35)**	(24.83)
Income taxes paid	**(0.27)**	(0.19)
NET CASH USED IN OPERATING ACTIVITIES	**(12.62)**	(25.02)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment in Bank deposits (Net)	**9.79**	(1.01)
Proceeds from sale of long-term investment		
Interest received	**2.82**	2.25
NET CASH FROM INVESTING ACTIVITIES	**12.61**	1.25
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from the issue of share capital (including share premium)		
NET CASH FROM FINANCING ACTIVITIES	**–**	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(0.01)**	(23.77)
CASH AND CASH EQUIVALENTS (see Note below)		
Opening balance	**5.59**	29.36
Closing balance	**5.58**	5.59

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018 (Contd.)

Particulars	For the year ended 31st March 2018 Rupees	For the year ended 31st March 2017 Rupees
Note:		
Cash and cash equivalents includes:		
Cash on hand	–	–
Balances with Scheduled Banks:		
(I) on Current Accounts	5.58	5.59
	5.58	5.59

Note:

Cash and cash equivalents as per Balance Sheet include fixed deposits having maturity of more than three months but less than 12 months amounting to Rs. 22.11 Lakhs (2016: 21.10 Lakhs)

In terms of our report attached

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

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 24th April, 2018

For and on behalf of the Board of Directors

Narayan Shankar Director

Roshan Gandhi Director

Vijay Paradkar Director

Yashashree Ukidave Company Secretary

Mumbai, 24th April, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

Amount in Rs. Lakhs

A. Equity share capital

As at 31st March, 2016	240.05
Changes in equity share capital during the year	–
As at 31st March, 2017	240.05
Changes in equity share capital during the year	–
As at 31st March, 2018	240.05

B. Other Equity

	Reserves and Surplus	
	General Reserve	**Total**
As at 31st March, 2016	(2,443.47)	(2,443.47)
Profit/(Loss) for the period	(23.13)	(23.13)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,466.60)	(2,466.60)
Transfers to Reserves	–	–
As at 31st March, 2017	(2,466.60)	(2,466.60)
Profit/(Loss) for the period	(15.92)	(15.92)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,482.52)	(2,482.52)
Transfers to Reserves	–	–
As at 31st March, 2018	**(2,482.52)**	**(2,482.52)**

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

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 24th April, 2018

For and on behalf of the Board of Directors

Narayan Shankar Director

Roshan Gandhi Director

Vijay Paradkar Director

Yashashree Ukidave Company Secretary

Mumbai, 24th April, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 Company overview

Mahindra Construction Company Limited is a Limited Company incorporated and domiciled in India. The Company's registered office is at Mumbai, Maharashra, India. These financial statements correspond to the stand alone financial statments of the Company.

2 Basis of preparation

a. Statement of compliance and basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2016 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act which was the previous GAAP (IGAAP).

The financial statements were approved by the Company's Board of Directors and authorised for issue on 24 April 2018

b. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values.

d. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Following are areas that involved a higher degree of estimate and judgement or complexity in determining the carrying amount of some assets and liabilities.

- useful life of property, plant and equipment and intangible assets
- estimation of define benefit obligation
- provision for warranty claims
- income taxes - current and deferred taxes
- fair value of unlisted securities
- impairment of trade receivables

Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment within the next financial year is included in relevant notes for the above items.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cashflow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset ot liability that are not based on observable market data (unobservable inputs).

4 Significant accounting policies

a. Revenue Recognition

- Dividend and interest income

  Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

  Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI

All other financial assets are subsequently measured at fair value

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 1 - Property, Plant and Equipment

Description of Assets	**Office equipment**	**Total**
I. Gross Carrying Amount		
Balance as at 1st April, 2017	0.79	0.79
Additions	–	–
Balance as at 31st March, 2018	**0.79**	**0.79**
II. Accumulated depreciation and impairment		
Balance as at 1st April, 2017	0.76	0.76
Depreciation expense for the year	0.03	0.03
Balance as at 31st March, 2018	**0.79**	**0.79**
III. Net carrying amount (I-II)	–	–

Description of Assets	**Office equipment**	**Total**
I. Gross Carrying Amount		
Balance as at 1st April, 2016	0.79	0.79
Additions	–	–
Balance as at 31st March, 2017	**0.79**	**0.79**
II. Accumulated depreciation and impairment		
Balance as at 1st April, 2016	0.75	0.75
Depreciation expense for the year	0.01	0.01
Balance as at 31st March, 2017	**0.76**	**0.76**
III. Net carrying amount (I-II)	0.02	0.02

Note No. 2 - Loans

Amount in Rs. Lakhs

Particulars	**As at 31 March 2018**	As at 31 March 2017
	Amounts	Amounts
	Non-Current	Non-Current
Security deposits		
Unsecured, considered good	**2.08**	1.46
	2.08	1.46

Note No. 3 - Other Non-current Tax Assets

Amount in Rs. Lakhs

Particulars	**As at 31 March 2018**	As at 31 March 2017
	Amounts	Amounts
	Non-Current	Non-Current
Advance income tax (net of provision)	**39.44**	39.17
Fringe Benefit Tax [Net of provisions]	**0.07**	0.07
	39.51	39.24

Note No. 4 - Cash and Bank Balances

Amount in Rs. Lakhs

Particulars	**As at 31 March 2018**	As at 31 March 2017
Cash and cash equivalents		
(a) Balances with banks	**5.58**	5.59
(b) Cash on hand	**–**	–
Total Cash and cash equivalent	**5.58**	5.59
Other Bank Balances		
(a) Balances with Banks:		
(i) Fixed Deposits with maturity greater than 3 months	**12.32**	22.11
Total Other Bank balances	**12.32**	22.11

Note No. 5 - Other Financial Assets

Amount in Rs. Lakhs

Particulars	**As at 31 March 2018**	As at 31 March 2017
	Current	Current
– Interest accrued but not due on term deposits	**0.20**	1.78
– Prepaid expenses	**–**	0.02
GRAND TOTAL	**0.20**	1.80

Note No. 6 - Equity Share Capital

Amount in Rs. Lakhs

Particulars	**As at March 31, 2018**		As at March 31, 2017	
	Nos	**Rupees**	Nos	Rupees
Authorised shares:				
Equity Shares of Rs. 10 each	**4,500,000**	**450.00**	4,500,000	450.00
	4,500,000	**450.00**	4,500,000	450.00
Issued, subscribed and fully paid-up shares:				
Equity Shares of Rs. 10 each	**2,400,520**	**240.05**	2,400,520	240.05
	2,400,520	**240.05**	2,400,520	240.05
Reconciliation of the shares outstanding at the beginning and at the end of the reporting period Equity:				
Opening Balance	**2,400,520**	**240.05**	2,400,520	240.05
Add: Issued during the year	**–**	**–**	**–**	**–**
Closing Balance	**2,400,520**	**240.05**	2,400,520	240.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(iii) Details of shares held by the parent company, the ultimate parent company, their subsidiaries and associates

Particulars	Amount in Rs. Lakhs No. of Shares Equity Shares with Voting rights
As at 31 March 2018	
Mahindra & Mahindra Limited	**9,00,000**
Mahindra World City (Maharashtra) Limited	**13,00,380**
As at 31 March 2017	
Mahindra & Mahindra Limited	9,00,000
Mahindra World City (Maharashtra) Limited	13,00,380

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

Amount in Rs. Lakhs

Class of shares/Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra & Mahindra Limited	**9,00,000**	**37.49%**	9,00,000	37.49%
Mahindra World City (Maharashtra) Limited*	**13,00,380**	**54.17%**		
Topical Builders Pvt. Ltd.			7,00,380	29.18%
Deep Mangal Developers Pvt. Ltd			3,00,000	12.50%
Kismat Developers Pvt. Ltd.			3,00,000	12.50%
Zeus International Trade Agency Ltd.	**2,00,000**	**8.33%**	2,00,000	8.33%

Terms/rights attached to equity shares

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

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after the distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

* These are shares transfer to Mahindra World City (Maharashtra) Limited in repect of scheme of merger between Mahindra World City (Maharashtra) Limited, Topical Builders Pvt. Ltd., Deep Mangal Developers Pvt. Ltd and Kismat Developers Pvt. Ltd.

Note No. 7 - Other Equity

Amount in Rs. Lakhs

	Reserves & Surplus General Reserve	Total
As at 31st March, 2016	**(2,443.47)**	**(2,443.47)**
Profit/(Loss) for the period	(23.13)	(23.13)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,466.60)	(2,466.60)
Transfers to Reserves	–	–
Balance as at 31st March, 2017	**(2,466.60)**	**(2,466.60)**
Profit/(Loss) for the period	(15.92)	(15.92)
Other Comprehensive Income/(Loss)	–	–
Total Comprehensive Income for the year	(2,482.52)	(2,482.52)
Transfers to Reserves	–	–
As at 31st March, 2018	**(2,482.52)**	**(2,482.52)**

Note No. 8 - Provisions

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Provision for compensated absences	**2.90**	2.90
	2.90	2.90

Note No. 9 - Borrowings

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Inter corporate Deposits	**1,133.26**	1,133.26
Loan-Others:		
10% Non-Cumulative Redeemable Participating Preference Shares	**540.00**	540.00
	1,673.26	1,673.26

Note No. 10 - Trade Payables

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Trade payable - Micro and small enterprises	**–**	–
Trade payable - Other than micro ans small enterprises	**585.69**	583.02
	585.69	583.02

Note No. 11 - Other Financial Liabilities

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Other Financial Liabilities	**9.26**	9.39
	9.26	9.39

Note No. 12 - Provisions

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
Provisions	**30.42**	27.93
	30.42	27.93

Note No. 13 - Other Current Liabilities

Amount in Rs. Lakhs

Particulars	As at 31 March 2018 Current	As at 31 March 2017 Current
TDS payable	**0.63**	0.26
	0.63	0.26

Note No. 14 - Other Income

Amount in Rs. Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Interest Income		
(1) Interest on Bank Deposits (at amortised cost)	**1.24**	1.79
Total Other Income	**1.24**	1.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 15 - Personnel Expenses

Amount in Rs. Lakhs

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Salaries, Wages and Bonus	**5.57**	10.03
(b)	Contribution to provident and other funds	**0.34**	0.53
(c)	Staff welfare	**0.08**	0.12
Total Personnel Expenses		**5.99**	10.68

Note No. 16 - Depreciation and amortisation cost

Amount in Rs. Lakhs

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Depreciation	**0.03**	0.01
Total Personnel Expenses		**0.03**	0.01

Note No. 17 - Other Expenses

Amount in Rs. Lakhs

Particulars			For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Auditors remuneration and out-of-pocket expenses			
	(i)	As Auditors	1.77	1.73
	(ii)	For Taxation matters	–	–
(b)	Other expenses			
	(1)	Rent	1.29	1.32
	(2)	Insurance	0.02	0.15
	(3)	Travelling Expenses	1.53	1.31
	(4)	Legal & Professional Fees	5.60	8.39
	(5)	Others	0.93	1.33
Total Other Expenses			**11.14**	14.23

Note No. 18 - Earnings per Share

Amount in Rs. Lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
	Per Share	Per Share
Basic Earnings per share	**(0.66)**	**(0.96)**
Diluted Earnings per share	**(0.66)**	**(0.96)**

Basic & Diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Amount in Rs. Lakhs

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
A.	Net Profit after tax available for equity shareholders (Rs. in Lakhs)	**(15.92)**	(23.13)
B.	Nominal value per Share (Rs.)	**10.00**	10.00
C.	Weighted Average number of Equity Shares (No.)	**24,00,520.00**	24,00,520.00
D.	Basic & Diluted Earnings per share (Re.)	**(0.66)**	(0.96)

Note No. 19 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position.

Amount in Rs. Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017
	Current	Current
Equity	**(2,242.47)**	(2,226.55)

The Company is not subject to externally enforced capital regulation.

Categories of financial assets and financial liabilities

Amount in Rs. Lakhs

As at 31 March 2017

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	**12.32**	**–**	**–**	**12.32**
Other Current Asssts	**0.20**	**–**	**–**	**0.20**
Current Liabilities				
Trade Payables	**585.69**	**–**	**–**	**585.69**

Amount in Rs. Lakhs

As at 31 March 2017

	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	22.11	–	–	22.11
Other Current Asssts	1.80	–	–	1.80
Current Liabilities				
Trade Payables	583.02	–	–	583.02

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) *Credit risk management*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned.

LIQUIDITY RISK

(i) *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

(ii) *Maturities of financial liabilities*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

The contractual maturity is based on the earliest date on which the Company may be required to pay.

Amount in Rs. Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial liabilities				
31-Mar-18				
Non-interest bearing	**585.69**	**–**	**–**	**–**
Total	**585.69**	**–**	**–**	**–**
31-Mar-17				
Non-interest bearing	583.02	–	–	–
Total	583.02	–	–	–
31-Mar-16				
Non-interest bearing	581.55	–	–	–
Total	581.55	–	–	–

(iii) *Financing arrangements*

The company does not have any undrawn borrowing facility as at year end

(iv) *Maturities of financial assets*

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Amount in Rs. Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
	INR	INR	INR	INR
Non-derivative financial assets				
31-Mar-18				
Non-interest bearing	**5.58**	**–**	**–**	**–**
Fixed interest rate instruments	**12.32**	**–**	**–**	**–**
Total	**17.90**	**–**	**–**	**–**
31-Mar-17				
Non-interest bearing	5.59	–	–	–
Fixed interest rate instruments	22.11	–	–	–
Total	27.70	–	–	–
31-Mar-16				
Non-interest bearing	29.36	–	–	–
Fixed interest rate instruments	21.10	–	–	–
Total	50.47	–	–	–

Note No. 20 - Fair Value Measurement

Fair Valuation Techiques and Inputs used - recurring Items

Amount in Rs. Lakhs

Financial assets/ financial liabilities measured at Fair value	Fair value as at 31-Mar-18	31-Mar-17	31-Mar-16	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets					
Investments					
1) Equity investments	–	–	–	–	–
Total financial liabilities	–	–	–	–	–

Fair value of financial assets and financial liabilities that are not measured at fair value

Amount in Rs. Lakhs

Particulars	31-03-2018 Carrying amount	31-03-2018 Fair value	31-03-2017 Carrying amount	31-03-2017 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– Other Current Assets	**0.20**	**0.20**	1.80	1.80
– fixed deposits	**12.32**	**12.32**	22.11	22.11
Total	**12.52**	**12.52**	23.91	23.91
Financial assets				
Financial assets carried at Amortised Cost				
– Other Current Assets	**585.69**	**585.69**	583.03	583.03
Total	**585.69**	**585.69**	583.03	583.03

Amount in Rs. Lakhs

	Fair value hierarchy as at 31 March 2018 Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– Loans & Advances	**–**	**0.20**	**–**	**0.20**
– fixed deposits	**–**	**12.32**	**–**	**12.32**
Total	**–**	**12.52**	**–**	**12.52**
Financial liabilities held at amortised cost				
– trade and other payables	**–**	**585.69**	**–**	**585.69**
Total	**–**	**585.69**	**–**	**585.69**

Note No. 21- Contingent Liability

Amount in Rs. Lakhs

	For the year ended 31 March 2018	For the year ended 31 March 2017
Penalty u/s 271(1)(C) of the Income Tax Act relating to Assessment Year 2005-06	**31.88**	31.88
Income tax demands disputed from A. Y. 2015-16 for which the Company has preferred appeal before the Appellate Authorities	**0.88**	–
Total	**31.88**	31.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No. 22 - Events after the reporting period

There are no material events occurred after the balance sheet date but before the approval of financial statements by board of directors.

Note No. 23 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Amount in Rs. Lakhs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current Tax:		
In respect of current year	–	–
Deferred Tax:		
In respect of current year	–	–
Total income tax expense on continuing operations	–	–

(d) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Amount in Rs. Lakhs

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit before tax from continuing operations	**(15.92)**	(23.13)
Income tax expense calculated at 30.90% (2016: 30.90%)	–	–
Effect of income that is exempt from taxation	–	–
Interest under section 234(B) and 234(C)	–	–
Income tax expense recognised In profit or loss from continuing operations	–	–

The tax rate used for the 31 March 2018 and 31 March 2017 reconciliations above is the corporate tax rate of 30.90% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

Note 24: Investment in New Tirupur Development Corporation Limited

The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31st March 2014 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Information forthcoming in the last few months suggest that there are likely to be delays and the possibility of NTADCL recovering its past losses does not seem very promising. In view of this, the Company has provided for its entire investment of Rs.7,00,00,000 in the equity shares of NTADCL during the year.

Note 25:

Accumulated losses of the company as on 31st March 2018 exceeds the paid up share capital of the company. Though the Company has made a provision in respect of its investment in NTADCL, there is no intention of disposing off these investments. Presently, the company is actively pursuing claims and litigations in respect of projects completed and is hopeful of recovering the claims made by it against the parties, which will be recognised as revenue in the year of receipt. The Company is exploring various business opportunities including restructuring. In the opinion of the management, the company has sufficient funds to meet day to day establishment expenses for the foreseeable future.

Having regard to the above factors, the accounts are prepared on going concern basis.

Note 26:

The 10% Non-Cumulative Redeemable Participating Preference Shares ("The Shares") were redeemable at par on 13th March 2015. The Company has continued to incur losses during the year and, as on 31st March 2018, its accumulated losses exceeded the paid up share capital and free reserves of the Company. The Company is not in a position to redeem The Shares.

Note 27:

The Company had taken unsecured loans of Rs.994.42 lakhs in earlier years. Based on the Letters for waiver of interest issued by the lenders from year to year, since 2005 the Company was not for interest payable on these loans. On 1st April 2014 the lenders of the aforesaid unsecured loans opted to call for repayment of the principal amount. Further, the lenders are not agreeable to renew the unsecured loans, despite the Company expressing its inability to repay the same because of its financial situation. Since the unsecured loans have not been renewed, no provision has been made in the accounts for interest of Rs.84.14 lakhs for the year payable on these loans.

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

Shirish Rahalkar
Partner
Member Registration No. 111212

Mumbai, 24th April, 2018

For and on behalf of the Board of Directors

Narayan Shankar	Director
Roshan Gandhi	Director
Vijay Paradkar	Director
Yashashree Ukidave	Company Secretary

Mumbai, 24th April, 2018