

DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL RESULTS

(Amount in Rupees)

	2013	2012
Income	809,685	1,146,712
(Loss) before Depreciation and Taxation	(2,153,650)	(5,536,187)
Less: Depreciation	11,698	12,260
(Loss) before Taxation	(2,165,348)	(5,548,447)
Less: Provision for Taxation		
Current Tax	-	-
(Excess) provision for tax relating to prior years	(119,356)	-
Deferred Tax	98,461	112,721
(Loss) after Taxation	(2,144,453)	(5,661,168)
Profit brought forward from previous year	4,153,616	9,814,784
Balance carried to Balance Sheet	2,009,163	4,153,616

OPERATIONS

During the year under review, your Company's income has decreased to Rs. 8.10 lakhs as compared to Rs. 11.47 lakhs in the previous year.

The Company had earlier issued notice of termination of Municipal Solid Waste agreement to Tirumala Tirupati Devasthanam (TTD) due to non-fulfilment of obligations on the part of TTD.

During the year, the Company and TTD had several rounds of discussion regarding recommencement of plant operations under modified terms of agreement after due consideration of the issues involved in ensuring sustained operations of the plant.

DIVIDEND

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

DIRECTORS

Mr. B. Suresh and Ms. Anita Arjundas, retire by rotation at the forthcoming Annual General Meeting, and being eligible, offers themselves for re-appointment.

AUDIT COMMITTEE

The Audit Committee presently comprises of Mr. S. Venkatraman (Chairman of the Committee), Mr. A. K. Nanda and Ms. Anita Arjundas.

The Audit Committee met twice during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (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 March 31, 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.

CODES OF CONDUCT

The Company had adopted Codes of Conduct ('Codes') for its Directors and 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 Directors, Members, the Senior Management and Employees of the Company affirming compliance with the respective Codes.

AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, Mumbai retire as Auditors at the forthcoming Annual General Meeting. The members will be required to re-appoint auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received written certificate from the above Auditors 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 any deposits from the public or employees during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement executed by 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.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced by its various initiatives on safety awareness, health surveys of employees etc. The health survey of site personnel is conducted once in a year. The persons working at site are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied by your Company.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND RULES FRAMED THEREUNDER

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

For and on behalf of the Board

A.K. 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 31st MARCH, 2013.

CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

During the year, the Company has taken the following initiative:

Used High pressure Sodium vapour lamps and metal halide lamps for getting high efficiency. These lamps have power saving features.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in reduction of Energy consumption.

(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

TECHNOLOGY ABSORPTION

Research & Development (R&D)

- | | |
|--|-------------------------------|
| 1. Areas in which R & D is carried out | : None |
| 2. Benefits derived as a result of the above efforts | : Not Applicable |
| 3. Future Plan of action | : Further quality improvement |
| 4. Expenditure on R & D | : Nil |
| 5. Technology absorption, adaptation and innovation | : None |
| 6. Imported Technology for the last 5 years | : None |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012 - 13
Total Foreign Exchange earned	Nil
Total Foreign Exchange used	Nil

For and on behalf of the Board

A.K. Nanda
Chairman

Mumbai, 16th April, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The 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 Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 the 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 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 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 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:

- (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 the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 25 of "Notes forming part of the financial statements" wherein no provision has been made for investment of ₹ 150,000,000 in New Tirupur Area Development Corporation Limited (NTADCL) in view of the revival of the operations being taken by the stakeholders of NTADCL.

Our opinion is not qualified in respect of this matter.

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 in terms of Section 227(4A) 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 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 Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 117365W)

(A. C. Khanna)
(Partner)

Place: Mumbai
Date: 16th April, 2013

(Membership No. 17814)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses (vi), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) are not applicable to the Company.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) No physical verification of fixed assets was carried out by the Management during the year. The Company has a system of verifying the fixed assets once in every three years. The last physical verification was done in March, 2012. In our opinion, the frequency of verification of fixed assets is at reasonable intervals.
- (c) During the year, the Company has not disposed any part of its fixed assets.
- (iii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. However, in respect of interest of ₹ 0.29 Lakh accrued and due on unsecured loan granted in prior years, it has been provided for as a doubtful advance in the Accounts for the year ended 31st March, 2008.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. There are no sales of services during the year. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956, particulars of which need to be entered in the register required to be maintained under that section. As there are no such contracts or arrangements, paragraph 4(v)(b) of the Order is not applicable.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) As represented to us by the Management, the Companies (Cost Accounting Record) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 is applicable to the Company. We have broadly reviewed the cost records maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there are no dues of Income-tax, Service Tax and Cess which have not been deposited as on 31st March, 2013 on account of any disputes.
- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.117365W)

(A. C. Khanna)
(Partner)

Place: Mumbai
Date: 16th April, 2013

(Membership No. 17814)

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at	
		31 st March 2013	31 st March 2012
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share capital	3	180,000,000	180,000,000
(b) Reserves and surplus	4	2,009,163	4,153,616
		<u>182,009,163</u>	<u>184,153,616</u>
2 Non-current liabilities:			
(a) Deferred tax liabilities (Net)	22	5,340,160	5,241,699
3 Current liabilities:			
(a) Trade payables.....	5	9,996,486	10,094,493
(b) Other current liabilities.....	6	861,888	907,875
(c) Short-term provisions.....	7	4,950,148	4,172,555
		<u>15,808,522</u>	<u>15,174,923</u>
TOTAL		<u>203,157,845</u>	<u>204,570,238</u>
B ASSETS			
1 Non-current assets:			
(a) Fixed assets			
Tangible assets.....	8	19,795,445	19,807,143
(b) Non-current investments.....	9	150,749,990	150,749,990
(c) Long-term loans and advances.....	10	2,323,104	2,258,199
		<u>172,868,539</u>	<u>172,815,332</u>
2 Current assets:			
(a) Inventories	11	1,538,717	1,715,114
(b) Trade receivables	12	22,113,421	22,113,421
(c) Cash and cash equivalents	13	2,325,590	6,656,590
(d) Short-term loans and advances	10	4,198,032	930,265
(e) Other current assets	14	113,546	339,516
		<u>30,289,306</u>	<u>31,754,906</u>
TOTAL		<u>203,157,845</u>	<u>204,570,238</u>

See accompanying notes forming part of the financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A. C. Khanna
Partner

Place : Mumbai
Date : 16th April 2013

For and on behalf of the Board of Directors

A. K. Nanda Chairman

S. Venkatraman Directors

Place: Mumbai
Date: 16th April 2013

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

Particulars	Note No.	For the year	For the year
		ended 31 st March 2013 ₹	ended 31 st March 2012 ₹
A CONTINUING OPERATIONS:			
1 Revenue from operations (gross).....		-	-
Less: Excise duty		-	-
Revenue from operations (net).....		-	-
2 Other income.....	15	557,685	894,712
3 Total revenue (1+2)		557,685	894,712
4 EXPENSES			
Employee benefits expense	16	804,726	640,379
Depreciation expense	8	11,698	12,260
Other expenses	17	592,898	687,237
Total expenses		1,409,322	1,339,876
5 Loss before taxation (3-4).....		(851,637)	(445,164)
6 Tax expense:			
Current tax.....		-	-
(Excess) provision for tax relating to prior years.....		(119,356)	-
Deferred tax.....	22	(3,509)	(3,523)
		(122,865)	(3,523)
7 Loss from continuing operations (5-6).....		(728,772)	(441,641)
B Discontinuing operations:			
8 (i) Loss from discontinuing operations (before tax).....	23	(1,313,711)	(5,103,283)
(ii) Tax expense of discontinuing operations - deferred tax		101,970	116,244
9 Loss from discontinuing operations [8(i)-8(ii)]		(1,415,681)	(5,219,527)
C Total operations:			
10 Loss for the year (7+9)		(2,144,453)	(5,661,168)
11 Earnings per share (of ₹ 10 each)	21		
(a) Basic:			
Continuing operations.....		(0.04)	(0.02)
Total operations.....		(0.12)	(0.31)
(b) Diluted:			
Continuing operations.....		(0.04)	(0.02)
Total operations.....		(0.12)	(0.31)

See accompanying notes forming part of the financial statements
In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A. C. Khanna
Partner

Place : Mumbai
Date : 16th April 2013

For and on behalf of the Board of Directors

A. K. Nanda Chairman

S. Venkatraman Directors

Place : Mumbai
Date : 16th April 2013

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

Particulars	For the year ended 31 st March 2013 ₹	For the year ended 31 st March 2012 ₹
A Cash flow from operating activities:		
Net loss before taxation	(851,637)	(445,164)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense.....	11,698	12,260
Interest income.....	(557,475)	(549,762)
Income taxes (paid)/refund.....	(55,750)	1,615,260
Changes in		
Trade and other receivables	-	(140,936)
Trade and other payables.....	633,656	880,200
Net cash (used in)/from continuing operations	(819,508)	1,371,859
Net cash (used in) discontinued operations.....	(1,007,375)	(344,136)
Net cash (used in)/from operating activities	(1,826,883)	1,027,723
B Cash flows from investing activities:		
Purchase of fixed assets.....	-	(84,463)
Inter corporate deposits.....	(3,000,000)	-
Interest received.....	495,883	389,331
Bank balance not considered as Cash and cash equivalents (Net)	-	(24,249)
Net cash (used in)/from continuing operations	(2,504,117)	280,619
Net cash (used in)/from discontinued operations	-	-
Net cash from investing activities.....	(2,504,117)	280,619
C Cash flows from financing activities:		
Net cash from continuing operations	-	-
Net cash from discontinued operations	-	-
Net cash from financing activities.....	-	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(4,331,000)	1,308,342
Cash and cash equivalents at the beginning of the year	6,345,533	5,037,192
Cash and cash equivalents at the end of the year	2,014,533	6,345,533
Reconciliation of Cash and cash equivalents with Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Note 13)	2,325,590	6,656,590
Less: Bank balance not considered as Cash and cash equivalents in earmarked account		
balance held as margin money.....	311,057	311,057
Cash and cash equivalents at the end of the year.....	2,014,533	6,345,533

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

A. C. Khanna
Partner

Place : Mumbai
Date : 16th April 2013

For and on behalf of the Board of Directors

A. K. Nanda Chairman

S. Venkatraman Directors

Place : Mumbai
Date : 16th April 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10 May, 2001 under the provisions of Companies Act, 1956. The Company is engaged in manufacturing and selling of Bio Manure.

2. Significant accounting policies

a) 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 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) Fixed Assets

(i) All Fixed Assets are carried at cost less depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying assets upto the date the asset is ready for use.

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

(ii) Depreciation on assets is calculated on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except depreciation on building which is provided at 4.75% p. a. on the SLM. (Refer note 23)

c) Investments

Long-term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

d) Inventories

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

e) Revenue Recognition

Management fees arising from projects developed by the Company, is accounted in the year in which such income is established as receivable and is disclosed net of service tax charged to the Client which in turn is paid/payable to the Government.

Sales of products are recognised when the products are dispatched.

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

Interest Income is accounted for on time proportion basis.

f) Income Taxes

Current tax is determined as the amount of tax payable in respect of taxable income or Minimum Alternative Tax (MAT) computed on book profits for the year. Tax credit on MAT is recognised in a subsequent year when the tax obligation is recognised on taxable income. 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 are recognised only to the extent that there is virtual certainty, supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

g) Segment reporting

The Company has a single reportable segment namely development of infrastructure projects and infrastructure related services for the purpose of Accounting Standard 17 on Segment Reporting.

3. Share capital

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Number of shares	₹	Number of shares	₹
Authorised Equity shares of ₹ 10 each with voting rights	20,000,000	200,000,000	20,000,000	200,000,000
	<u>20,000,000</u>	<u>200,000,000</u>	<u>20,000,000</u>	<u>200,000,000</u>
Issued, subscribed and fully paid-up shares Equity shares of ₹ 10 each	18,000,000	180,000,000	18,000,000	180,000,000
	<u>18,000,000</u>	<u>180,000,000</u>	<u>18,000,000</u>	<u>180,000,000</u>
Notes (i) to (iv) below				
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:				
Opening balance	18,000,000	180,000,000	18,000,000	180,000,000
Add: Issued during the year	–	–	–	–
Less: Buy back during the year	–	–	–	–
Closing balance	<u>18,000,000</u>	<u>180,000,000</u>	<u>18,000,000</u>	<u>180,000,000</u>

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 st March 2013	As at 31 st March 2012
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominee	18,000,000	18,000,000

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

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited	17,999,994	99.99997%	17,999,994	99.99997%

Particulars	As at 31 st March 2013	As at 31 st March 2012
	₹	₹

4. Reserves and surplus

Surplus in the Statement of Profit and Loss		
Opening balance	4,153,616	9,814,784
Add: Loss for the year	(2,144,453)	(5,661,168)
Closing balance	<u>2,009,163</u>	<u>4,153,616</u>

5. Trade payables

(a) Total outstanding dues of Micro and small enterprises (Note 19)	–	–
(b) Total outstanding dues of Other than micro and small enterprises	9,996,486	10,094,493
	<u>9,996,486</u>	<u>10,094,493</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at		Particulars	As at	
	31 st March 2013	31 st March 2012		31 st March 2013	31 st March 2012
	₹	₹		₹	₹
6. Other current liabilities			7. Short term provisions		
Other payables			Provision-Others		
Employees' state insurance payable	1,106	1,106	Provision for income tax including fringe benefit tax (net of advance tax).....	5,787	115,988
Provident fund payable	3,331	3,330	Provision for Diminution in the value of business unit.....	4,944,361	4,056,567
Service tax payable.....	726,768	726,768		4,950,148	4,172,555
Tax deducted at source payable.....	130,683	176,671			
	861,888	907,875			

8. Fixed assets

Tangible assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 1 st April 2012	Addition	Disposal	Balance as at 1 st April 2012	For the year	Other adjustments	Balance as at 31 st March 2013	Balance as at 31 st March 2013	Balance as at 31 st March 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Building	3,158,995	–	–	3,158,995	314,363	–	314,363	2,844,632	2,844,632
Plant and equipment	19,482,323	–	–	19,482,323	2,593,778	1,260	2,595,038	16,887,285	16,888,545
Furniture and fixtures	28,189	–	–	28,189	17,933	–	17,933	10,256	10,256
Vehicles	96,000	–	–	96,000	48,371	–	48,371	47,629	47,629
Office equipment	9,500	–	–	9,500	9,500	–	9,500	–	–
Computer	135,277	–	–	135,277	119,196	10,438	129,634	5,643	16,081
Total	22,910,284	–	–	22,910,284	3,103,141	11,698	3,114,839	19,795,445	19,807,143
Previous year	22,825,821	84,463	–	22,910,284	3,090,881	12,260	3,103,141	19,807,143	

Particulars	As at 31 st March 2013		As at 31 st March 2012	
	Number of shares	₹	Number of shares	₹
9. Non-current investments				
Long-term Investments (At cost, unless otherwise specified):				
Non-trade and fully paid-up unless otherwise specified				
(a) Investment in equity instruments - unquoted of joint ventures				
₹ 10 per share in Mahindra Inframan Water Utilities Private Limited	24,999	249,990	24,999	249,990
₹ 10 per share in Mahindra Water Utilities Limited	50,000	500,000	50,000	500,000
of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	500	5,000	500	5,000
of other entity				
₹ 10 per share in New Tirupur Area Development Corporation Limited (Note 25)	15,000,000	150,000,000	15,000,000	150,000,000
		150,754,990		150,754,990
Less: Provision for diminution in value of investment		5,000		5,000
Sub total		150,749,990		150,749,990
(b) Investment in preference shares - unquoted of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	238,500	2,385,000	238,500	2,385,000
Less: Provision for diminution in value of investment		2,385,000		2,385,000
Sub total		–		–
Total		150,749,990		150,749,990
Aggregate amount of unquoted investments (net of provisions)		150,749,990		150,749,990

Particulars	Non-current		Current	
	As at 31 st March 2013	As at 31 st March 2012	As at 31 st March 2013	As at 31 st March 2012
	₹	₹	₹	₹
10. Loans and advances				
Unsecured, considered good				
(a) Security deposits	126,200	126,200	–	–
(b) Loans and advances to related party				
Inter-corporate deposits (including interest receivable)			3,287,562	–
(c) Advance income tax including fringe benefit tax (net of provision)	2,196,904	2,131,999		
(d) Prepaid expenses	–	–	11,235	11,030
(e) Balance with government authorities (service tax credit receivable)	–	–	899,235	899,235
(f) Advance to staff	–	–	–	20,000
Unsecured, considered doubtful				
(g) Inter-corporate deposits (representing interest)	–	–	29,392	29,392
Less: Provision for doubtful loans and advances	–	–	29,392	29,392
	2,323,104	2,258,199	4,198,032	930,265

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 st March 2013 ₹	As at 31 st March 2012 ₹
11. Inventories		
At lower of cost and net reliable value		
Finished goods	1,460,822	1,637,219
Packing materials.....	77,895	77,895
	<u>1,538,717</u>	<u>1,715,114</u>
12. Trade receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	22,113,421	22,113,421
	<u>22,113,421</u>	<u>22,113,421</u>
13. Cash and cash equivalents		
Balances with banks		
in current accounts.....	86,617	177,245
in term deposit accounts	1,927,916	6,168,288
in earmarked account		
balance held as margin money	311,057	311,057
	<u>2,325,590</u>	<u>6,656,590</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	2,014,533	63,45,533
14. Other current assets		
Interest accrued but not due on term deposit accounts	113,546	339,516
	<u>113,546</u>	<u>339,516</u>
15. Other income		
Interest income on		
Bank deposits.....	237,959	549,762
Interest on inter-corporate deposits.....	319,516	-
Income tax refund.....	-	314,950
Other non-operating income.....		
Excess provision written back.....	-	30,000
Miscellaneous income	210	-
	<u>557,685</u>	<u>894,712</u>
16. Employee benefits expenses		
Secondment Charges (including service tax for current year)	783,374	618,000
Staff welfare	21,352	22,379
	<u>804,726</u>	<u>640,379</u>
17. Other expenses		
Professional charges.....	269,906	376,500
Stamp and filing fees.....	1,248	1,240
Sundry balances written off.....	-	21,743
Payment to auditors (Note below).....	309,664	272,300
General and miscellaneous expenses.....	12,080	15,454
	<u>592,898</u>	<u>687,237</u>

Note

Payment to auditors (including service tax for current year):	For the year ended 31 st March 2013 ₹	For the year ended 31 st March 2012 ₹
For audit	308,990	242,000
For other service	-	30,000
Reimbursement of expenses	674	300
	<u>309,664</u>	<u>272,300</u>

18. Contingent liabilities (to the extent not provided for)
 Guarantee/Counter Guarantee given by the Company:

Amount in ₹

	Amount of Guarantee		Amount outstanding		Maximum liability of the Company	
	2013	2012	2013	2012	2013	2012
For Joint Venture Company	180,000,000	180,000,000	180,000,000	180,000,000	90,000,000	90,000,000

19. Disclosures required under section 22 of Micro, Small and Medium Enterprises Development Act, 2006

No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31 March, 2013 and hence the disclosures as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

20. Related party transactions

The Company has given the following relevant disclosures in pursuance of the Accounting Standard 18 "Related Party Disclosures" The Company has given the following relevant disclosures in pursuance of the Accounting Standard 18 "Related Party Disclosures"

List of related parties with whom the Company has transactions:

Enterprises Controlling the Company

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

Fellow Subsidiary

1	Mahindra Consulting Engineers Limited
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Joint Ventures

1	Mahindra Water Utilities Limited	2	Mahindra Inframan Water Utilities Private Limited
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Details of transactions with related parties during the year and balance as on 31st March 2013

Amount in ₹

Transactions with related parties during the year

Nature of transactions	Enterprises controlling the Company		Fellow Subsidiary	Joint Venture (Mahindra Water Utilities Limited)
	Controlling Company	Holding Company		
Interest income	-	-	-	319,516
	(-)	(-)	(-)	(-)
Sale of goods	-	-	252,000	-
	(-)	(-)	(252,000)	(-)
Expenses	-	783,374	-	-
	(-)	(618,000)	(918,492)	(-)
Inter-corporate deposit given	-	-	-	3,000,000
	(-)	(-)	(-)	(-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Balance as on 31st March 2013

Nature of transactions	Enterprises controlling the Company		Fellow Subsidiary	Joint Venture (Mahindra Water Utilities Limited)
	Controlling Company	Holding Company		
Maximum liability to the Company in respect of guarantee outstanding	-	-	-	90,000,000
	(-)	(-)	(-)	(90,000,000)
Receivables	-	-	-	21,913,260
	(-)	(-)	(-)	(21,913,260)
Payables	946,989	6,617,849	-	-
	(946,989)	(5,912,812)	(883,122)	(-)
Inter-corporate deposits (including interest receivable)	-	-	-	3,287,562
	(-)	(-)	(-)	(-)

1. Previous year's figures are in brackets and italics.
2. During the year there were no amounts required to be written off and written back from such parties.
3. Related parties have been identified by the Management.

21. Computation of "Earnings Per Share"

The computation of the "Earnings per share" in line with Accounting Standard 20 is as under:

Particulars	For the year ended 31 st March 2013	For the year ended 31 st March 2012
Net loss after tax available for equity shareholders (₹)	(2,144,453)	(5,661,168)
Nominal value per share (₹)	10	10
Weighted average number of equity shares (No.)	18,000,000	18,000,000
Basic earnings per share (Re.)		
Continuing operations	(0.04)	(0.02)
Total operations	(0.12)	(0.31)
Total weighted average number of equity shares (No.)	18,000,000	18,000,000
Diluted earnings per share (Re.)		
Continuing operations	(0.04)	(0.02)
Total operations	(0.12)	(0.31)

22. Deferred tax liabilities (Net)

Particulars	As at 31 st March 2013 ₹	As at 31 st March 2012 ₹
Deferred tax liability		
Difference between book depreciation and tax depreciation	5,349,242	5,250,781
	5,349,242	5,250,781
Deferred tax assets		
Provision for doubtful loans and advances	9,082	9,082
	9,082	9,082
Deferred tax liabilities (Net)	5,340,160	5,241,699

23. Discontinuing Operations:

For the Solid Waste Treatment Agreement on 17 January, 2003 ("the Agreement") executed with Tirupati Temple Devasthanam (TTD) for operating a solid waste treatment plant ("the project") at Tirupati, the Company has terminated the Agreement with effect from 19 June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the agreement. The project has not been operating since the termination. Accordingly no depreciation on the facilities has been provided since 20 June, 2009. The particulars of the facilities as on 20 June, 2009 to be transferred to TTD on acceptance of the termination by them are given below:

Amount in ₹

Description of assets	Written down value of the assets
Building	2,844,632
Plant & Machinery and Office equipment	16,881,474
Computer	4,782
Furniture and fixtures	10,256
Vehicles	47,629
Total	19,788,773

The carrying amount of current assets pertaining to the above discontinuing operation is ₹ 1,876,313 (2012: ₹ 2,072,505) and its current liabilities is ₹ 7,035,290 (2012: ₹ 6,925,146).

The following statement shows the revenue and expenses of the continuing and the above discontinuing operation of the Company

Amount in ₹

Particulars	Continuing operations		Discontinuing operations		Total	
	2013	2012	2013	2012	2013	2012
Income	557,685	894,712	252,000	252,000	809,685	1,146,712
Raw materials & finished products	-	-	(176,397)	(176,403)	(176,397)	(176,403)
Personnel expenses	(804,726)	(640,379)	(245,155)	(242,399)	(1,049,881)	(882,778)
Other expenses	(592,898)	(687,237)	(256,365)	(879,914)	(849,263)	(1,567,151)
Depreciation expense	(11,698)	(12,260)	-	-	(11,698)	(12,260)
Diminution in the value of business unit	-	-	(887,794)	(4,056,567)	(887,794)	(4,056,567)
Loss for the year before taxation	(851,637)	(445,164)	(1,313,711)	(5,103,283)	(2,165,348)	(5,548,447)

24. Information pertaining to Joint Ventures

The company's share of the assets, liabilities, income and expenses of the jointly controlled entities for the year ended 31st March 2013 are as follows:

Amount in ₹

Name of Joint Venture	2013		2012	
	Mahindra Water Utilities Limited	Mahindra Inframan Water Utilities Private Limited	2013	2012
	Unaudited		Unaudited	
% of interest	50%	50%	50%	50%
Country of incorporation	India	India	India	India
Non-current liabilities	1,674,237	1,350,242	-	-
Current liabilities	43,577,051	54,346,776	11,056	11,581
Non-current assets	162,590,242	143,167,653	41,282	69,502
Current assets	74,674,615	76,331,515	354,144	373,722
Revenue	77,522,971	61,669,047	31,107	26,864
Employee benefits expense	20,920,331	18,621,251	-	-
Finance costs	1,312,040	1,534,812	-	-
Depreciation of plant and machinery	577,698	675,916	-	-
Other expenses	12,617,644	10,554,760	78,380	7,310
Profit/(Loss) before tax	42,095,258	30,282,308	(47,273)	19,554
Income tax expense	13,883,841	10,320,269	-	6,042
Profit/(Loss) after tax	28,211,417	19,962,039	(47,273)	13,512

25. The Company has an investment of ₹ 150,000,000 in the equity shares of New Tirupur Area Development Corporation Limited (NTADCL) whose net worth has substantially been eroded as per the latest available audited financial statements as at 31 March, 2010. In view of the difficult financial situation of NTADCL and to revive its operations, the Tamil Nadu Government and the Lenders have initiated several measures to provide more cash and revenue to NTADCL in order to make its operations profitable.

The Tamil Nadu Government vide its Order dated 16 March, 2012, had outlined several initiatives which have since been implemented. Since 31 March, 2010, the Government and the lenders of NTADCL have infused equity capital of ₹ 2,773,000,000 into the NTADCL at par value thus improving their net worth. The Government has also started lifting additional quantities of water adding to the revenues and cash flows of NTADCL. The quantity of water being procured by Tamil Nadu Government from NTADCL has also been higher than the numbers contained in the above referred order. The Government is also implementing its order banning extraction of ground water by garment manufacturers in that region very strictly.

The lenders have extended various concessions to NTADCL in terms of conversion of a part of their debt into equity, one time waiver of interest due, reduced interest rates on the loans, short moratorium for payment of interest and repayment of loans and extension of repayment period of loans. It is expected that with the implementation of all these measures by the Tamil Nadu Government and the other stakeholders of NTADCL, the decline in its profitability would get reversed and its financial position be improved considerably. Hence in the view of the management there is no permanent diminution in the value of the investments in NTADCL that requires a provision in the accounts of the Company.

26. 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 of Directors

Place: Mumbai
Date: 16th April 2013

A. K. Nanda
S. Venkatraman
Chairman
Director