

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their tenth report together with the Audited Financial Statement of your Company for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
Total Income.....	22,838	28,851
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(26,575)	(32,784)
Less: Depreciation .....	-	-
Profit/(Loss) Before Interest and Taxation .....	(26,575)	(32,784)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation .....	(26,575)	(32,784)
Less: Provision for Taxation .....	-	-
Profit/(Loss) for the year after Taxation.....	(26,575)	(32,784)
Add: Balance of Profit/(Loss) for earlier years .....	(1,13,52,635)	(1,13,19,851)
Balance carried forward .....	(1,13,79,210)	(1,13,52,635)

#### Dividend

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

#### Reserves

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

#### Operations

Your Company is looking for suitable business opportunities to undertake large format development, including residential development.

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

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

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

#### Share Capital

Authorised equity share capital of your Company is ₹ 1.50 crores and Paid-up share capital of the Company is ₹ 1.1704 crores.

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

#### Non-Convertible Debentures

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

#### Networth

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 3,51,365 and ₹ 3,24,790 respectively.

#### Holding Company

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

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

#### Corporate Social Responsibility (CSR)

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

#### Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Suhas Kulkarni (DIN: 00003936) a Non-executive and Non-independent Director retires by rotation at the 10<sup>th</sup> Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Kulkarni is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

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

#### Key Managerial Personnel

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

#### Code of Conduct

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

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

#### Meetings

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

17<sup>th</sup> April, 2014, 30<sup>th</sup> July, 2014, 13<sup>th</sup> October, 2014 and 20<sup>th</sup> January, 2015.

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

Sr. No.	Name of the Director	No of Board meetings attended
1.	Ms. Anita Arjundas	4
2.	Mr. Suhas Kulkarni	3
3.	Ms. Sangeeta Prasad	3
4.	Mr. Vijay Paradkar	4

#### Directors’ Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2015 and of the loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding

the assets of the company and for preventing and detecting fraud and other irregularities;

- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### Vigil Mechanism

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

#### Risk Management

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

#### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, were appointed as auditors for a term of five consecutive years from the conclusion of 9<sup>th</sup> Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 10<sup>th</sup> AGM till the conclusion of 14<sup>th</sup> AGM.

As required under the provisions of Section 139 (1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors whose appointment is proposed to be ratified, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

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

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

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

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

**Contracts and Arrangements with Related Parties**

During the year, the Company had not entered into any contract/arrangement/transaction with any related party. Therefore, the form AOC-2 is not applicable to the Company.

**Deposits, Loans and Advances**

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

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

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

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

Your Company does not have any Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review. To this effect the annexure in the prescribed format is attached as **Annexure 1** to this report.

**Employee Remuneration**

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

**Extract of Annual Return**

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

**General**

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

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

**Cautionary statement**

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

**Acknowledgment**

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 21<sup>st</sup> April, 2015

## ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### A. CONSERVATION OF ENERGY

- (i) the steps taken or impact on conservation of energy; : The Company is looking out for suitable opportunity in large format development and residential development and adequate energy conservation measures will be taken at an appropriate time.
- (ii) the steps taken by the company for utilising alternate sources of energy; : Not Applicable
- (iii) the capital investment on energy conservation equipments. : Not Applicable

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 21<sup>st</sup> April, 2015

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

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

**1. REGISTRATION AND OTHER DETAILS:**

1.	<b>CIN</b>	U45309MH2005PLC156225
2.	<b>Registration Date</b>	21/09/2005
3.	<b>Name of the Company</b>	Mahindra World City (Maharashtra) 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, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: 022-67478600/01 Fax: 022-24975084
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.

# The Company is looking out for suitable Business opportunities for large format development and residential developments.

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

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

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

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	-

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<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>	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	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 ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 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>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	-

**(ii) Shareholding of Promoters:**

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	1,170,340	100	–	1,170,340	100	–	–
2	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Ltd & Mr. Jayantt Manmadkar	10	0.00	–	10	0.00	–	–

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

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

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

**5. INDEBTEDNESS**

Indebtedness of the Company at the beginning of the year, during the year and at the close of the year was **Nil**.

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable**

**B. Remuneration of other directors: Not Applicable**

**C. Remuneration to Key Managerial personnel other than MD/Manager/WTD - Not Applicable**

**7 PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

**OTHER OFFICERS IN DEFAULT**

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

For and on behalf of the Board,

**Anita Arjundas**  
*Chairperson*  
DIN: 00243215

*Mumbai, 21<sup>st</sup> April, 2015*



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Mahindra World City (Maharashtra) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

- e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company does not have any pending litigations which would impact its financial position.
  - ii. the Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Himanshu Chapsey**  
Partner  
Membership Number: 105731

Place: Mumbai  
Date: 21<sup>st</sup> April, 2015

**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 9 of our report of even date on the financial statements to the Members of **Mahindra World City (Maharashtra) Limited** as at and for the year ended 31<sup>st</sup> March, 2015.

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
2. Since the Company does not have any inventory the provisions of para 3(ii) of the Order are not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms and other parties covered in the register maintained under section 189 of the Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
4. The Company did not have any operations during the year and also did not have any fixed assets or inventory. Hence, the provisions of para 3(iv) of the Order are not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of sections 73 to 76 of the Act and the Rules framed thereunder.
6. We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148 (1) of the Companies Act, 2013.
7. (i) According to the records of the Company, the Company has been regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respects of tax deducted at source were outstanding, as on 31<sup>st</sup> March, 2015, for a period of more than six months from the date they become payable.
  - (ii) There are no disputed dues outstanding as on 31<sup>st</sup> March, 2015 on account of sales tax, custom duty, income tax, excise duty, service tax, wealth tax and Cess.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. The accumulated losses of the Company exceed fifty percent of its net worth as at 31<sup>st</sup> March, 2015. The Company has incurred cash losses in the current and preceding financial year.
9. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence, the provisions of para 3(ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loans during the year ended 31<sup>st</sup> March, 2015.
12. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

For and on behalf of

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

Chartered Accountants

Firm's Registration Number 105102W

**Himanshu Chapsey**

Partner

Place: Mumbai

Date: 21<sup>st</sup> April, 2015

Membership Number: 105731

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015**

	Note Ref	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital.....	3	1,17,04,000	1,17,04,000
Reserves and surplus.....	4	(1,13,79,210)	(1,13,52,635)
		<u>3,24,790</u>	<u>3,51,365</u>
<b>Current liabilities</b>			
Other current liabilities.....	5	85,770	57,680
Total.....		<u>4,10,560</u>	<u>4,09,045</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets.....	6	1	1
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Cash and cash equivalents.....	7	3,45,885	3,52,634
Short term loans and advances.....	8	64,674	56,410
		<u>4,10,559</u>	<u>4,09,044</u>
Total.....		<u>4,10,560</u>	<u>4,09,045</u>

See accompanying notes forming part of the Financial Statements

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

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

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

For and on behalf of the Board of Directors

**Anita Arjundas** *Chairperson*

**Vijay Paradkar**  
**Suhas Kulkarni**  
**Sangeeta Prasad** } *Directors*

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

Particulars	Note Ref	Year ended 31 <sup>st</sup> March, 2015 ₹	Year ended 31 <sup>st</sup> March, 2014 ₹
<b>INCOME</b>			
Other Income .....	9	22,838	28,581
		<u>22,838</u>	<u>28,581</u>
<b>EXPENDITURE</b>			
Depreciation .....	6	-	-
Other expenses .....	10	49,413	61,365
		<u>49,413</u>	<u>61,365</u>
<b>Loss before tax</b> .....		<b>(26,575)</b>	<b>(32,784)</b>
Less : Tax expense .....		-	-
<b>Loss for the period</b> .....		<b>(26,575)</b>	<b>(32,784)</b>
<b>Earnings per equity share:</b>			
Basic & diluted .....		<b>(0.02)</b>	<b>(0.03)</b>

See accompanying notes forming part of the Financial Statements

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

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

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

For and on behalf of the Board of Directors

**Anita Arjundas** Chairperson

**Vijay Paradkar**  
**Suhas Kulkarni**  
**Sangeeta Prasad** } Directors

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
	₹	₹
<b>A. Cash flow from operating activities:</b>		
Net Loss before tax.....	(26,575)	(32,784)
Finance costs .....	(22,838)	(28,581)
Operating (loss) before working capital changes.....	(49,413)	(61,365)
Changes in working capital		
Adjustments for increase/(decrease) in operating assets		
Other current assets.....	(8,264)	(40,529)
Increase/(decrease) in current liabilities.....	28,090	28,090
	19,826	(12,439)
Cash used in Operations .....	(29,587)	(73,804)
Net cash (used in) operating activities.....	(29,587)	(73,804)
<b>B. Cash flow from investing activities:</b>		
Interest received .....	22,838	28,581
Net cash from investing activities.....	22,838	28,581
<b>Net increase/(decrease) in cash and cash equivalents (A+B).....</b>	<b>(6,749)</b>	<b>(45,223)</b>
<b>Cash &amp; cash equivalents</b>		
Opening balance.....	3,52,634	3,97,857
Closing balance.....	3,45,885	3,52,634
<b>Net increase/(decrease) in cash and cash equivalents.....</b>	<b>(6,749)</b>	<b>(45,223)</b>

See accompanying notes forming part of the Financial Statements  
In terms of our report attached

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

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

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

For and on behalf of the Board of Directors

**Anita Arjundas** *Chairperson*

**Vijay Paradkar**  
**Suhas Kulkarni**  
**Sangeeta Prasad** } *Directors*

Place : Mumbai  
Date : 21<sup>st</sup> April, 2015

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**1. Corporate information**

₹

The Company was incorporated in 2005 for development of Multi Product SEZ at Karla, Maharashtra as a Joint Venture with Maharashtra Industrial Development Corporation (MIDC). Owing to the issues faced in land acquisition in that region, MIDC has stated in their letter of January 7, 2011 that the project would not be pursued at Karla but it would work with the Company to examine the possibility of a Joint Venture project elsewhere. Accordingly, the project inventory representing cost on preliminary studies, surveys and interest have been charged off resulting in the accumulated losses eroding its networth in the previous year. The company is exploring alternate locations for the project. Since the Holding Company is committed to extending financial support to the Company for its future projects the accounts have been prepared on a "Going Concern" basis.

**2. Significant Accounting Policies**

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

**b. Fixed Assets**

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

**c. Depreciation**

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

**d. Inventories**

Inventories are valued at cost which represents expenses attributable to lands to be acquired.

**e. Taxes on Income**

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

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

**f. Provisions and contingencies**

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

**3. Share Capital**

Authorised

 15,00,000 Equity shares of ₹ 10 each **1,50,00,000** 1,50,00,000

Issued, subscribed and paid up.

 11,70,400 equity shares of ₹ 10 each fully paid up **1,17,04,000** 1,17,04,000

**1,17,04,000** **1,17,04,000**

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

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

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

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

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

	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)
Equity Shares				
At the beginning of the period	11,70,400	1,17,04,000	11,70,400	1,17,04,000
Issued during the period	–	–	–	–
Outstanding at the end of the period	11,70,400	1,17,04,000	11,70,400	1,17,04,000

₹

**As at 31<sup>st</sup> March, 2015** **As at 31<sup>st</sup> March, 2014**
**4. Reserves & Surplus**

(Deficit) in the statement of Profit and Loss

 Opening Balance **(1,13,52,635)** (1,13,19,851)

 Add: Loss for the Year **(26,575)** (32,784)

 Closing Balance **(1,13,79,210)** (1,13,52,635)

**5. Other Current Liabilities**

 Other payables **85,770** 57,680

**85,770** **57,680**

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

**6. FIXED ASSET**

TANGIBLE ASSETS

₹

	Gross block		Depreciation			Net block	
	As at 1 <sup>st</sup> April, 2014	As at 31 <sup>st</sup> March, 2015	As at 1 <sup>st</sup> April, 2014	For the year April - March 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
Computers	61,882	<b>61,882</b>	61,881	-	<b>61,881</b>	<b>1</b>	1
<b>TOTAL</b>	61,882	<b>61,882</b>	61,881	-	<b>61,881</b>	<b>1</b>	1
Previous year	61,882	<b>61,882</b>	61,881	-	<b>61,881</b>		1

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>7. Cash &amp; Cash Equivalents</b>		
Cash on hand	1,549	1,549
Balances with Bank in current account	<b>3,44,336</b>	3,51,085
	<b>3,45,885</b>	3,52,634
<b>8. Short Term Loans &amp; Advances</b>		
TDS Receivable	<b>64,674</b>	56,410
	<b>64,674</b>	56,410
<b>9. Other Income</b>		
Interest income		
Interest on deposits	<b>22,838</b>	28,581
	<b>22,838</b>	28,581
<b>10. Other Expenses</b>		
Rates and taxes	<b>4,909</b>	-
Legal and Professional Charges	<b>16,414</b>	33,275
Auditors' remuneration		
Audit Fees	<b>28,090</b>	28,090
	<b>49,413</b>	61,365

11. The particulars regarding dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**12. Related Parties**

a) Details of related parties:

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

**13. Earnings per Share**

Particulars	For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<u>Basic &amp; Diluted</u>		
Net profit/(loss) for the year (₹)	<b>(26,575)</b>	(32,784)
Weighted average number of equity shares (Nos.)	<b>11,70,400</b>	11,70,400
Par value per share (₹)	<b>10</b>	10
Earnings per share - Basic & Diluted (₹)	<b>(0.02)</b>	(0.03)

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

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

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

Chartered Accountants

Firm Registration No. 105102W

**Himanshu Chapsey**

Partner

Membership No.: 105731

Place : Mumbai

Date : 21<sup>st</sup> April, 2015

For and on behalf of the Board of Directors

**Anita Arjundas**

Chairperson

**Vijay Paradkar**

**Suhas Kulkarni**

**Sangeeta Prasad**

} Directors

Place : Mumbai

Date : 21<sup>st</sup> April, 2015