

DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Total Income.....	27,329	23,026
Profit/(Loss) Before Depreciation, Interest and Taxation.....	(12,726)	(105,096)
Less: Depreciation.....	-	7,357
Profit/(Loss) Before Interest and Taxation	(12,726)	(112,453)
Less: Interest.....	-	-
Profit/(Loss) Before Taxation	(12,726)	(112,453)
Less: Provision for Taxation	-	-
Profit/(Loss) for the year after Taxation.....	(12,726)	(112,453)
Add: Balance of Profit/(Loss) for earlier years	(11,307,125)	(11,194,672)
Balance carried forward	(11,319,851)	(11,307,125)

Operations

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

Dividend

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

Capital

The Authorised Equity capital of your Company is ₹ 1.50 crore and the paid-up equity capital of your Company is ₹ 1.17 Crore.

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

Directors

Ms. Anita Arjundas retires by rotation and being eligible offers herself for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent

judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013 and of the loss of the Company for the year ended on that date;

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

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

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

Auditors

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

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as Auditors at the forthcoming Annual General Meeting.

The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

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

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. Martinho Ferrao & Associates, 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 and forms a part of this Report.

Public Deposits and Loans/Advances

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

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

ANNEXURE TO THE DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

- | | | |
|--|---|--|
| (a) Energy conservation measures taken | : | The Company is looking out for suitable opportunity in large format development including residential development and adequate energy conservation measures will be taken at an appropriate time |
| (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy | : | Nil |
| (c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods | : | Not Applicable |
| (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule | : | Not Applicable |

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Mumbai, 16th April, 2013

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

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

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

Acknowledgment

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

For and on behalf of the Board,

Rajan Narayan
Chairman

Mumbai, 16th April, 2013

For and on behalf of the Board,

Rajan Narayan
Chairman

SECRETARIAL COMPLIANCE CERTIFICATE

The Members of

MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

5th Floor, Mahindra Towers,
Worli, Mumbai-400 018

I have examined the registers, records, books and papers of **MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED** (*the Company*) as required to be maintained under the Companies Act, 1956, (*the Act*) and the rules made there under and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the financial year ended on 31st March, 2013.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made there under 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, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed paid up capital.
4. The Board of Directors duly met on 18th April, 2012, 9th August, 2012, 22nd October, 2012 and 21st January, 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The Company has not closed the Register of Members under Section 154 of the Act during the financial year since the same was not mandatory.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 13th June, 2012 after giving due notice to the members of the Company. The resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. An Extra Ordinary General Meeting was held on 9th August, 2012 for appointment of Auditor in casual vacancy, during the period under scrutiny.
8. The Company has not advanced any loan to its directors, or persons, or firms and Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contract falling within the purview of Section 297 of the Act.
10. In our opinion and according to the information and explanation given to us, there were no transactions with any party that needed to be entered in the register maintained in pursuance of the Section 301 of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company was not required to obtain any approval from the Board of Directors, members and Central Government.
12. The Board of Directors has not issued duplicate share certificates during the financial year under review.
13. The Company has:
 - i) not issued/allotted any shares and has not received any request for transmission. However, there was transfer of Equity shares during the period under review.
 - ii) not declared any dividend during the year and hence the Company was not required to deposit any amount as unpaid in a separate bank account.
 - iii) not paid/posted warrants for dividends to any members, since no dividend was declared during the year under review.
 - iv) not transferred any amounts to the Investors Education and Production Fund since there were no unpaid dividends, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, outstanding for a period of seven years.
 - v) has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointments/ re-appointment of directors have been duly made.
15. The Company has not appointed a Managing Director/ Whole time Director/Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. As explained to me, the Company was not required to obtain any approvals from the Central Government, Company Law Board, Regional Director and/or such other authorities as may be prescribed under the various provisions of the Act.
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 there under.
19. The Company has not issued any shares, debentures and/ or other securities during the financial year under scrutiny.
20. The Company has not bought back any shares during the financial year under review.
21. Since the Company has no preference shares/debentures, the Company was not required to redeem any preference share/debentures during the year under review.
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 the provisions of Section 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975 during the year under review.
24. The Company has not borrowed any amount from Directors, members, public, financial institutions, banks and others, during the financial year under review.
25. The Company has not made any loans or investments, or given guarantees or provided securities to other bodies corporate and consequently no entries has been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association 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 of Association with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association 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 year under scrutiny.
31. There were no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other

punishment imposed on the company during the financial year under review.

32. The Company has not received any money as security from its employees during the year under review.
33. According to the explanation given to us the Provident Fund Scheme is not applicable to the Company. Hence the Company has not deducted both employee's and employer's contribution to Provident Fund, with prescribed authorities, pursuant to Section 418 of the Act.

For **Martinho Ferrao & Associates**
Company secretaries

Martinho Ferrao
Proprietor
C P. No. 5676

Place: Mumbai
Date: 16th April, 2013

ANNEXURE 'A'

(Refer Para 1 of report dated 16th April, 2013)

No.	Registers as maintained by the Company	Under Section
1	Register of Members	150
2	Minutes Books of proceedings of	
	a) General Meeting	193
	b) Board of Directors	193
3	Register of Contracts, Companies & Firms in which Directors are interested	301
4	Register of Directors	303
5	Register of Director Shareholding	307
6	Register of charges	143
7	Register of Transfer of shares	108
8	Register of Fixed Asset	

ANNEXURE 'B'

(Refer Para 2 of report)

Returns filed by the Company with the Registrar of Companies, Maharashtra, Mumbai, during the Financial Year ended on 31st March, 2013

No	Form No.	Under Section	Purpose	Filing date with ROC
1	Form 23AC & 23ACA - XBRL - Balance Sheet and Profit & Loss A/c (as on 31 st March, 2012)	220	As prescribed in the section	28 th November, 2012
2	Form 20B - Annual Return (as on 13 th June, 2012)	159	As prescribed in the section	4 th August, 2012
3	Form 66 (Compliance Certificate)	383 [A]	As required under the Issuance of Compliance Certificate Rules, 2001	3 rd July, 2012
4	Form 32 (Change in designation of Directors)	260	As prescribed in the section	4 th July, 2012

AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the financial statements

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

Management's responsibility on the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013.

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements which describes the basis on which the accounts have been prepared on a going concern basis. 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 of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W
Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 16th April, 2013

ANNEXURE TO THE AUDITORS' REPORT

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

1. (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) The company has not disposed off any of its fixed asset during the year under consideration.
2. Since the company does not hold any finished goods, stores, spares and raw materials. Therefore, provisions of sub-clause (a), (b) and (c) of sub-para (ii) of para 4 of the Order are not applicable.
3. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanation given to us, there were no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
 - b) As there are no transactions exceeding the value of Rs. five lakhs in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price at which such transactions have been entered is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any loans or deposits within the meaning of Rule 2(b) of the Companies (Acceptance of Deposit's Rule), 1975.
7. The provisions relating to internal audit are not applicable to the Company.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records u/s 209(1)(d) of the Companies Act, 1956.
9. (i) According to the records of the Company, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respects of income-tax wealth tax, sales tax, custom duty and excise duty were outstanding, as on 31st March, 2013, for a period more than six months from the date they became payable.
 - (ii) There are no disputed dues outstanding as on 31st March, 2013 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
10. The company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the period is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions and Banks.
12. According to the information and explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/society are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not obtained any term loans during the year ended 31st March, 2013.
17. In our opinion and according to information and explanations given to us and on an overall examination of the balance sheet of the company, no funds raised on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. The company has not issued any debentures during the year.
20. During the year the company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Padmini Khare Kaicker
Partner
Membership No. 44784

Place: Mumbai
Date: 16th April, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note Ref	As at 31 st March, 2013 ₹	As at 31 st March, 2012 ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	11,704,000	11,704,000
Reserves and surplus.....	4	(11,319,851)	(11,307,125)
		<u>384,149</u>	<u>396,875</u>
Current liabilities			
Other current liabilities.....	5	29,590	110,300
Total		<u>413,739</u>	<u>507,175</u>
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	6	1	1
		<u>1</u>	<u>1</u>
Current assets			
Cash and cash equivalents.....	7	397,857	491,369
Other current assets	8	15,881	15,805
		<u>413,738</u>	<u>507,174</u>
Total		<u>413,739</u>	<u>507,175</u>

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

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

Padmini Khare Kaicker
Partner
Membership No. : 44784

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Rajan Narayan *Chairman*
Anita Arjundas
Vijay Paradkar } *Directors*

Place : Mumbai
Date : 16th April, 2013

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

Particulars	Note Ref	Year ended 31 st March, 2013	Year ended 31 st March, 2012
		₹	₹
INCOME			
Other Income	9	27,329	23,026
		<u>27,329</u>	<u>23,026</u>
EXPENDITURE			
Depreciation and amortisation expense		-	7,357
Other expenses	10	40,055	128,122
		<u>40,055</u>	<u>135,479</u>
Loss before tax		(12,726)	(112,453)
Less : Tax expense		-	-
Loss for the period		(12,726)	(112,453)
Earnings per equity share:			
Basic & diluted		(0.01)	(0.10)

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

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

Padmini Khare Kaicker
Partner
Membership No. : 44784

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Rajan Narayan *Chairman*
Anita Arjundas
Vijay Paradkar } *Directors*

Place : Mumbai
Date : 16th April, 2013

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

	Year ended 31 st March, 2013	Year ended 31 st March, 2012
	₹	₹
A. Cash flow from operating activities:		
Net Loss before tax.....	(12,726)	(112,453)
Adjustments for:		
Depreciation and amortisation.....	-	7,357
Finance costs	(27,119)	(22,946)
Operating (loss) before working capital changes.....	(39,845)	(128,042)
Changes in working capital		
Adjustments for increase/(decrease) in operating assets		
Other current assets.....	(76)	(3,511)
Increase/(decrease) in current liabilities.....	(80,710)	27,575
	<u>(80,786)</u>	<u>24,064</u>
Cash used in Operations	(120,631)	(103,978)
Net cash (used in) operating activities.....	<u>(120,631)</u>	<u>(103,978)</u>
B. Cash flow from investing activities:		
Interest received	27,119	22,946
Net cash from investing activities.....	<u>27,119</u>	<u>22,946</u>
C. Cash flow from financing activities:		
Proceeds from issue of shares.....	-	504,000
Net cash from financing activities.....	<u>-</u>	<u>504,000</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	<u><u>(93,512)</u></u>	<u><u>422,968</u></u>
Cash & cash equivalents		
Opening balance.....	491,369	68,401
Closing balance.....	397,857	491,369
Net increase/(decrease) in cash and cash equivalents.....	<u><u>(93,512)</u></u>	<u><u>422,968</u></u>

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

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

Padmini Khare Kaicker
Partner
Membership No. : 44784

Place : Mumbai
Date : 16th April, 2013

For and on behalf of the Board of Directors

Rajan Narayan *Chairman*
Anita Arjundas
Vijay Paradkar } *Directors*

Place : Mumbai
Date : 16th April, 2013

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013
1. Corporate information

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

2. Significant Accounting Policies

a. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards 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

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

c. Depreciation

Fixed assets are depreciated on the Straight Line method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 based on the useful life estimated by the Management. Accordingly, computers are depreciated at 20% which is higher than the rate specified in Schedule XIV to the Companies Act, 1956.

d. Inventories

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

e. Taxes on Income

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

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

f. Provisions and contingencies

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

₹

As at
31st March, 2013 31st March, 2012

3. Share Capital
Authorised

1,500,000 Equity shares of Rs. 10 each **15,000,000** 15,000,000

Issued, subscribed and paid up.

1,170,400 equity shares of Rs. 10
each fully paid up **11,704,000** 11,704,000

11,704,000 **11,704,000**

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

b. Terms/Rights attached to Equity Shares

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

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

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

	As at 31 st March, 2013		As at 31 st March, 2012	
	No. of Shares	Value of Shares (₹)	No. of Shares	Value of Shares (₹)
Equity Shares				
At the beginning of the period	1,170,400	11,704,000	1,120,000	11,200,000
Issued during the period	–	–	50,400	504,000
Outstanding at the end of the period	1,170,400	11,704,000	1,170,400	11,704,000

₹

As at
31st March, 2013 31st March, 2012

4. Reserves & Surplus

(Deficit) in the statement of Profit and Loss

Opening Balance **(11,307,125)** (11,194,672)

Add: Loss for the Year **(12,726)** (112,453)

Closing Balance **(11,319,851)** (11,307,125)

5. Other Current Liabilities

Other payables **29,590** 110,300

29,590 110,300

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

6. FIXED ASSET

TANGIBLE ASSETS

	Gross block		Depreciation			Net block	
	As at	As at	As at	For the period	As at	As at	As at
	1 st April, 2012	31 st March, 2013	1 st April, 2012	April - March	31 st March, 2013	31 st March, 2013	31 st March, 2012
Computers	61,882	61,882	61,881	–	61,881	1	1
TOTAL	61,882	61,882	61,881	–	61,881	1	
Previous year	61,882	61,882	54,524	7,357	61,881		1

	As at	As at
	31 st March, 2013	31 st March, 2012
7. Cash & Cash Equivalents		
Cash on hand	1,549	49
Balances with Bank		
in current account	396,308	2,632
in deposit account	–	488,688
	<u>397,857</u>	<u>491,369</u>
8. Other Current Assets		
Advance Tax	15,881	15,805
	<u>15,881</u>	<u>15,805</u>
		₹
	Year ended	Year ended
	31st March, 2013	31st March, 2012
9. Other Income		
Interest income		
Interest on deposits	27,119	22,946
Other Income	210	80
	<u>27,329</u>	<u>23,026</u>
10. Other Expenses		
Rates and taxes	–	4,034
Legal and Professional Charges	7,865	13,788
Auditors' remuneration		
Audit Fees	30,150	100,000
Other services	–	10,300
Miscellaneous expenses	2,040	–
	<u>40,055</u>	<u>128,122</u>

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

12. Related Parties

a) Details of related parties:

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

b) Details of Related party Transactions

Particulars	Holding Company	
	As at	As at
	31 st March, 2013	31 st March, 2012
Shares issued	–	504,000

13. Earnings per Share

Particulars	Year ended	Year ended
	31 st March, 2013	31 st March, 2012
Basic & Diluted		
Net profit/(loss) for the year (₹)	(12,726)	(112,453)
Weighted average number of equity shares (Nos.)	1,170,400	1,170,400
Par value per share (₹)	10	10
Earnings per share - Basic & Diluted (₹)	(0.01)	(0.10)

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

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

For B. K. Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Padmini Khare Kaicker

Partner

Membership No. : 44784

Place : Mumbai

Date : 16th April, 2013

For and on behalf of the Board of Directors

Rajan Narayan

Chairman

Anita Arjundas

Vijay Paradkar

} Directors

Place : Mumbai

Date : 16th April, 2013