

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH, 2014

1 CORPORATE INFORMATION

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

2 SIGNIFICANT ACCOUNTING POLICIES

a Basis of Accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b Taxes on Income

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

c Provisions and contingencies

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

3. Share Capital

	As at 31 st March, 2014
Authorised	
1,00,000 Equity shares of ₹. 10 each	1,000,000
Issued, subscribed and paid up.	
50,000 equity shares of ₹.10 each fully paid up	500,000
	<u>500,000</u>

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

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

	As at 31 st March, 2014	
	No of Shares	Value of Shares
Equity Shares		
At the beginning of the period	-	-
Issued during the period	50,000	500,000
Outstanding at the end of the period	<u>50,000</u>	<u>500,000</u>

3b Terms/ Rights attached to Equity Shares

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

3c Shares held by holding Company

Particulars	No.of Share/S	%
Mahindra Lifespace Developers Ltd	50,000	100.00%
Total	<u>50,000</u>	<u>100.00%</u>

₹

As at 31st March,
2014

4 Reserves & Surplus

Surplus in Statement of Profit and Loss

Opening balance of Profit & Loss Account	-
Add: (Loss) for the Current Year	(62,699)
Closing Balance of Profit and Loss Account	<u>(62,699)</u>

5 Other Current Liabilities

Other payables	62,699
	<u>62,699</u>

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

6 Cash & cash equivalents

Bank Balances

On current account	500,000
	<u>500,000</u>

7 Other Expenses

	₹
	29 th March, 2013 To 31 st March, 2014
Rates and taxes	32,923
Legal and Professional Charges	1,686
Audit Fee	28,090
	<u>62,699</u>

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8 List of related parties:

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

Related parties are as identified by the management

	As at 31 st March, 2014
Mahindra Lifespace Developers Limited:	
Issue of Shares (₹)	500,000

9 Earnings per Share

	2013-14
Net (loss) after tax (₹)	(62,699)
Weighted average number of equity shares (Nos.)	50,000
Basic and Diluted Earnings per share (not annualised) (₹)	(1.25)
Nominal value of shares (₹)	10

- 10 In line with AS 22, Accounting for Taxes on Income, on principles of prudence, the company has not recognized the net deferred tax asset arising due to unabsorbed losses.
- 11 The Company was incorporated on 29th March 2013 and this is the first year of operation hence previous year figures are not applicable.

For B K Khare & Co.

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker

Partner
Membership No. : 44784
Place: Mumbai
Date: 17th April, 2014

For and on behalf of the Board of Directors

Jayant Manmadkar Chairman

Suhas Kulkarni Director

Place: Mumbai
Date: 17th April, 2014