

DIRECTORS' REPORT TO THE SHARE HOLDERS

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

FINANCIALS HIGHLIGHTS:

	(Rs.in lakhs)	
	2013	2012
Income	7880.11	5501.04
Profit/(Loss) before Depreciation, Interest and Taxation.....	1129.27	1408.49
Less : Depreciation.....	–	–
Profit before Interest and Taxation	1129.27	1408.49
Less : Interest	32.51	47.26
Profit/(Loss) Before Taxation	1096.76	1361.23
Provision for tax		
Current tax	219.46	272.38
Profit/(Loss) after tax for the year	877.30	1088.85
Add : Balance of Profit/(Loss) for earlier years.....	487.16	(253.03)
Amount available for appropriation.....	1364.46	835.82
Dividend on preference shares (including tax on distributed profits).....	813.56	348.66
Less : Transfer to General Reserve	–	–
Balance carried forward	550.90	487.16

Operations

“Aqualily” is a premium project within Mahindra World City, Chennai, which offers world class living spaces by a lake, set amidst lush landscapes and gardens. Spread across 55 acres of land, the project comprises of 151 villas/Twin homes and 740 apartments covering 1.57 million sq.ft. During the year, the Company launched the next phase of Apartments 2C, covering 0.46 million sq.ft and received a good response from market. The total area sold during the year is 0.82 million sq.ft.. 41 units of the first phase of the villas (1A) has been handed over to customers and remaining units are under construction. Construction of the other launched phases of apartments is progressing well.

Dividend

Interim dividends of Rs. 4,000 and Rs. 3,000 per preference share on 10,000 shares of the face value Rs. 10 each of the company was declared on 9th October, 2012 and 8th March, 2013 respectively. The preference dividend (including tax on distributed profits) amounts to Rs. 813.56 lakhs.

Your Directors recommend that the Interim dividend paid on preference shares be treated as the final dividends.

Capital

The Authorised share capital of the company is Rs. 50 lakhs consisting of equity share capital of Rs. 45 lakh and preference share capital of Rs. 5 lakh. The paid up equity capital is Rs. 25 lakh and paid up preference share capital is Rs. 1 lakh.

The entire paid up equity share capital of the Company is held by Mahindra Integrated Township Limited (49% of equity share earlier held by Velands Investments Limited were purchased by Mahindra Integrated Township Limited during the year). The

paid up preference share capital of Rs. 1 lakh of your Company is held by Mahindra Integrated Township Limited (MITL).

Your Company continues to be a subsidiary company of MITL and consequently a subsidiary company of the ultimate holding companies viz, Mahindra Lifespace Developers Limited and Mahindra & Mahindra Limited.

Directors

Mr. Richard Wah Chuk Yue & Mr. Charles Henry Cosgrove, Directors resigned with effect from 22nd Feb 2013. Your Board placed on record its appreciation for the services rendered by Mr. Richard Wah Chuk Yue & Mr. Charles Henry Cosgrove during their tenure as Directors of the Company.

Mr.S. Chandru, Director, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Director's 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 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 profit of the Company for the year ended on that date;

- 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;
- the annual accounts have been prepared on a going concern basis.

Auditors

M/s. Deloitte Haskins & Sells., Chartered Accountants, Chennai, retire as Auditors at the forthcoming Annual general Meeting. The members are requested to appoint Auditors from the conclusion of this meeting until the conclusion of 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 a written certificate from M/s. Deloitte Haskins & Sells., proposed to be re-appointed as statutory auditors that their re-appointment, if made would be in conformity with the limits specified in the said section.

Code of Conduct

The Company had adopted Codes of Conduct ("the Codes") for its Directors and Senior Management personnel 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 affirming compliance with the respective Codes.

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

Certificate under Section 383A of the Companies Act, 1956 from a Company Secretary in Whole-time Practice

In accordance with the provisions of Section 383A of the Companies Act, 1956, a certificate issued by M/s. M. K. SURANA & Co, Company Secretary in Whole-time Practice, certifying that the Company has complied with all the provisions of the

Companies Act, 1956 is given in the Annexure II and forms a part of this Report.

Public Deposits and Loans/Advances

The Company has not accepted deposits from the public or its 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 with the parent companies Mahindra Lifespace Developers Limited and Mahindra and Mahindra Limited.

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 I to this Report.

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

The Company has no employee who was employed throughout the financial year and was in receipt of remuneration of not less than Rs. 6,000,000 during the year ended 31st March 2013 and was in receipt of remuneration of not less than Rs. 500,000 per month during any part of the year.

Acknowledgement

The Directors thank Housing Development and Finance Corporation Limited (HDFC) and all consultants and associates of the Company for the support received from them during the year.

For and On Behalf of the Board

Place: Chennai
Date: 12th April, 2013

Anita Arjundas
Chairperson

ANNEXURE I 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.

A. CONSERVATION OF ENERGY

- | | | |
|---|---|---|
| a. Energy conservation measures taken | : | The operations of your Company are not energy intensive. However, adequate measures have been taken to reduce energy consumption. |
| b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy | : | Nil |
| c. Impact of the measures taken 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 |

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 | : | Further quality improvement |
| 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

The information on foreign exchange earnings and outgo is furnished in the notes to accounts.

For and On Behalf of the Board

Place: Chennai
Date: 12th April, 2013

Anita Arjundas
Chairperson

ANNEXURE II TO THE DIRECTORS' REPORT

COMPLIANCE CERTIFICATE

Name of the Company : M/s. MAHINDRA
RESIDENTIAL DEVELOPERS
LIMITED

Company Identification No. : U45200TN2008PLC066292

Registration Number : 18 - 066292

Authorized Share Capital : ₹ 50,00,000/-

Issued & Paid-up Share Capital : ₹ 26,00,000/-

To,
The Members

M/S. MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Mahindra World City, Administrative Block,
Chegalpattu – 603 002.

We have examined the registers, records, books and papers of **M/s. Mahindra Residential Developers Limited** (the Company) having their registered office at Mahindra World City, Administrative Block, Chegalpattu – 603 002 as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in **Annexure "A"** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure "B"** to this certificate, with the Registrar of Companies, Tamil Nadu, except in some of the cases, within the time prescribed under the Act and the rules made thereunder.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **Seven** times on 11.04.2012, 10.07.2012, 09.10.2012, 16.01.2013, 01.02.2013, 22.02.2013 and 08.03.2013 all of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members during the financial year under review from June 1, 2012 to June 12, 2012. The Company does not have any Debenture holders.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 12th June 2012 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. **NO** Extra – Ordinary General Meeting were held during the financial year under review.
8. According to the information and explanations furnished by the Management, the Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act during the period under review.
9. As informed by the management, the Company has complied with the provisions of Section 297 of the Companies Act, 1956 in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. According to the information and explanations furnished by the Management, there were no instances falling within the purview of Section 314 of the Act and hence the Company has not obtained any approvals from Board of Directors, members or the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has delivered all the Share Certificates on transfer of securities thereof in accordance with the provisions of the Act during the period under review. There was no allotment of securities and transmission of securities during the period under review.
- (ii) The Company had declared final dividend on preference shares of the company during the AGM held for the year 2012. The company had declared Interim dividend on preference shares of the company vide Board Meeting dated 9th October 2012 and 8th March 2013. However, they have not deposited the dividend amount in a separate Bank Account. The dividend amounts have been disbursed immediately after declaration by way of Fund Transfer from their regular business current account.
- (iii) The Company has not posted any dividend warrants to any member of the Company. The Company was also not required to transfer unpaid / unclaimed dividend to "Unpaid Dividend Account" as no dividend was declared during the financial year under review.
- (iv) The Company has no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and therefore, the question of transferring such amounts to Investor Education and Protection Fund does not arise.
- (v) The Company has generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and director to fill casual vacancy during the financial year under review.
15. The Company has not appointed any Managing / whole-time Director / Manager during the financial year under review.
16. According to the information and explanations furnished by the Management, the Company has not appointed any sole selling agents during the financial year under review.
17. According to the information and explanations furnished by the Management, the Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under any of the provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms / companies to the Board of directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year. As on date, the paid-up Equity Share Capital is ₹ .25,00,000/- and Paid-Up Preference Share Capital is ₹ .1,00,000/-. One (1) Share Warrant is issued by the Company.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the financial year under review.
24. The amounts borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March 2013 are within the borrowing limits of the Company.
25. The Company has made loans and investments or advances or given guarantees or provided securities to other bodies corporate to any other bodies corporate in compliance with provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has given Inter-Corporate Deposits (ICD) to its holding company during the period under review.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the period under review.
31. As informed by the management, there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
32. According to the information and explanations furnished by the management, the Company has reportedly not received any money as security from its employees during the financial year under review and hence, the question of depositing the same as per provisions of Section 417(1) of the Act does not arise.
33. According to the information and explanations furnished by the management, the Company has not constituted any Provident Fund Account inviting application of the provisions of Section 418 of the Act during the financial year.

for **M. K. SURANA & Co.,**
Company Secretaries,
(M. Kavitha Surana)
Proprietor
FCS 5926, C.P. No. 5269

Place: Chennai
Date: 12th April, 2013

"Annexure "A"

(Forming part of Compliance Certificate dated 12th April 2013)
Statutory Registers as maintained by M/s. Mahindra Residential Developers Limited

Sl. No.	Section Number	Name of the Register
1	143	Register of Charges
2	150	Register of Members
3	193	Minutes of Meeting of Board of Directors
4	193	Minutes of Meeting of Members
5	205	Books of Accounts
6	301	Register of Contracts in which directors are interested
7	303	Register of Directors
8	307	Register of Directors Shareholding
9	-	Register of Share Transfers

for **M. K. SURANA & Co.,**
Company Secretaries,
(M. Kavitha Surana)
Proprietor
FCS 5926, C.P. No. 5269

Place: Chennai
Date: 12th April, 2013

"Annexure "B"

(Forming part of Compliance Certificate dated 12th April 2013)

Forms and Returns as filed by **M/s. Mahindra Residential Developers Limited** with the Registrar of Companies, Tamil Nadu, during the financial year ending 31st March 2013

Sl. No	Form No.	Relevant Section in the Act	Description	SRN No. and Date of filing	Date of payment in the Bank / by credit card	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1.	Form 23B	224	Information by auditor to Registrar about their appointment.	S08901258 29.06.2012	29.06.2012	-	-
2.	Form 66	383A	Secretarial Compliance Certificate for the financial year ended 31 st March 2012.	P87986287 11.07.2012	11.07.2012	Yes	-
3.	Form 20B	159	Annual Return filed for the Annual General Meeting held on 12 th June 2012.	P88227046 01.08.2012	01.08.2012	Yes	-
4.	Form 23AC – XBRL and Form 23ACA – XBRL	220	Certified True Copy of Balance Sheet, P & L a/c etc. for the financial year ended 31 st March 2012.	Q03619020 29.11.2012	29.11.2012	Yes	-
5.	Form 32	303	Resignation of Mr. Charles Henry Cosgrove, Mr. Richard Wah Chuk Yue, Mr. Anuj Malik and Mr. Jonathan Espinili Umali from Directorship of the Company with effect from 22.02.2013.	B70286281 14.03.2013	14.03.2013	Yes	-

for **M. K. SURANA & Co.,**
Company Secretaries,
(M. Kavitha Surana)
Proprietor
FCS 5926, C.P. No. 5269

Place: Chennai
Date: 12th April, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Residential 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

2. The Company's 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") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

3. 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 misstatements.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 profit 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.

Report on Other Legal and Regulatory Requirements

7. 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.
8. 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
(Registration No. 008072S)

B. Ramaratnam
Partner

Place: Chennai
Date: 12th April, 2013

(Membership No. 21209)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Residential Developers Limited on the accounts for the year ended 31st March, 2013).

- (i) Having regard to the nature of the Company's business/ activities/results, clauses (i), (vi), (x), (xii), to (xv), (xviii), (xix), and (xx) of paragraph 4 of the CARO are not applicable for the current year.
- (ii) In respect of its inventory:
- (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 explanation 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.
- (iii) In our opinion and according to the information and explanations given to us, 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.
- (iv) 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 for the purchases of inventory and the sale of inventory and during the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not entered into any contracts or arrangements that are required to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the company and the nature of its business.
- (vii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (viii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Income tax, Service tax and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income tax, Service tax 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) As on 31st March, 2013, there were no disputed dues on account of Income tax, Service tax and other material statutory dues which have not been deposited.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (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 material fraud on the company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 008072S)

B. Ramaratnam
Partner

Place: Chennai
Date: 12th April, 2013

(Membership No. 21209)

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31 st March, 2013	₹ in Lacs As at 31 st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	26.00	26.00
Money received against Share Warrants (₹ 1, Previous Year ₹ 1)	3a		
Reserves and Surplus	4	5,986.23	5,922.49
Non-Current Liabilities			
Long-Term Borrowings	5	300.00	–
Current Liabilities			
Trade Payables	6	1,527.21	1,157.02
Other Current Liabilities	7	2,135.36	2,006.23
Short-Term Provisions	8	19.05	397.54
Total		9,993.85	9,509.28
ASSETS			
Non-Current Assets			
Long Term Loans and Advances	9	149.53	40.34
Current Assets			
Inventories	10	4,473.46	4,804.61
Trade Receivables	11	1,469.08	625.00
Cash and Cash Equivalents	12	633.90	598.83
Short-Term Loans and Advances	13	2,741.21	2,265.55
Other Current Assets	14	526.67	1,174.95
Total		9,993.85	9,509.28

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

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: 12th April, 2013

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

S. Chandru *Director*

Place: Chennai
Date: 12th April, 2013

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

		For the Year Ended 31 st March, 2013	₹ in Lacs For the Year Ended 31 st March, 2012
INCOME			
Revenue from Operations	15	7,642.13	5,351.46
Other Income	16	237.98	149.58
		7,880.11	5,501.04
EXPENDITURE			
Projects Costs	17	5,610.82	3,627.52
Changes in Inventories	18	331.14	(236.78)
Finance Cost	19	32.51	47.26
Other Expenses	20	808.88	701.81
		6,783.35	4,139.81
Profit Before Tax		1,096.76	1,361.23
Tax Expense			
Current tax		219.46	272.38
Profit for the year		877.30	1,088.85
Earnings per Share (Basic/Diluted)	24	-	-

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

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: 12th April, 2013

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

S. Chandru *Director*

Place: Chennai
Date: 12th April, 2013

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

	Year Ended 31 st March, 2013	₹ in Lacs Year Ended 31 st March, 2012
A. Cash Flow from Operating Activities		
Profit Before Tax	1,096.76	1,361.23
Adjustments for:		
Finance Costs	32.07	45.75
Interest Income.....	(190.94)	(142.24)
Operating Profit before Working Capital Changes	937.89	1,294.74
Changes in Working Capital:		
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories	331.15	(236.78)
Trade Receivables	(844.09)	(142.17)
Long-Term Loans and Advances.....	(3.53)	(0.25)
Short-Term Loans and Advances and Other Current Assets.....	545.56	(715.62)
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade Payables.....	370.19	767.38
Other Current Liabilities.....	402.13	(1,038.76)
Short Term Provisions	(10.95)	30.00
	790.46	(1,336.20)
Cash Generated From/(Used in) Operations	1,728.35	(71.46)
Net Income Tax Paid.....	(343.98)	(221.31)
Net Cash (Used in) Operating Activities.....	1,384.37	(292.77)
B. Cash Flow from Investing Activities:		
Intercompany Deposit Given	(400.00)	(1,100.00)
Interest Received	217.99	117.11
Net Cash from/(Used in) Investing Activities	(182.01)	(982.89)
C. Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	300.00	-
Repayment of Borrowings	(300.00)	-
Finance Costs	(32.07)	(45.87)
Dividend and Dividend tax Paid	(1,162.22)	-
Net Cash (Used in) Financing Activities.....	(1,194.29)	(45.87)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C).....	8.07	(1,321.53)
Cash and Cash Equivalents at the Beginning of the Year	598.83	1,920.36
Cash and Cash Equivalents at the End of the Year.....	606.90	598.83
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet.....	633.90	598.83
Less: Bank balances not considered as Cash and Cash Equivalents	27.00	-
	606.90	598.83

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

B. Ramaratnam
Partner

Place: Chennai
Date: 12th April, 2013

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

S. Chandru *Director*

Place: Chennai
Date: 12th April, 2013

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

1. Corporate Information

The Company was incorporated on 1st February, 2008. It is engaged in the business of Development of residential complexes at Mahindra World City, Chennai.

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 except in case of revenue recognition. Refer Note 2.f

b) 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.

c) Inventories:

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the Company.

d) 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.

e) 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.

f) Revenue Recognition:

Income from property development activity is accounted on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature.

During the year, the Company has adopted "Guidance note for Accounting of Real Estate Transactions(Revised 2012)" applicable to all projects in real estate which are commenced on or after 1st April, 2012 and relating to projects where revenue is being recognized for the first time on or after 1st April, 2012.

Accordingly revenues are now recognized only when all the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained

- Expenditure incurred on construction & development cost is not less than 25 % of the estimated construction and development costs excluding land cost
- Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.
- Atleast 10 % of the total revenue as per the agreements of sale are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

In respect of projects that were commenced prior to April 1 2012 and also on projects where revenue has been recognized prior to April 1 2012, the following policy continues to be adopted

Revenues are recognized only when all the following conditions are met:

- The project costs incurred exceed 25% of the total estimated project costs including land
- At least 10% of the sales consideration is realized.
- At least plinth level is achieved for a particular phase as certified by the architect.

Such estimates are made and certified by the management and the auditors have relied upon by them, as these are of a technical nature.

g) Other income

Interest income is accounted on accrual basis.

h) Foreign currency transactions and translations

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the profit and loss account

i) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

j) 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 recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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

Deferred tax is recognized 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized 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 realized. 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 reliability.

k) 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.

	₹ in Lacs	
	As at 31 st March, 2013	As at 31 st March, 2012
3. Share Capital		
Authorized		
450,000 Equity Shares of ₹ 10 each	45.00	45.00
50,000 Preference Shares of ₹ 10 each	5.00	5.00
	50.00	50.00
Issued, Subscribed and Paid up		
250,000 Equity Shares of ₹ 10 each.....	25.00	25.00
10,000 Tranche I Preference shares of ₹ 10 each	1.00	1.00
	26.00	26.00

3a. Rights, preferences and restrictions attached to shares/warrants

Equity Shares: The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Every shareholder is entitled to one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the numbers of equity shares held. As per terms of the Shareholders' Agreement, equity shareholders are entitled to share of profits only after payment of dividends to preference shareholders amounting to ₹ 2,324.50 lacs. ₹ 1,000 lacs have so far been paid as dividends to preference share holders.

Preference Shares: The company has one class of preference shares having a par value of ₹ 10 per share. The Preference Shares are redeemable upon payment of dividend of ₹ 2,324.50 Lacs (net of domestic taxes) to the preference shareholder. Preference Shareholder carries all rights including rights to distributions of the Company, other than voting rights.

During the year, interim dividends were distributed to the preference shareholder at ₹ 7,000 per share.

Money received against Share warrant: The warrant is convertible into 10,000 preference shares of ₹ 10 each upon payment of dividends to equity share holders in proportion of their equity shareholding until the aggregate distributions received by Velands Investments Limited has yielded an Internal Rate of Return of twenty-five percent. During the year, all the equity shares held by Velands Investments Limited were acquired by MITL.

3b. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2013		As at 31 st March, 2012	
	No of Shares/ Warrant	% Holding	No of Shares/ Warrant	% Holding
Equity Shares				
Mahindra Integrated Township Limited, Holding Company *	250,000	100	127,500	51
Velands Investments Limited	-	-	122,500	49
Preference Shares				
Mahindra Integrated Township Limited, Holding Company	10,000	100	10,000	100
Share Warrants				
Mahindra Integrated Township Limited, Holding Company	1	100	1	100

* All the shares held by Velands Investments Limited were acquired by MITL on February 22, 2013

Particulars	₹ in Lacs	
	As at 31 st March, 2013	As at 31 st March, 2012
4. Reserves and Surplus		
Securities Premium Account.....	- 5,435.33	- 5,435.33
Surplus in Statement of Profit & Loss		
Balance at the Beginning of the Year	487.16	(253.03)
Add: Profit for the Year	877.30	1,088.85
Less: Appropriations:		
Interim Dividend on Preference Shares	700.00	-
Proposed Dividend on Preference Shares.....	-	300.00
Tax on Dividend	113.56	48.66
Balance at the End of the Year	550.90	487.16
	5,986.23	5,922.49

Particulars	₹ in Lacs	
	As at 31 st March, 2013	As at 31 st March, 2012
5. Long Term Borrowings		
Term Loan from HDFC Limited (Secured)	300.00	-
	300.00	-

The loan availed in October 2012 is secured by deposit of title deeds of leasehold rights of land. The loan carries an interest of 13.75% p.a and is repayable in April 2014. There has been no default in payment of interest.

Particulars	₹ in Lacs	
	As at 31 st March, 2013	As at 31 st March, 2012
6. Trade Payables		
Trade Payables	1,082.48	962.85
Retention Money.....	444.73	194.17
	1,527.21	1,157.02

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

		₹ in Lacs				₹ in Lacs	
		As at 31 st March, 2013	As at 31 st March, 2012			As at 31 st March, 2013	As at 31 st March, 2012
7. Other Current Liabilities				13. Short Term Loans and Advances (Unsecured, considered good unless stated otherwise)			
Current maturities of Term Loan from HDFC Limited (secured) *		-	300	Mobilisation Advances - Secured By Bank Guarantee.....	1,058.94		1,121.09
Payable to Related Party.....		93.97	84.44	Supplier Advances.....	182.27		44.46
With-holding taxes payable.....		49.60	54.79	Inter Corporate Deposits To Related Party	1,500.00		1,100.00
Income Received in Advance		1,752.53	1,268.88		2,741.21		2,265.55
Other Liabilities		239.26	298.12				
		2,135.36	2,006.23				
* The term loan from HDFC Limited was availed during March 2010 and carries an interest of 14.5% p.a. The loan has been repaid in September 2012.				14. Other Current Assets			
				Interest Accrued on Intercorporate Deposits to Related Party.....	-		26.79
8. Short Term Provisions				Interest Accrued on Deposits with Banks	1.83		2.09
Provisions				Unbilled Revenue.....	524.84		1,146.07
Defect Liabilities.....		19.05	30.00		526.67		1,174.95
Income Tax (Net)		-	18.88				
Proposed Preference Dividend.....		-	300.00				
Tax on Proposed Dividends.....		-	48.66				
		19.05	397.54				
9. Long Term Loans and Advances (Unsecured, considered good)				15. Revenue from Operations			
Deposits with Related Party		23.07	19.79	Income from Projects	7,642.13		5,351.46
Security Deposits.....		20.80	20.55		7,642.13		5,351.46
Advance Payment of Tax (Net).....		105.66	-				
		149.53	40.34	16. Other Income			
10. Inventories				Interest on:			
Construction Work in Progress (Including Leasehold Land)		3,876.84	4,326.16	- Deposits with Banks	46.38		86.37
Construction Materials.....		596.62	402.38	- Intercorporate Deposits with Related Party	144.56		55.87
Stock in Trade.....		-	76.07	- Income Tax Refund	0.22		2.57
		4,473.46	4,804.61	Interest from Customers.....	2.44		-
11. Trade Receivables (Unsecured, considered good)				Cancellation Income.....	44.38		4.77
Trade Receivables outstanding for more than six months from the date they were due for payment.....		25.34	22.63		237.98		149.58
Other Trade Receivables		1,443.74	602.37	17. Project Costs			
		1,469.08	625.00	Construction Costs	4,535.70		2,975.85
12. Cash and Cash Equivalents				Architect Fees	102.82		80.74
Cash on Hand.....		0.02	0.15	Project Management Fees	279.69		220.20
Balances with Banks				Other Expenses	692.61		350.73
- on Current Accounts.....		406.88	245.86		5,610.82		3,627.52
- on Deposit Accounts (Maturing Within 3 Months)		200.00	352.82	18. Changes in Inventories			
- on Earmarked Deposit Accounts (Maturing Within 12 Months) *		27.00	-	Inventories at the End of the Year:			
		633.90	598.83	Construction Material.....	596.62		402.38
				Work-in-Progress	3,876.85		4,326.16
				Stock-in-Trade	-		76.07
					4,473.47		4,804.61
				Inventories at the Beginning of the Year:			
				Construction Material.....	402.38		304.49
				Work-in-Progress	4,326.16		4,263.34
				Stock-in-Trade	76.07		-
					4,804.61		4,567.83
				Net (increase)/decrease	331.14		(236.78)

* Collected from customers and to be transferred to Home owners' Association upon formation.

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

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
19. Finance Cost		
Interest on Term Loan	32.07	45.75
Interest on Delayed Payments of Service Tax.....	0.44	1.51
	<u>32.51</u>	<u>47.26</u>

20. Other Expenses		
Legal & Professional Fees.....	1.10	106.62
Deputation Charges.....	168.96	157.68
Auditors Remuneration		
- Audit Fees	4.00	4.00
- Other Services.....	1.60	-
- Reimbursement of Expenses/ Levies	0.69	0.49
Advertisement, Marketing and Business Development.....	415.47	271.36
Brokerage.....	39.43	29.12
Travelling & Conveyance.....	25.34	12.81
Office Establishment.....	110.26	69.06
Miscellaneous Expenses	42.03	50.67
	<u>808.88</u>	<u>701.81</u>

	₹ in Lacs	
	2012-2013	2011-2012
21. Expenditure in Foreign Currency:		
Travel	7.58	4.10
Others.....	28.45	28.15
	<u>36.03</u>	<u>32.25</u>

22. Earnings in foreign exchange		
Consideration received on sale of residential units.....	40.45	50.49

23. Value of imports calculated on CIF basis		
Construction materials.....	-	4.69

24. Earnings per share:
Earnings per Share is considered as Nil since as per terms of the Shareholders' Agreement, Equity Shareholders are entitled to share of profits only after payment of dividends to Preference Shareholders amounting to ₹ 2,324.50 lacs. ₹ 1,000 Lacs have so far been paid as dividends to Preference Shareholders

25. Related party transactions:

a) Names of related parties and nature of relationship where control exists:

Ultimate Parent Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra Integrated Township Limited
Joint Venture Partner	Velands Investments Limited (upto 22 Feb 2013)

Fellow Subsidiary with whom transactions have been entered during the year – Mahindra World City Developers Limited

b) The related party transactions are as under:

₹ in Lacs			
Nature of transaction	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Interest Income	-	144.56	-
	(-)	(55.87)	(-)
Deposits given	-	-	3.28
	(-)	(-)	(-)
Service/Consultancy	289.72	-	-
	(357.45)	(-)	(-)
Office establishment	110.27	-	-
	(69.06)	(-)	(-)
Maintenance Charges	-	-	83.09
	(-)	(-)	(70.46)
Inter corporate Deposit given	-	400.00	-
	(-)	(1,100.00)	(-)
Balances at year end			
Deposits	-	-	23.07
	(-)	(-)	(19.79)
Intercompany deposit	-	1,500.00	-
	(-)	(1,100.00)	(-)
Payables	93.97	-	-
	(84.44)	(-)	(-)
Receivables	-	-	-
	(-)	(26.79)	(-)

Figures in brackets are in respect of the previous year.

- 26.** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.
- 27.** The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to 100% deduction of its income under the Income Tax Act, 1961 relating to Minimum Alternate Tax up to Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable from the current year and accordingly current tax expense has been computed under these provisions.
- 28.** The Company operates in a single segment, namely Property Development.
- 29.** Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai
Date: 12th April, 2013