

## DIRECTORS' REPORT TO THE MEMBERS

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

### FINANCIAL HIGHLIGHTS

(Amount in ₹)

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

### DIVIDEND

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

### RESERVES

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

### OPERATIONS

The Company is acquiring land to set up an integrated township in Maharashtra. During the year, the Company continued land acquisition in the targeted area. Due to procedural difficulties related to various approvals required for acquisition of land, which are being sorted out, the progress in land acquisition has been slow.

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

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

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

### SHARE CAPITAL

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

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

### NON-CONVERTIBLE DEBENTURES

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

### NETWORTH

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

### HOLDING COMPANY

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

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

### BOARD OF DIRECTORS

As at 31<sup>st</sup> March, 2016, the Board of Directors comprise of the following:

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

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad, a Non-executive and Non-independent Director retires by rotation at the 9<sup>th</sup> Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

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

#### KEY MANAGERIAL PERSONNEL

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

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

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

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

#### COMMITTEES OF THE BOARD

##### AUDIT COMMITTEE

The Audit Committee comprises of two independent Directors, namely Mr. Vijay Khetan and Mr. Raghunath Murti and one Non-Executive Non-Independent Director, Ms. Sangeeta Prasad. Mr. Vijay Khetan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Financial Officer, and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Board has accepted all recommendations of the Audit Committee made from time to time.

##### CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

##### NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

#### MEETING OF INDEPENDENT DIRECTORS

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

#### PERFORMANCE EVALUATION

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

#### MEETINGS

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

16<sup>th</sup> April, 2015, 10<sup>th</sup> July, 2015, 21<sup>st</sup> October, 2015 and 19<sup>th</sup> January, 2016.

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

16<sup>th</sup> April, 2015, 10<sup>th</sup> July, 2015, 21<sup>st</sup> October, 2015 and 19<sup>th</sup> January, 2016.

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

16<sup>th</sup> April, 2015 and 21<sup>st</sup> October, 2015.

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

Sr. No.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1.	Ms. Anita Arjundas	4	–	2
2.	Ms. Sangeeta Prasad	4	4	2
3.	Mr. Raghunath Murti	3	3	1
4.	Mr. Vijay Khetan	2	2	2

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

### CODE OF CONDUCT

The Company had adopted Code of Conduct (“the Code/s”) for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company’s business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company’s ethos.

The Company has for the year under review, received declarations under the Codes from the Board members including Independent Directors of the Company affirming compliance with the respective Codes.

### DIRECTORS’ RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2016 and of the loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INTERNAL FINANCIAL CONTROLS

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

### VIGIL MECHANISM

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

### RISK MANAGEMENT

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

### AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, (ICAI Registration No: 105102W) retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint Auditors in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposed to be re-appointed as Auditors for a term of 5 years, i.e. from the conclusion of 9<sup>th</sup> Annual General Meeting upto conclusion of the 14<sup>th</sup> Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

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

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

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

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

As the Company is engaged in the business of developing Residential units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

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

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

## **DEPOSITS, LOANS AND ADVANCES**

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

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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

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

## **EMPLOYEE REMUNERATION**

Being an unlisted company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies

Act, 2013 are included in this Report as **Annexure 5** and forms part of this Report.

## **GENERAL**

- During the year, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- No fraud has been reported during the audit conducted by the Statutory Auditor of the Company.

## **CAUTIONARY STATEMENT:**

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

## **ACKNOWLEDGMENT**

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 18<sup>th</sup> April, 2016

## ANNEXURE 1

### POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

#### I. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Board**” means Board of Directors of the Company.

“**Company**” means Knowledge Township Limited.

“**Committee(s)**” means Committees of the Board for the time being in force.

“**Employee**” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“**HR**” means the Human Resource department of the Company.

“**Key Managerial Personnel**” (**KMP**) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“**Nomination and Remuneration Committee**” (**NRC**) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Senior Management**” means personnel of the Company who are/will be members of its Core Management Team/ Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

#### II. APPOINTMENT OF DIRECTORS

1. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:

- a) All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

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

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

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

#### III. REMOVAL OF DIRECTORS

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

#### IV. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Board/Chairperson based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

*Mumbai, 18<sup>th</sup> April, 2016*

## ANNEXURE 2

### POLICY FOR REMUNERATION OF THE DIRECTORS

#### I. PURPOSE

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

#### II. POLICY STATEMENT

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

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

#### III. NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

Executive Directors within the overall limits specified in the Shareholder's resolution.

#### IV. EXECUTIVE DIRECTORS:

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

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

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 18<sup>th</sup> April, 2016

## ANNEXURE 3

### POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

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

#### OBJECTIVE

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

#### STANDARDS

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

individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

*Mumbai, 18<sup>th</sup> April, 2016*

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

(i)	the steps taken or impact on conservation of energy;	:	The operations of the Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time.
(ii)	the steps taken by the Company for utilising alternate sources of energy	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	NIL

**B. TECHNOLOGY ABSORPTION**

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R&D activities during the year. The Company intends to initiate quality improvement measures at an appropriate time.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 18<sup>th</sup> April, 2016



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

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

**1. REGISTRATION AND OTHER DETAILS:**

1.	<b>CIN</b>	U72900MH2007PLC173137
2.	<b>Registration Date</b>	16/08/2007
3.	<b>Name of the Company</b>	Knowledge Township Limited
4.	<b>Category/Sub-Category of the Company</b>	Company limited by shares/ Indian Non-Government Company
5.	<b>Address of the Registered office and contact details</b>	Mahindra Towers, 5 <sup>th</sup> Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
6.	<b>Whether listed Company (Yes/No)</b>	No
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Not Applicable

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintenance service activities	813	Nil

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

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

**3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5 <sup>th</sup> 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	2,10,00,000	2,10,00,000	100	-	2,10,00,000	2,10,00,000	100	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	-	2,10,00,000	2,10,00,000	100	-	2,10,00,000	2,10,00,000	100	-

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	–	–	–	–	–	–	–	–	–
<b>2. Non-Institutions</b>									
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	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	–	–	–	–	–	–	–	–	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	–	2,10,00,000	2,10,00,000	100	–	2,10,00,000	2,10,00,000	100	–

**(ii) Shareholding of Promoters:**

Sr. No.	Shareholder's name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	2,09,99,940	100.00	–	2,09,99,940	100.00	–	–
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Ltd & Mr. Narayan Shankar	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Ltd & Mr. Jayant Manmadkar	10	0.00	–	10	0.00	–	–

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

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

**(v) Shareholding of Directors and Key Managerial Personnel:**

For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Anita Arjundas – Director</b> 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
<b>Suhas Kulkarni – Manager</b> At the beginning of the year	10*	0.00	10*	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	–	–	–	–
At the end of the year	10	0.00	10	0.00

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

**5. INDEBTEDNESS**

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

(₹ In Crore)

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

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Nil****B. Remuneration of other directors: Nil****C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director:  
None of the Key Managerial Personnel draw any remuneration from the Company.****7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 18<sup>th</sup> April, 2016

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF  
KNOWLEDGE TOWNSHIP LIMITED****Report on the Financial Statements**

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

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

2. The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of Sub-section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
11. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specifies in paragraphs 3 and 4 of the Order.

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

Chartered Accountants

Firm's Registration No. : 105102W

**Himanshu Chapsey**

Partner

Place: Mumbai

Dated: 18<sup>th</sup> April, 2016

Membership No. : 105731

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

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

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

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

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

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

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

**Himanshu Chapsey**  
Partner  
Membership No. 105731

Place: Mumbai  
Dated: 18<sup>th</sup> April, 2016

**ANNEXURE “B” TO THE AUDITOR’S REPORT**

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

- 1) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- iii) The title deeds of immovable properties are held in the name of the Company.
- 2) i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- ii) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under Section 148(1) of the Companies Act, 2013.
- 7) i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it. The provisions of Excise Duty are not applicable to the operations of the Company.
- ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year end for a period of more than six months from the date they became payable.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) Based on the audit procedures performed and as per the information and explanations given to us by management, no fraud on or by the Company has been noticed or reported during the year.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

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

**Himanshu Chapsey**  
Partner  
Membership No. : 105731

Place: Mumbai  
Dated: 18<sup>th</sup> April, 2016

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

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

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

In terms of our report attached

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

Chartered Accountants  
Firm's Registration Number 105102W

**Himanshu Chapsey**

Partner  
Membership No 105731

Place: Mumbai  
Date: 18<sup>th</sup> April, 2016

**Jasmin Suchak**  
Chief Financial Officer

**Arti Shinde**  
Company Secretary  
(ACS: 15976)

For and on behalf of the Board

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

Place: Mumbai  
Date: 18<sup>th</sup> April, 2016



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Note Ref	Current Year ₹	Previous Year ₹
<b>REVENUE</b>			
Other Income .....		-	84,270
<b>TOTAL REVENUE</b> .....		-	84,270
<b>EXPENDITURE</b>			
Operating Expenses .....	13	-	-
Depreciation and amortization expense .....	8	5,130	5,130
Other expenses.....	14	54,993	57,875
<b>TOTAL EXPENDITURE</b>		<b>60,123</b>	63,005
Profit/(Loss) before tax .....		<b>(60,123)</b>	21,265
Less : Tax expense .....		-	-
Profit/(Loss) after tax .....		<b>(60,123)</b>	21,265
Basic and Diluted .....		<b>(0.00)</b>	0.00

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

Chartered Accountants  
Firm's Registration Number 105102W

**Himanshu Chapsey**

Partner  
Membership No 105731

Place: Mumbai

Date: 18<sup>th</sup> April, 2016

**Jasmin Suchak**  
Chief Financial Officer

**Arti Shinde**  
Company Secretary  
(ACS: 15976)

For and on behalf of the Board

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

Place: Mumbai

Date: 18<sup>th</sup> April, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

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

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

For and on behalf of the Board

<b>Anita Arjundas</b>	Director	(DIN: 00243215)
<b>Vijay Khetan</b>	Director	(DIN: 00465161)
<b>Raghunath Murti</b>	Director	(DIN: 00082761)

Place: Mumbai  
Date: 18<sup>th</sup> April, 2016

## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### Note Particulars

#### 1 Corporate information

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

#### 2 Significant Accounting Policies

##### 2.1 Basis of preparation

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

##### 2.2 Use of estimates

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

##### 2.3 Inventories

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

##### 2.4 Fixed Assets

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

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

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

##### 2.5 Revenue

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

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

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

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

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

#### 2.6 Employee benefits

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

#### 2.7 Provision for Taxation

Tax expense comprises both current and deferred tax.

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

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

#### 2.8 Provisions and contingencies

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

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

#### 2.9 Borrowing Costs

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

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

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

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

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

**8 FIXED ASSETS** Amount in ₹

Description of Assets	Gross Block			Accumulated Depreciation			Net Block		
	As at 1 <sup>st</sup> April, 2015	Addition	Deduction during the year	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015	For the year	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Tangible Assets</b>									
Computers	51,683	-	-	51,683	51,683	-	51,683	-	-
Furniture & Fixture	62,703	-	-	62,703	24,471	5,130	29,601	33,102	38,232
<b>TOTAL</b>	114,386	-	-	114,386	76,154	5,130	81,284	33,102	38,232
Previous Year	114,386	-	-	114,386	71,024	5,130	76,154	38,232	43,362

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
<b>9 LONG TERM LOANS AND ADVANCES</b>			<b>13 OPERATING EXPENSES</b>		
Income Tax Payment.....	-	1,298	Opening Work In Progress 01.04.2015.....	222,735,942	222,686,966
Prepaid Expenses (Profession Tax 2016-2020) .....	8,000	-	Add : CONSUMPTION DURING 2015-16		
	<u>8,000</u>	<u>1,298</u>	Legal & Professional Fees.....	626,345	64,045
<b>10 INVENTORIES (at lower of cost and net realisable value)</b>			Liasoning/Statutory Fees.....	1,250,000	5,600
Work in progress.....	224,652,139	222,735,942	Other Expenses.....	39,852	(20,669)
(represents land and other related expenses)			TOTAL CONSUMPTION IN FY 2015-16.....	1,916,197	48,976
	<u>224,652,139</u>	<u>222,735,942</u>	LESS : CLOSING WIP 31.03.2016 .....	224,652,139	222,735,942
<b>11 CASH AND CASH EQUIVALENTS</b>				<u>-</u>	<u>-</u>
Cash on hand.....	1,364	16,364		<u>-</u>	<u>-</u>
Balances with Banks			<b>14 OTHER EXPENSES</b>		
in current accounts.....	204,458	128,090	Legal and Professional Charges	24,811	27,994
	<u>205,822</u>	<u>144,454</u>	Auditors' remuneration		
<b>12 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)</b>			Statutory Audit Fee	28,625	28,090
Advance for purchase of land.....	222,813,226	222,813,226	Other Expenses	1,557	1,791
Prepaid Expenses.....	2,000	-	Total	<u>54,993</u>	<u>57,875</u>
Advance given to Sundry Creditor .....	-	40,000			
TDS Receivable .....	580,706	580,706	<b>15</b> The particulars regarding dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. There are no dues to such parties.		
Claims recoverable .....	1,272,472	1,272,472			
	<u>224,668,404</u>	<u>224,706,404</u>			

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

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

**16b Related Party Transactions**

Note: Related parties have been identified by the Management.

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

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

**17 Earnings per share**

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

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

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

For and on behalf of the Board

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

Chartered Accountants  
Firm's Registration Number 105102W

**Himanshu Chapsey**

Partner  
Membership No 105731

Place: Mumbai

Date: 18<sup>th</sup> April, 2016

**Jasmin Suchak**  
Chief Financial Officer

**Arti Shinde**  
Company Secretary  
(ACS: 15976)

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

Place: Mumbai

Date: 18<sup>th</sup> April, 2016