DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIALS HIGHLIGHTS:

(₹ in Lakhs)

	For the year ended 31st March 2013	For the year ended 31st March 2012
Income	**12,381.42**	6,042.42
Profit before Depreciation, Interest and Taxation	**11,773.84**	4,565.15
Depreciation	**(179.26)**	(194.25)
Interest	**(3,326.20)**	(2,831.93)
Provision for Tax – Current Tax	**(1,495.00)**	–
– Deferred Tax	**(1,324.02)**	(502.95)
Profit after tax for the year	**5,449.36**	1,036.02
Add : Balance of Profit for earlier years	**4,157.64**	3,691.11
Amount available for appropriation	**9,607.00**	4,727.13
Less : Proposed Dividend (including tax on distributed profits)	**854.15**	569.49
Less : Transfer to General Reserve	**273.00**	–
Balance carried forward	**8,475.85**	4,157.64

Operations

Three new multinational customers were added to the portfolio of Mahindra World City , Chennai (in the Domestic Tariff Area) — Lear Corporation (USA), BASF Catalysts (Germany), NCR Corporation (USA); while BMW India expanded their footprint in F13.

Mahindra World City, Chennai won the prestigious CNBC Awaaz CRISIL Real Estate Award for best project Execution at the National level in 2012.

Mahindra World City released a Coffee Table Book – "Celebrating 10 years of Excellence" to commemorate the occasion of completing a decade. This publication chronicles the evolution of of City Building across time as well as urban development in India and also the evolution of Mahindra World City.

The business zone in the project has 62 clients of which 28 are in the SEZs and 34 are in the DTA. Currently, 47 companies operate out of Mahindra World City, Chennai and 8 are expected to start functioning soon. During the year, direct employment in the business city increased from 27,000 to ~ 31,000 people. Exports of units in MWC crossed ₹ 6,000 crores for the period April 2012 to March 2013, an increase of ~ 1,500 crores over the previous year. During the year 7 customers started operations in the Domestic Tariff Area.

There has been considerable progress in strengthening the social infrastructure in MWC in FY 13. The Holiday Inn Express construction is underway, JSP Hospitals have commenced construction in Mar 13 and the Company has started construction of the Club which offers recreational, sports and leisure facilities. A homeopathic Clinic was also added to the spectrum of offerings at 'The Canopy'.

The residential Infrastructure has progressed well during the year. The 1st phase of villas of the 2nd residential project, "Aqualily" has been handed over to customers and there has been considerable progress in construction in the other phases, comprising both villas and apartments. The third project "Iris Court" is also under implementation. The two projects will add ~ 1600 homes in the next 3 years to the already existing 200 occupied homes in the 1st project, "Sylvan County".

During the year, the Mahindra World School added Class XII and now has over 500 students and 40 teachers. The students performed very well in its maiden Class X Board exams.

With increasing levels of occupancy and activity, MWCDL's quarterly customer engagement initiative, "Coalesce" has been received very well by the occupants. "Rejoice @ Mahindra World City", the community building initiative carried out Customer engagement initiatives including the inaugural edition of MWC Champions Trophy – The Inter Company Sports tournament and the second edition of 'Mindquest' — the Mahindra World City Quiz had participation beyond Mahindra World City.

Dividend

Your Directors have recommended a dividend of ₹ 6.00 per Preference share on 6,500,000 – 6% Cumulative Redeemable Preference Shares of ₹ 100/- each pro-rata for the period from 1st April 2012 to 31st December, 2012 and a dividend of

₹ 8.50 per Preference Share on 6,500,000-8.5% Cumulative Redeemable Preference Shares of ₹ 100/- each pro-rata for the period from 1st January 2013 to 31st March 2013.

Your Directors have recommended a dividend of ₹ 1.50 per share on 20,000,000 equity shares of face value of ₹ 10 per share of the Company for the year 2012 – 2013.

The total dividend payment (including tax on distributed profits) for the year amounts to ₹ 854.15 lakhs and shall be paid out of profits for the current year.

Capital

The Company's Authorised Capital is ₹ 95 crores consisting of equity share capital of ₹ 25 crores, preference share capital of ₹ 65 crores and unclassified shares of ₹ 5 crores.

The Paid up Capital of ₹ 85 crores consists of Equity share capital of ₹ 20 crores and Preference Share capital of ₹ 65 crores. Mahindra Lifespace Developers Limited (MLDL) holds 82.62 percent of equity share capital of your Company and Tamil Nadu Industrial Development Corporation Limited (TIDCO) holds 11% of equity share capital of your Company. The entire preference share capital of ₹ 65 crore is held by MLDL.

With mutual consent of the Company and MLDL, the terms of redemption of the Cumulative Redeemable Preference Shares of ₹ 65 crores have been modified as under

- Redemption period extended upto 10 years from the date of issue i.e. the Shares shall be redeemable on 30th September, 2013;
- Increase in the coupon rate from 6% to 8.5% for the period from 1st January 2013 till the redemption;

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

Directors

Mr. Uday Y Phadke and Mr. V. Balaraman, Directors retire by rotation and being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting.

During the year, Dr.Sundaradevan, IAS resigned from the Board. Mr. Dhanavel, IAS was appointed as a Director on 13th July 2012 in the casual vacancy caused by the resignation of Dr. Sundaradevan, IAS.

Mr. Hans Raj Verma IAS was appointed as a Director on 10th January, 2013 in the casual vacancy caused by the resignation of Mr. Dhanavel, IAS.

The Board puts on record its appreciation for the contribution made by Dr. Sundaradevan, IAS and Mr. Dhanavel, IAS during their tenure as Directors of the Company.

Ms. Sangeeta Prasad was appointed as an Additional Director of the Company with effect from 16th April, 2013 at the Meeting of the Board of Directors of the Company held on 12th April, 2013 and holds office only upto the date of the forthcoming Annual General Meeting. The Company has received a Notice from a member signifying his intention to propose Ms. Sangeeta Prasad as a candidate for the office of Director 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.

Audit Committee

The Audit Committee of the Company comprises Mr. Sanjeev Kapoor (Chairman), Mr. Hans Raj Verma, IAS, Mr. Uday.Y.Phadke and Mr. V. Balaraman. The committee met four times during the year.

Remuneration Committee

The Remuneration Committee of the Company comprises Mr. N. Vaghul (Chairman), Mr. A.K. Nanda, Mr. Hans Raj Verma, IAS and Ms. Anita Arjundas. The Committee met once during the year.

Codes 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 Code from the Board Members and the Senior Management Personnel and Employees of the Company affirming compliance with the respective Codes.

Corporate Social Responsibility

While the programmes on Employability, education module for school drop outs and para medical training, all aimed at providing opportunities for the neighbouring community continued, the year saw the commencement of construction of the Mahindra World City – CAP Community College. This College will train the Underprivileged youth from the neighboring community in vocations to make them employable.

Mahindra World City reached out to the surrounding communities, village schools and daily wage earners as part of its CSR initiatives during the year. Some of the initiatives included an eye check-up camp for the daily wage earners, tree planting camps in the neighbouring village schools and a blood donation drive for the employees amongst other activities.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, 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 by the provisions of Section 224 of the Companies Act, 1956, the Company has received a written certificate from M/s. A.F.Ferguson & Co., Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Public Deposits and Loans / Advances

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

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

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure 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 had 1 (one) employee who was employed throughout the financial year and was in receipt of remuneration of not less than ₹ 60,00,000 per year during the year ended 31st March, 2013 or was in receipt of remuneration of not less than ₹ 5,00,000 per month during any part of the said year. The particulars of remuneration are given in Annexure II to this Report.

Acknowledgement

Your Directors wish to place on record their sincere thanks to the Tamil Nadu Government, Housing Development Finance Corporation Limited, all consultants, associates and the Employees for their support and co-operation extended during the year under review.

For and on Behalf of the Board,

Place: Chennai
Date : 12th April, 2013

N. Vaghul
Chairman

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 initiated to reduce energy consumption.
b.	Additional investments and proposals, if any, being implemented for reduction of consumption of energy	: The 75 Kw roof top off grid solar plant, replacement of 164 MHSV lights with LED lights in a phased manner have been taken up as part of efforts to reduce consumption of energy
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	: The above measures have resulted in saving of electricity.
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

N. Vaghul
Chairman

Annexure II to the Directors' Report

Particulars of Employee as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2013

Name of the Employee	Designation/ Nature of Duties	Qualification	Remuneration (Subject to tax) (₹)	Age (yrs)	Experience (yrs)	Date of Commencement of employment	Last employment held (Designation / Organisation)
Ms. Sangeeta Prasad	Chief Executive Officer & Manager	M.B.A.	93,90,044	45	20	29th August, 2008	Chief Sales Manager – South – TATA Steels Limited

Notes:

1. Nature of employment is contractual, subject to termination at three months' notice from either side.
2. The above employee is/are not related to any other Director of the Company.
3. The employee does not hold by herself or along with her spouse and dependent children 2% or more of the equity shares of the Company.
4. Terms and Conditions of employment are as per Company's rules / contract.
5. Gross remuneration received as shown in the statement includes Salary, Bonus, House Rent Allowance or value of perquisites for accommodation, employer's contribution to Provident fund and Superannuation scheme including group insurance premium, leave travel facility, Reimbursement of medical expenses and all allowances/perquisites and terminal benefits as applicable.

For and on Behalf of the Board,

Place: Chennai
Date : 12th April, 2013

N. Vaghul
Chairman

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **MAHINDRA WORLD CITY 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 **A. F. Ferguson & Co.**
Chartered Accountants
(Firm Registration No.: 112066W)

B. Ramaratnam
Partner
(Membership No.: 21209)

CHENNAI, 12th April, 2013

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 World City Developers Limited on the accounts for the year ended 31st March 2013)

(i) Having regard to the nature of Company's business/activities/ results, clauses (vi), (x), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of paragraph 4 of CARO are not applicable to the Company in the current year.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

(a) As explained to us, the saleable 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.

(iv) 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.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of inventory. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.

(vi) In our opinion and according to the information and explanations given to us, the company has not entered into contracts or arrangements with parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(vii) In our opinion, the Company has an internal audit system which is commensurate with its size and nature of business.

(viii) 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.

(ix) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Income-tax, Value Added 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 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, except as given below:

Statute	Natutre of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Income Tax including interest	Commissioner (Appeals)	2009-10	174.91

(x) 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 from HDFC Limited.

(xi) In our opinion and according to the information and explanations given to us, the Company has applied the term loans during the year for the purpose for which they were obtained.

(xii) 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 investments.

(xiii) 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 **A. F. Ferguson & Co.**
Chartered Accountants
(Firm Registration No. 112066W)

B. Ramaratnam
Partner
(Membership No. 21209)

CHENNAI, 12th April, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	**850,000,000**	850,000,000
(b) Reserves and surplus	4	**882,484,730**	422,962,977
		1,732,484,730	1,272,962,977
Non-current liabilities			
(a) Long-term borrowings	5	**1,042,500,000**	1,482,500,000
(b) Deferred tax liabilities (net)	26.7	**275,385,235**	142,983,233
(c) Other long-term liabilities	6	**79,240,217**	31,794,322
		1,397,125,452	1,657,277,555
Current liabilities			
(a) Short-term borrowings	7	**650,000,000**	500,000,000
(b) Trade payables	8	**6,832,457**	8,585,751
(c) Other current liabilities	9	**862,163,030**	598,419,372
(d) Short-term provisions	10	**92,098,885**	61,909,026
		1,611,094,372	1,168,914,149
TOTAL		**4,740,704,554**	4,099,154,681
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		**383,723,389**	361,844,721
(ii) Intangible assets		**1**	1
(iii) Capital work-in-progress		**–**	12,933,200
(b) Non-current investments	12	**130,000,000**	130,000,000
(c) Long-term loans and advances	13	**198,047,172**	70,828,960
		711,770,562	575,606,882
Current assets			
(a) Inventories	14	**3,499,127,857**	3,051,759,205
(b) Trade receivables	15	**34,116,091**	19,050,037
(c) Cash and cash equivalents	16	**30,934,307**	8,279,706
(d) Short-term loans and advances	17	**439,622,951**	423,880,367
(e) Other current assets	18	**25,132,786**	20,578,484
		4,028,933,992	3,523,547,799
TOTAL		**4,740,704,554**	4,099,154,681

See accompanying notes forming part of the financial statements

In terms of our report attached.
For **A. F. Ferguson & Co**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 12th April, 2013

For and on behalf of the Board of Directors

N. Vaghul — Chairman

Anita Arjundas
V. Balaraman — Directors

Sangeeta Prasad — Chief Executive Officer & Manager

S. Chandru — Chief Financial Officer & Company Secretary

Place : Chennai
Date : 12th April, 2013

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

Particulars	Note No.	Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
Revenue from operations	19	**1,220,852,885**	583,496,246
Other income	20	**17,288,693**	20,745,498
Total revenue		**1,238,141,578**	604,241,744
Expenses			
Cost of land and project development		**294,316,050**	453,032,311
Changes in inventories	21	**(447,368,652)**	(494,695,978)
Employee benefits expense	22	**48,887,431**	45,839,651
Finance costs	23	**332,620,029**	283,192,939
Depreciation and amortisation expense	11	**17,925,625**	19,425,444
Other expenses	24	**164,922,977**	143,550,829
Total expenses		**411,303,460**	450,345,196
Profit before tax		**826,838,118**	153,896,548
Tax expense:			
(a) Current tax expense		**165,500,000**	32,000,000
(b) (Less): MAT credit		**(16,000,000)**	(32,000,000)
Net current tax expenses		**149,500,000**	–
(c) Deferred tax		**132,402,002**	50,295,056
Net tax expenses		**281,902,002**	50,295,056
Profit for the year		**544,936,116**	103,601,492
Basic and diluted earnings per share		**24.73**	2.91

See accompanying notes forming part of the financial statements

In terms of our report attached.
For **A. F. Ferguson & Co**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 12th April, 2013

For and on behalf of the Board of Directors

N. Vaghul	Chairman
Anita Arjundas V. Balaraman	Directors
Sangeeta Prasad	Chief Executive Officer & Manager
S. Chandru	Chief Financial Officer & Company Secretary

Place : Chennai
Date : 12th April, 2013

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

Particulars	**Year ended 31st March, 2013 ₹**	Year ended 31st March, 2012 ₹
A. Cash flow from operating activities		
Net Profit before tax	**826,838,118**	153,896,548
Adjustments for:		
Depreciation and amortisation	**17,925,625**	19,425,444
Loss on sale/write off of assets	**1,223,873**	–
Finance costs	**332,620,029**	283,192,939
Interest income	**(17,062,963)**	(17,710,786)
Operating profit before working capital changes	**1,161,544,682**	438,804,145
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	**(447,368,652)**	(494,695,978)
Trade receivables	**(15,066,054)**	(13,829,831)
Short-term loans and advances	**(15,742,584)**	(36,974,074)
Long-term loans and advances	**(108,528)**	(993,812)
	(478,285,818)	(546,493,695)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	**(1,753,294)**	(5,075,903)
Other current liabilities	**(58,756,342)**	4,598,279
Other long-term liabilities	**47,445,895**	937,117
Short-term provisions	**1,724,521**	1,984,801
	(11,339,220)	2,444,294
Cash generated from operations	**671,919,644**	(105,245,256)
Net income tax (paid)/refunded	**(272,125,121)**	(42,741,862)
Net cash flow from/(used in) operating activities (A)	**399,794,523**	(147,987,118)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	**(32,579,529)**	(25,899,886)
Inter-corporate deposits (net)	**150,000,000**	300,000,000
Interest received		
- Joint ventures	**11,493,123**	13,095,081
- Others	**1,015,538**	–
Net cash flow from investing activities (B)	**129,929,132**	287,195,195
C. Cash flow from financing activities		
Proceeds from long-term borrowings	**250,000,000**	450,000,000
Repayment of short-term borrowings	**(367,500,000)**	(260,000,000)
Finance cost	**(332,620,029)**	(290,811,295)
Dividends paid	**(49,000,000)**	(59,000,000)
Tax on dividend	**(7,949,025)**	(9,571,275)
Net cash flow (used in) financing activities (C)	**(507,069,054)**	(169,382,570)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	**22,654,601**	(30,174,493)
Cash and cash equivalents at the beginning of the year	**8,279,706**	38,454,199
Cash and cash equivalents at the end of the year	**30,934,307**	8,279,706

See accompanying notes forming part of the financial statements

In terms of our report attached.
For **A. F. Ferguson & Co**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 12th April, 2013

For and on behalf of the Board of Directors

N. Vaghul — Chairman
Anita Arjundas, V. Balaraman — Directors
Sangeeta Prasad — Chief Executive Officer & Manager
S. Chandru — Chief Financial Officer & Company Secretary

Place : Chennai
Date : 12th April, 2013

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

1 Corporate information

The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule XIV to the Companies Act, 1956. Intangible assets are amortised over their estimated useful life as follows: Software expenditure incurred is amortised over three years. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

a) Land lease premium is recognised as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

b) Property lease rentals, income from operation & maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

2.8 Other income

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

2.9 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:
Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are adjusted to the carrying value of the assets.

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair

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

value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

The company has a single reportable segment namely, lease of land and properties constructed thereon.

2.17 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.18 Taxes on income

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

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

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

2.19 Impairment of assets

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

2.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

3 Share capital

Particulars		**As at 31st March, 2013**		As at 31st March, 2012	
		Number of shares	**₹**	Number of shares	₹
(a)	Authorised				
	Equity shares of ₹ 10 each with voting rights	**25,000,000**	**250,000,000**	25,000,000	250,000,000
	Unclassified shares of ₹ 10 each	**5,000,000**	**50,000,000**	5,000,000	50,000,000
	Cumulative Redeemable preference shares of ₹ 100 each	**6,500,000**	**650,000,000**	6,500,000	650,000,000
			950,000,000		950,000,000
(b)	Issued, Subscribed and fully paid up				
	Equity shares of ₹ 10 each with voting rights	**20,000,000**	**200,000,000**	20,000,000	200,000,000
	8.5% (previous year 6%) Cumulative Redeemable preference shares of ₹ 100 each	**6,500,000**	**650,000,000**	6,500,000	650,000,000
	Total		**850,000,000**		850,000,000

Notes:

(i) 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.

The dividends proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

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

The amount of dividend proposed to be distributed to equity shareholders is ₹ 300 lakhs (₹ 1.50 per share) (previous year – ₹ 100 lakhs (₹ 0.50 per share)

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

(ii) Terms/rights attached to Preference Shares

The Cumulative Redeemable Preference shares are redeemable at par on 30 September, 2013 (extended by nine months from 01.01.2013).

The rate of dividend has been increased from 6% to 8.5% with effect from January 1, 2013, consequent to extension of date of redemption to 30 september, 2013.

The amount of dividend proposed to be distributed to preference shareholders is ₹ 430.07 lakhs (₹ 6.625 per share) (previous year – ₹ 390 lakhs (₹ 6.00 per share).

(iii) Details of Preference shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Equity shares with voting rights	8.5% Cumulative Redeemable preference shares	Equity shares with voting rights	6% Cumulative Redeemable preference shares
	Number of shares		Number of shares	
Mahindra Lifespace Developers Limited, the holding company	**16,524,993**	**6,500,000**	16,524,993	6,500,000

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

Class of shares/Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
–Mahindra Lifespace Developers Limited	**16,524,993**	**82.60%**	16,524,993	82.60%
–Prudential Management & Services Private Limited	**1,275,000**	**6.40%**	1,275,000	6.40%
–Tamilnadu Industrial Development Corporation Limited	**2,200,000**	**11.00%**	2,200,000	11.00%

		As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
4.	**Reserves and surplus**		
(a)	General reserve		
	Opening balance	**7,200,000**	7,200,000
	Addition during the year		
	Transfer from surplus in Statement of Profit and Loss account	**27,300,000**	–
	Closing balance	**34,500,000**	7,200,000
(b)	Surplus in Statement of Profit and Loss		
	Opening balance	**415,762,977**	369,110,510
	Add: Profit/(Loss) for the year	**544,936,116**	103,601,492
	Less: Dividends proposed to be distributed to equity shareholders (₹ 1.50 per share (previous year – ₹ 0.50 per share)	**30,000,000**	10,000,000
	Dividends proposed to be distributed to preference shareholders (₹ 6.00 per share upto 31.12.2012 and ₹ 8.50 per share from 01.01.2013 to 31.03.2013 (previous year – ₹ 6.00 per share)	**43,006,849**	39,000,000
	Tax on dividend	**12,407,514**	7,949,025
	Transferred to General reserve	**27,300,000**	–
	Closing balance	**847,984,730**	415,762,977
		882,484,730	422,962,977

		As at 31st March, 2013	As at 31st March, 2012
5	**Long-term borrowings**		
	Term loans (Secured)		
	From HDFC Limited	**1,042,500,000**	1,482,500,000
		1,042,500,000	1,482,500,000

(i) Tranche I carries interest @ 13.75% – Principal of ₹ 147.25 Crorres to be repaid in 14 equal quarterly installments of ₹ 10.75 Crores, each commencing from May 2013.

Tranche II carries interest @ 13.25% – Principal to be repaid in 2 installments of ₹ 13 Crores each in August 2013 and February 2014

(ii) Term loans are secured by equitable Mortgage of specified lands.

(iii) For current maturities of long term borrowings, refer items (a) in Note No. 9 Other current liabilities.

		As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
6	**Other long-term liabilities**		
	Security deposit received	**39,240,217**	30,400,162
	Payable on purchase of fixed assets	**–**	1,394,160
	Advance received from Ulitmate Holding Company	**40,000,000**	–
		79,240,217	31,794,322
7	**Short-term borrowings**		
	From related parties		
	Intercorporate Deposit from Holding Company (unsecured)	**650,000,000**	500,000,000
		650,000,000	500,000,000
8	**Trade payables**		
	Trade payables	**6,832,457**	8,585,751
		6,832,457	8,585,751
9	**Other current liabilities**		
	Current maturities of long-term loan from HDFC Limited *	**690,000,000**	367,500,000
	Statutory remittances	**365,115**	5,515
	Other payables	**72,375,295**	81,702,983
	Earnest money deposit received	**410,000**	250,000
	Advances from customers	**89,544,750**	129,106,258
	Rental/other deposit from customers	**9,467,870**	16,998,616
	Rental advance from customer	**–**	2,856,000
		862,163,030	598,419,372

* Refer Note 5 – Long term borrowings for details of security and terms of repayment

10	**Short-term provisions**			
(a)	Provision for employee benefits:			
	(i)	Compensated absences	**5,731,103**	3,779,318
	(ii)	Gratuity	**953,419**	1,180,683
			6,684,522	4,960,001
	(i)	Proposed equity dividend	**30,000,000**	10,000,000
	(ii)	Proposed preference dividend	**43,006,849**	39,000,000
	(iii)	Tax on proposed dividends	**12,407,514**	7,949,025
			85,414,363	56,949,025
			92,098,885	61,909,026

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

11 Fixed Asset

₹

Particulars	Gross block					Depreciation					Net block	
	As at 01.04.2012	Additions	Deletions	Adjustments	**As at 31.03.2013**	As at 01.04.2012	For the year	Deletions	Adjustments	**As at 31.03.2013**	**As at 31.12.2013**	As at 31.03.2012
A. Tangible assets												
Land	10,779,777				**10,779,777**	–				–	**10,779,777**	10,779,777
(Previous year)	(10,779,777)				**(10,779,777)**	–				–		
Buildings												
- Own use	108,570,607	3,527,187			**112,097,794**	18,923,196	3,585,108			**22,508,304**	**89,589,490**	89,647,411
(Previous year)	(105,206,103)	(3,364,504)			**(108,570,607)**	(15,417,572)	(3,505,624)			**(18,923,196)**	**(89,647,411)**	(89,788,531)
- Given under operating lease	116,977,826				**116,977,826**	16,982,868	3,907,060			**20,889,928**	**96,087,898**	99,994,958
(Previous year)	(116,977,826)				**(116,977,826)**	(13,075,808)	(3,907,060)			**(16,982,868)**	**(99,994,958)**	(103,902,018)
Plant and machinery	168,442,643	35,901,276		17,014,039	**221,357,958**	29,973,895	8,916,407		3,194,609	**42,084,911**	**179,273,047**	138,468,748
(Previous year)	(158,747,603)	(9,695,040)			**(168,442,643)**	(22,170,709)	(7,803,186)			**(29,973,895)**	**(138,468,748)**	(136,576,894)
Office equipment	19,245,040	376,870		(16,970,509)	**2,651,401**	4,165,762	103,125		(3,184,872)	**1,084,015**	**1,567,386**	15,079,278
(Previous year)	(19,232,240)	(12,800)			**(19,245,040)**	(3,273,651)	(892,111)			**(4,165,762)**	**(15,079,278)**	(15,958,589)
Furniture and fixtures	3,520,011			(54,450)	**3,465,561**	2,614,859	141,606		(13,937)	**2,742,528**	**723,033**	905,152
(Previous year)	(3,520,011)				**(3,520,011)**	(2,363,530)	(251,329)			**(2,614,859)**	**(905,152)**	(1,156,481)
Computers	5,605,949	606,584		10,920	**6,223,453**	4,323,114	447,488		4,200	**4,774,802**	**1,448,651**	1,282,835
(Previous year)	(5,142,325)	(463,624)			**(5,605,949)**	(3,901,279)	(421,835)			**(4,323,114)**	**(1,282,835)**	(1,241,046)
Vehicles	8,411,091	616,249	2,244,695		**6,782,645**	2,724,529	824,831	1,020,822		**2,528,538**	**4,254,107**	5,686,562
(Previous year)	(7,847,300)	(563,791)			**(8,411,091)**	(1,945,828)	(778,701)			**(2,724,529)**	**(5,686,562)**	(5,901,472)
Total	441,552,944	41,028,166	2,244,695	–	**480,336,415**	79,708,223	17,925,625	1,020,822	–	**96,613,026**	**383,723,389**	361,844,721
Total (Previous year)	(427,453,185)	(14,099,759)	–	–	**(441,552,944)**	(62,148,377)	(17,559,846)	–	–	**(79,708,223)**	**(351,064,944)**	(354,525,031)
B. Intangible assets												
Software	5,558,724				**5,558,724**	5,558,723				**5,558,723**	**1**	1
(Previous year)	(5,558,724)				**(5,558,724)**	(3,693,125)	(1,865,598)			**(5,558,723)**	**(1)**	(1,865,599)
Total	5,558,724	–	–	–	**5,558,724**	5,558,723	–	–	–	**5,558,723**	**1**	1
Total (Previous year)	(5,558,724)	–	–	–	**(5,558,724)**	(3,693,125)	(1,865,598)	–	–	**(5,558,723)**	**(1)**	(1,865,599)
Total (A+B)	447,111,668	41,028,166	2,244,695		**485,895,139**	85,266,946	17,925,625		–	**102,171,749**	**383,723,390**	–
Total (A+B) Previous year	(433,011,909)	(14,099,759)	–	–	**(447,111,668)**	(65,841,502)	(19,425,444)	–	–	**(85,266,946)**	–	(361,844,722)

	As at 31st March, 2013		As at 31st March, 2012	
	Nos:	**₹**	Nos:	₹
12 Non-current investments				
Investments (At cost):				
Unquoted, Non-trade				
Investment in equity instruments in Joint venture company				
- Mahindra Integrated Township Limited	**13,000,000**	**130,000,000**	13,000,000	130,000,000
	13,000,000	**130,000,000**	13,000,000	130,000,000

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
13 Long-term loans and advances (Unsecured. Considered good)		
Capital advances	**5,292,315**	807,752
Security deposits	**3,407,860**	3,299,332
Advance income tax (net of provisions)	**121,246,997**	14,621,876
MAT credit entitlement	**68,100,000**	52,100,000
	198,047,172	70,828,960

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
14 Inventories		
(at lower of cost and net realisable value)		
Work-in-progress		
(representing cost of land and related expenditure)	**3,499,127,857**	3,051,759,205
	3,499,127,857	3,051,759,205

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
15 Trade receivables		
(Unsecured, Considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	**3,690,317**	3,351,444
Other Trade receivables	**30,425,774**	15,698,593
	34,116,091	19,050,037

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

		As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
16	**Cash and cash equivalents**		
(a)	Cash on hand	**59,402**	51,773
(b)	Balances with banks		
	In current accounts	**30,874,905**	8,227,933
		30,934,307	8,279,706

		As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
17	**Short-term loans and advances** (Unsecured unless specifically stated, Considered good)		
(a)	Security deposits	**675,000**	675,000
(b)	Loans and advances to employees	**–**	28,580
(c)	Prepaid expenses	**1,525,208**	2,642,396
(d)	Balances with government authorities Service Tax input credit	**2,785,077**	2,924,784
(e)	Inter-corporate deposit to related party	**73,300,000**	73,300,000
(f)	Advances for purchase of land Secured	**352,170,692**	332,083,991
	Unsecured, considered good	**7,665,474**	8,365,474
(g)	Other advances	**1,501,500**	3,860,142
		439,622,951	423,880,367

Intercorporate deposits represents receivable from Mahindra Integrated Township Limited, Joint venture company

		As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
18	**Other current assets**		
	Interest accrued on deposits	**25,132,786**	20,578,484
		25,132,786	20,578,484

Includes Interest receivable from Mahindra Integrated Township Limited - ₹ Nil previous year ₹ 2,120,078

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
19	**Revenue from operations**		
(a)	Land Lease Premium	**1,017,096,000**	428,731,913
(b)	Rental income	**29,652,940**	14,970,118
(c)	Operation and maintenance income	**174,103,945**	139,794,215
		1,220,852,885	583,496,246

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
20	**Other income**		
	Interest on		
	– Advance for purchase of land	**7,496,739**	8,426,119
	– Intercorporate Deposit	**9,360,814**	9,284,667
	– Income tax refund	**32,484**	1,643,278
	– Others	**172,926**	–
	Miscellaneous income	**225,730**	1,391,434
		17,288,693	20,745,498

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
21	**Changes in inventories**		
	Inventories at the end of the year:		
	Work-in-progress	**3,499,127,857**	3,051,759,205
		3,499,127,857	3,051,759,205
	Inventories at the beginning of the year:		
	Work-in-progress	**3,051,759,205**	2,557,063,227
		3,051,759,205	2,557,063,227
	Net (increase)/decrease	**(447,368,652)**	(494,695,978)

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
22	**Employee benefits expense**		
	Salaries and wages	**43,001,790**	37,490,482
	Contributions to provident and other funds	**1,609,550**	3,023,366
	Commission to non-whole time directors	**2,000,000**	1,000,000
	Staff welfare expenses	**2,276,091**	4,325,803
		48,887,431	45,839,651

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
23	**Finance costs**		
(a)	Interest expense on:		
	(i) Term loan from HDFC Limited	**263,865,890**	247,615,890
	(ii) Intercorporate Deposit	**65,495,917**	35,577,049
	(iii) Service tax	**3,258,222**	–
		332,620,029	283,192,939

		Year ended 31st March, 2013 ₹	Year ended 31st March, 2012 ₹
24	**Other expenses**		
	Power and fuel	**25,666,995**	19,568,556
	Rent including lease rentals	**448,620**	546,524
	Repairs and maintenance		
	- Machinery	**65,348**	340,455
	- Other	**2,533,577**	3,563,244
	Insurance	**1,803,595**	1,713,868
	Rates and taxes	**2,950,043**	2,424,758
	Communication	**1,579,183**	2,846,609
	Travelling and conveyance	**7,769,624**	7,553,582
	Printing and stationery	**1,110,529**	1,181,284
	Sales commission	**8,860,800**	5,570,000
	Business promotion	**9,356,804**	13,031,285
	Legal and professional	**20,302,550**	13,216,777
	Payments to auditors	**1,020,000**	741,659
	Loss on Sale of Fixed Assets	**1,223,873**	–
	Operation and Maitenance Expenses	**77,859,065**	68,240,027
	Miscellaneous expenses	**2,372,371**	3,012,201
		164,922,977	143,550,829

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

		Year ended 31st March, 2013	Year ended 31st March, 2012
		₹	₹
(i)	Payments to the auditors comprises (net of service tax input credit)		
	Statutory audit	**700,000**	700,000
	Other services	**320,000**	40,000
	Reimbursement of expenses	–	1,659
		1,020,000	741,659

25 Additional information to the financial statements

		2012- 2013	2011-2012
		₹	₹
25.1	**Contingent liabilities and commitments**		
(i)	**Contingent liabilities**		
	Income Tax matters under appeal	**747,720**	–
	Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.		
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets"	**82,393,285**	24,288,392

25.2 There are no dues to Micro and Small Enterprises and these 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.

25.3	2012- 2013	2011-2012
Expenditure in foreign currency	₹	₹
Travel	**77,227**	214,599
Other Expenses	**76,705**	1,440,015
Total	**153,932**	1,654,614

26 Disclosures under Accounting Standards

		2012- 2013	2011-2012
26.1	**Details of government grants**	₹	₹
	Government grants towards fixed assets	–	3,997,500

		2012- 2013	2011-2012
		₹	₹
26.2	**Details of borrowing costs inventorised**		
	Borrowing costs inventorised during the year	**273,533,905**	233,450,882

26.3 Additional information to the financial statements - Employee benefits

		Gratuity (Funded)	
		2012 – 13	2011 – 12
		₹	₹
a.	**Net Asset/(Liability) recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**3,800,161**	4,024,903
	Fair Value of Plan assets	**2,846,742**	2,844,220
	Liability recognised in the balance sheet	**953,419**	1,180,683
b.	**Expense recognized in the Profit & Loss account**		
	Past service cost	–	–
	Current Service cost	**728,675**	771,769
	Interest cost	**334,486**	166,100
	Expected return on plan assets	**(182,060)**	(127,992)
	Actuarial (gains)/Losses	**(1,108,365)**	1,422,594
	Total expenses	**(227,264)**	2,232,471
c.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**4,024,903**	2,636,907
	Past service cost	–	–
	Current Service cost	**728,675**	771,769
	Interest Cost	**334,486**	166,100
	Actuarial (Gains)/Losses	**(1,108,365)**	1,294,602
	Benefits Paid	**(179,538)**	(844,475)
	Present value of the obligation as at the end of the year	**3,800,161**	4,024,903
d.	**Change in fair value of plan assets**		
	Present value of plan assets as the beginning of the year	**2,844,220**	2,022,143
	Expected return on plan assets	**182,060**	127,992
	Contributions made	–	(844,875)
	Benefits paid	**(179,538)**	1,666,952
	Actuarial Gains/(Losses)	–	(127,992)
	Present value of plan assets at the end of the year	**2,846,742**	2,844,220
e.	**Principal actuarial assumptions**		
	Discount Rate	**8.00%**	8.50%
	Expected return on plan assets	**8.00%**	8.00%
	Mortality	LIC (1994-96) Ultimate mortality tables	

f. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

g. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

26.4 Related party transactions

a. Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Fellow Subsidiaries	Mahindra Infrastructure Developers Limited
	Mahindra World City (Jaipur) Limited
	Mahindra Residential Developers Limited
	Mahindra Hinoday Industries Limited
	Mahindra Consulting Engineers Limited
	Mahindra Integrated Business Solutions Private Ltd.
	Mahindra EPC Service Pvt. Ltd
Joint Venture	Mahindra Integrated Township Limited
Key Management Personnel (KMP)	Ms. Sangeeta Prasad, Manager and Chief Executive Officer

Note: Related parties have been identified by the Management and relied upon by the auditors.

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

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

₹

	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Joint Venture	KMP
Transactions during the year					
Operation and maintenance Income	13,887,180	3,308,441		17,720,100	
	(10,801,405)	(3,913,962)		(13,782,300)	
- Mahindra Residential Developers Limited			5,895,556		
			(4,586,988)		
Water charges	4,743,480	686,040		1,642,850	
	(3,726,040)	(3,321,780)		(1,132,000)	
- Mahindra Residential Developers Limited			2,413,550		
			(2,459,200)		
Rent received		2,150,700			
		(2,150,700)			
Interest received				9,360,814	
				(9,284,667)	
Professional Charges	15,000				
	(60,560)				
- Mahindra Consulting Engineers Limited			8,375,448		
			(7,789,940)		
- Mahindra Integrated Business Solutions Pvt Ltd			103,000		
			(99,000)		
Fixed assets purchased including installation charges					
- Mahindra EPC Service Pvt Ltd			–		
			(13,082,400)		
Rent Paid	161,280				
	(161,280)				
Interest Paid		65,495,917			
		(35,577,049)			
Purchase of spares					
- Mahindra Hinoday Industries Limited			1,307,000		
			(–)		
Inter Corporate Deposit received		150,000,000			
		(300,000,000)			
Advances received	400,000,000				
	(–)				
Balance Outstanding as at the year end					
Receivables	348,440			73,300,000	
	(802,400)			(75,432,309)	
Payables	45,135,206	653,414,098		6,650,775	
	(3,543,381)	(503,282,098)		(5,666,325)	
- Mahindra Residential Developers Limited			2,306,889		
			(1,979,247)		
- Mahindra EPC Service Pvt. Ltd			–		
			(1,394,160)		
Managerial Remuneration					9,390,044
					(7,565,798)
Dividend Paid		47,262,497			
		(55,524,993)			

Note: Figures in bracket relates to the previous year

26.5 Leases

The Company's significant leasing arrangements are in respect of operating leases for commercial premises.

Lease income from operating leases is recognized on a straight–line basis over the period of lease. The particulars of the premises given under operating leases are under:

	As at 31st March, 2013	As at 31st March, 2012
	₹	₹
Gross carrying amount of premises....	**116,977,826**	116,977,826
Accumulated depreciation...................	**20,889,928**	16,982,868
Depreciation for the year.....................	**3,907,060**	3,907,060

26.6 Earnings per share

	Year ended 31st March, 2013	Year ended 31st March, 2012
	₹	₹
Basic and diluted		
Net profit for the year	**544,936,116**	103,601,492
Less: Preference dividend and tax thereon....................................	**50,315,863**	45,326,775
Net profit for the year attributable to the equity shareholders.......................	**494,620,252**	58,274,717
Weighted average number of equity shares..	**20,000,000**	20,000,000
Par value per share	**10**	10
Earnings per share – Basic and diluted	**24.73**	2.91

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

26.7 Deferred tax (liability)/asset

Particulars	As at 31st March, 2013 ₹	As at 31st March, 2012 ₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(47,231,446)**	(40,111,508)
Interest inventorised but claimed as allowable for tax purposes	**(230,425,858)**	(131,203,879)
Tax effect of items constituting deferred tax liability	**(277,657,304)**	(171,315,387)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**2,272,069**	1,226,200
Unabsorbed depreciation	**–**	11,174,833
Brought forward business losses	**–**	15,931,121
Tax effect of items constituting deferred tax assets	**2,272,069**	28,332,154
Net deferred tax (liability)/asset	**(275,385,235)**	(142,983,233)

26.8 Joint Venture Disclosures

i. Interest in Joint Ventures

Name of the Company	Country of Incorporation	Proportion of ownership interest
Mahindra Integrated Township Limited	India	25.78%

ii. Interest in assets, liabilities, income, expenses and capital commitment with respect to the Joint Ventures

Particulars	2012–13	2011–12
Tangible fixed assets	**133,003**	27,618
Non-current Investments	**170,905,601**	354,909
Long term loans and advances	**5,029,177**	2,538,023
Inventories	**219,784,322**	210,534,754
Cash and cash equivalents	**7,284,640**	256,312
Trade receivables	**17,617,313**	3,085,028
Short term loans and advances	**6,587,823**	3,896,536
Other Current Assets	**118,946,273**	66,255,878
Trade payables	**26,342,876**	6,776,509
Other Current Liabilities	**92,875,959**	37,483,722
Short term borrowings	**302,091,801**	132,155,267
Long term Borrowings	**–**	14,841,656
Income	**176,913,309**	75,135,970
Expenses	**147,494,715**	82,882,810

27 Previous year's figures

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

For A. F. Ferguson & Co
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : 12th April, 2013

For and on behalf of the Board of Directors

N. Vaghul — Chairman
Anita Arjundas, V. Balaraman — Directors
Sangeeta Prasad — Chief Executive Officer & Manager
S. Chandru — Chief Financial Officer & Company Secretary

Place : Chennai
Date : 12th April, 2013