

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Sixth Report together with the audited accounts of the Company for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Total Income.....	-	501
Profit /(Loss) Before Depreciation, Interest and Taxation	(134,269)	(153,681)
Less: Depreciation	17,330	10,524
Profit/(Loss) Before Interest and Taxation	(151,599)	(164,205)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation	(151,599)	(164,205)
Less: Provision for Taxation	-	-
Profit/(Loss) for the year after Taxation.....	(151,599)	(164,205)
Add: Balance of Profit /(Loss) for earlier years.....	(4,200,432)	(4,036,227)
Balance carried forward to the Balance Sheet	(4,352,032)	(4,200,432)

Operations

Your Company has started acquisition of land to set up an Integrated Township in Maharashtra. During the year, your Company continued its land acquisition process in the targeted area.

Dividend

In view of losses, your Directors do not recommend dividend for the year under review.

Capital

The Authorised Equity Share Capital of your Company is ₹ 50 crore and the paid-up equity capital of your Company is ₹ 21 crore.

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.

Directors

Mrs. Beroz Gazdar retire by rotation and being eligible offers herself for re-appointment.

Audit Committee

The Audit Committee of the Company comprises of Ms. Anita Arjundas, Mr. Brij Mohan Kataria and Mrs. Beroz Gazdar. Ms. Anita Arjundas is the Chairperson of the Audit Committee.

Audit Committee met four times during the year under review.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management and after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seeks 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 Code from the Board Members and Employees of the Company affirming compliance with the respective Codes.

Auditors

At the Extra Ordinary General Meeting held on 9th August, 2012, M/s B. K. Khare & Co., were appointed as Statutory Auditors of the Company to fill up the casual vacancy caused by the resignation of M/s. A. F. Ferguson & Co., Chartered Accountants.

M/s. B. K. Khare & Co, Chartered Accountants, Mumbai, retire as Auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion

of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224 of the Companies Act, 1956, the Company has received a written certificate from the above auditors proposed to be re-appointed, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans/Advances

The Company has not accepted deposits from the public or employees during the year under review.

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

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required

under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules made thereunder

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 p.a. during the year ended 31st March, 2013 or was employed for a part of Financial Year and was in receipt of remuneration of not less than ₹ 500,000 p.m. during any part of the year.

Acknowledgment

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

For and on behalf of the Board,

Arun Nanda
Chairman

Mumbai, 16th April, 2013

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED ON 31ST MARCH, 2013.

A. CONSERVATION OF ENERGY

- | | | |
|--|---|--|
| (a) Energy conservation measures taken | : | The operations of your Company are not energy-intensive. Adequate energy conservation measures will be taken at an appropriate time. |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy | : | Nil |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | : | Not Applicable |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : | Not Applicable |

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

- | | | |
|--|---|--|
| 1. Areas in which R & D is carried out | : | The Company has not carried out any R&D activities during the year |
| 2. Benefits derived as a result of the above efforts | : | Not Applicable |
| 3. Future Plan of action | : | This will be considered when operations on the acquired land will be undertaken. |
| 4. Expenditure on R & D | : | Nil |
| 5. Technology absorption, adaptation and innovation | : | Nil |
| 6. Imported Technology for the last 5 years | : | Nil |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no inflow or outflow of foreign exchange involved during the year under review.

For and on behalf of the Board,

Arun Nanda
Chairman

Mumbai, 16th April, 2013

AUDITOR'S REPORT

TO THE MEMBERS OF KNOWLEDGE TOWNSHIP LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **Knowledge Township Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility on the financial statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Chartered Accountants

Firm's Registration Number 105102W

Padmini Khare Kaicker

Partner

Membership Number 44784

Place: Mumbai

Dated: 16th April, 2013

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (7) of our report of even date on the accounts of Knowledge Township Limited for the year ended 31st March, 2013.

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) The company has not disposed off any of its fixed asset during the year under consideration.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
 - (b) As there are no transactions exceeding the value of ₹ five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31st March, 2013, for a period more than six months from the date they became payable.
- (ii) There are no disputed dues outstanding as on 31st March 2013 on account of sales tax, customs duty, income tax, excise duty, service tax, income tax, wealth tax and cess.
10. The accumulated losses of the Company did not exceed fifty percent of its net worth as at 31st March, 2013. The Company has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. 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.
16. 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 31st March 2013.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any 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
B. K. Khare and Co.
 Chartered Accountants
 Firm Registration No. 105102W

Padmini Khare Kaicker
 Partner
 M. No. 44784

Place: Mumbai
 Dated: 16th April, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note Ref	Current Year ₹	Previous Year ₹
EQUITY AND LIABILITIES			
Shareholders Funds			
Share capital.....	3	210,000,000	210,000,000
Reserves & Surplus.....	4	(4,352,032)	(4,200,432)
		<u>205,647,968</u>	<u>205,799,568</u>
Current Liabilities			
Short term Borrowings.....	5	186,000,000	180,600,000
Other current liabilities.....	6	51,942,818	30,955,132
Short term provisions.....	7	523,582	386,870
		<u>238,466,400</u>	<u>211,942,002</u>
TOTAL.....		<u><u>444,114,368</u></u>	<u><u>417,741,570</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets.....	8	61,165	15,792
		<u>61,165</u>	<u>15,792</u>
Long Term Loans and advances.....	9	1,298	1,298
Current Assets			
Inventories.....	10	219,810,376	193,529,694
Cash and cash equivalents.....	11	145,831	121,560
Short term loans and advances.....	12	224,095,698	224,073,226
		<u>444,051,905</u>	<u>417,724,480</u>
TOTAL.....		<u><u>444,114,368</u></u>	<u><u>417,741,570</u></u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

Padmini Khare Kaicker
Partner

Sejal Shah
Company Secretary

Place : Mumbai
Date : 16th April, 2013

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Arun Nanda Chairman

Anita Arjundas
Beroz Gazdar } Directors

Place : Mumbai
Date : 16th April, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note Ref	Current Year ₹	Previous Year ₹
REVENUE			
Other Income	13	-	501
		-	501
EXPENDITURE			
Operating Expenses	14	-	-
Employee benefit expense	15	-	-
Finance Cost	16	-	-
Depreciation and amortization expense		17,330	10,524
Other expenses	17	134,269	154,182
		151,599	164,706
Profit before exceptional and extraordinary items and tax		(151,599)	(164,205)
Exceptional Items		-	-
Profit before extraordinary items and tax		(151,599)	(164,205)
Extraordinary Items		-	-
Loss before tax		(151,599)	(164,205)
Less: Tax expense		-	-
Loss after tax		(151,599)	(164,205)
Earning per equity share:			
Basic and Diluted		(0.01)	(0.01)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

Padmini Khare Kaicker
Partner

Sejal Shah
Company Secretary

Place : Mumbai
Date : 16th April, 2013

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Arun Nanda Chairman

Anita Arjundas
Beroz Gazdar } Directors

Place : Mumbai
Date : 16th April, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Loss before tax.....	(151,599)	(164,205)
Adjustments for:		
Depreciation.....	17,330	10,524
Dividend Income	-	-
Finance Costs.....	-	-
Operating loss before working capital changes	(134,269)	(153,681)
Changes in working capital:		
<i>Adjustment for (increase)/decrease in operating assets</i>		
(Increase)/decrease in short term loans and advances	(22,472)	(24,596,464)
(Increase)/decrease in inventories.....	(26,280,682)	(63,113,616)
<i>Adjustment for increase/(decrease) in operating liabilities</i>		
Increase/(decrease) in other current liabilities	21,124,397	18,181,230
	(5,178,757)	(69,528,850)
Cash (used in) operations	(5,313,026)	(49,014,766)
Taxes paid.....		9,119
Net cash (used in) operating activities.....	(5,313,026)	(49,005,647)
B. Cash flow from investing activities:		
Purchase of Fixed Assets	(62,703)	-
Purchase of investments.....	-	-
Dividend received.....	-	-
Net cash from investing activities.....	(62,703)	-
C. Cash flow from financing activities:		
Proceeds from borrowings	5,400,000	48,500,000
Net cash from financing activities.....	5,400,000	48,500,000
Net increase/(decrease) in cash and cash equivalents	24,271	(505,647)
Cash & cash equivalents		
Opening balance.....	121,560	627,207
Closing balance.....	145,831	121,560
Net increase/(decrease) in cash and cash equivalents	24,271	(505,647)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

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

Padmini Khare Kaicker
Partner

Sejal Shah
Company Secretary

Place : Mumbai
Date : 16th April, 2013

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Arun Nanda Chairman

Anita Arjundas
Beroz Gazdar } Directors

Place : Mumbai
Date : 16th April, 2013

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1 Corporate information

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

Cost of inventory represents expenses attributable to lands acquired, related expenses for a long term project including interest.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 Cash flow statement

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

2.6 Depreciation and amortization

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956.

Accordingly Computers are depreciated at 20% which is higher than the rates specified in schedule XIV to the Companies Act, 1956.

2.7 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive it is established.

2.8 Tangible fixed assets

“Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.”

2.9 Employee benefits

Employee benefits include gratuity and compensated absences

2.10 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) and after reducing the dividend obligation (including Dividend Distribution Tax) on Preference Shares by the weighted average number of equity shares outstanding during the year.

2.11 Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, 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 recognised if there is virtual certainty that there will be sufficient future taxable income available to realize such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

2.12 Impairment of assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.13 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 (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 disclosed in the Notes.

	Current Year ₹	Previous Year ₹
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3 Share Capital

Authorised

50,000,000 equity shares of ₹ 10 each.....	500,000,000	500,000,000
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Issued, subscribed and fully paid up.

21,000,000 equity shares fully paid up of ₹10 each.....	210,000,000	210,000,000
	<u>210,000,000</u>	<u>210,000,000</u>

a. 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. 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.

c. Details of shares held by each shareholder including Holding Company, holding more than 5% of the aggregate shares in the Company :

	Current Year		Previous Year	
	No of Shares	Value of Shares (₹)	No of Shares	Value of Shares (₹)

Holding Company (100%)

Mahindra Lifespace
Developers Limited

Equity	21,000,000	210,000,000	21,000,000	210,000,000
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
4 Reserves & Surplus			6 Other Current Liabilities		
Deficit in the Statement of Profit and Loss.....			Interest Accrued but not due on Intercompany Deposits (from Holding Company repayable on demand)	51,825,298	30,839,672
Opening balance.....	(4,200,432)	(4,036,227)	Other liabilities	117,520	115,460
Add: Loss for the Current Year	(151,599)	(164,205)		<u>51,942,818</u>	<u>30,955,132</u>
Closing Balance	<u>(4,352,031)</u>	<u>(4,200,432)</u>			
5 Short Term Borrowings			7 Short Term Provisions		
Intercompany deposits from Holding company repayable on demand	186,000,000	180,600,000	Compensated absences.....	203,214	103,214
	<u>186,000,000</u>	<u>180,600,000</u>	Provision for bonus.....	320,368	283,656
				<u>523,582</u>	<u>386,870</u>

8 Fixed Assets Amount in ₹

Description of Assets	Gross Block				Accumulated Depreciation			Net Block	
	As at 1 st April, 2012	Addition	Deduction during the year	As at 31 st March, 2013	As at 1 st April, 2012	For the year	As at 31 st March, 2013	As at 31 st March, 2013	As at 31 st March, 2012
Tangible Assets									
Computers	51,683	-	-	51,683	35,891	10,527	46,418	5,265	15,792
Furniture & Fixture	-	62,703	-	62,703	-	6,803	6,803	55,900	-
TOTAL	51,683	62,703		114,386	35,891	17,330	53,221	61,165	
Previous Year	51,683	-		51,683	25,367	10,524	35,891		15,792

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
9 Long Term Loans And Advances			14 Operating Expenses		
Income Tax Payment	1,298	1,298	Opening Work In Progress 1 st April, 2012.....	193,529,694	151,083,842
	<u>1,298</u>	<u>1,298</u>	Add : CONSUMPTION DURING 2012-13		
10 Inventories			Land	-	17,022,468
(at lower of cost and Net realisable value)			Employee Remuneration	2,729,228	2,394,916
Work in progress.....	219,810,376	193,529,694	Staff Welfare	14,148	14,208
(represents land and other related expenses)			Interest On Intercompany Loan.....	23,317,362	20,667,765
	<u>219,810,376</u>	<u>193,529,694</u>	Repairs & Maintenance Others.....	14,000	-
11 Cash and Cash Equivalents			Insurance Expenses - Others.....	-	661
Cash on hand	12,432.00	-	Telephone Expenses - Mobile.....	26,093	21,679
Balances with Banks			Telephone Expenses-Leased Lines/Internet/VSAT.....	4,382	10,915
in current accounts.....	133,399	121,560	Travelling Expenses Domestic - Fare.....	55,840	84,316
	<u>145,831</u>	<u>121,560</u>	Travelling Expenses Domestic - Lodging/Boarding.....	29,288	44,329
12 Short Term Loans And Advances (Unsecured, considered good)			Conveyance.....	31,079	46,157
Advance for purchase of land.....	222,813,226	222,813,226	Printing & Stationery	43,547	39,712
Advance given to employees.....	10,000	10,000	Legal Fees	-	19,680
Claims recoverable	1,272,472	1,250,000	Professional Fees.....	-	1,975,055
	<u>224,095,698</u>	<u>224,073,226</u>	Professional Fees - Retainers Fees	-	80,500
13 Other Income			Liasoning /Statutory Fees	1,750	-
Interest on Income Tax refund	-	501	Advertisement Expenses - Print Media/Leaflets	-	14,720
Dividend from Mutual Funds	-	-	Bank Charges - Others.....	2,808	380
	<u>-</u>	<u>501</u>	News papers, Books & Periodicals	6,916	2,235
			Gen & Misc Exp - Sundries/Others	4,241	6,155
			TOTAL CONSUMPTION IN FY 2012-13.....	<u>26,280,682</u>	<u>42,445,851</u>
			LESS : CLOSING WIP 31st March, 2013.....	<u>219,810,376</u>	<u>193,529,694</u>
				<u>-</u>	<u>-</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Current Year ₹	Previous Year ₹
15 Employee Benefit Expense		
Salaries, wages and bonus	2,729,228	2,394,916
Staff welfare	14,148	221,604
	<u>2,743,376</u>	<u>2,616,520</u>
Less: Allocated to Projects	(2,743,376)	(2,616,520)
	<u>-</u>	<u>-</u>
16 Finance Costs		
Interest on Inter Corporate deposits	23,317,362	20,667,765
Less: Allocated to Projects	(23,317,362)	(20,667,765)
	<u>-</u>	<u>-</u>
17 Other Expenses		
Rates and taxes	-	1,010
Legal and Professional Charges	19,849	8,273
Auditors' remuneration		
Audit Fee	114,420	100,000
For Other services	-	10,300
Reimbursement of expenses/levies ...	-	2,031
Other Expenses	-	32,568
	<u>134,269</u>	<u>154,182</u>

18 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.

19 Related Party Transactions

a List of Related Parties

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

Note: Related parties have been identified by the Management.

b Related Party Transactions

Details of related party transactions during the year ended 31st March, 2013 and balances outstanding as at 31st March, 2013:

	Current Year ₹	Previous Year ₹
Mahindra Lifespace Developers Ltd		
Inter Corporate Deposit taken	5,400,000	48,500,000
Interest on Inter Corporate Deposit	23,317,362	20,667,765
Outstanding Payables as at the year end	237,825,298	211,439,672

20 Earnings per share

Particulars	Current Year	Previous Year
Basic and Diluted:		
Net loss for the year (₹)	(151,599)	(164,205)
Weighted average number of equity shares (Nos.)	21,000,000	21,000,000
Par value per share (₹)	10	10
Earnings per share (₹)	(0.01)	(0.01)

21 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.

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

For and on behalf of
B.K.Khare & Co
Chartered Accountants

For and on behalf of the
Board of Directors
Arun Nanda Chairman

Padmini Khare Kaicker
Partner

Sejal Shah
Company Secretary

Anita Arjundas Beroz Gazdar } Directors

Place : Mumbai
Date : 16th April, 2013

Place : Mumbai
Date : 16th April, 2013

Place : Mumbai
Date : 16th April, 2013