

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Fifth Report together with the audited accounts of the Company for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

Particulars	For the year ended March 31, 2012	(Amount in ₹) For the year ended March 31, 2011
Total Income.....	501	4,482
Profit / (Loss) Before Depreciation, Interest and Taxation.....	(153,681)	(138,525)
Less : Depreciation.....	10,524	10,527
Profit / (Loss) Before Interest and Taxation.....	(164,205)	(149,052)
Less : Interest.....	—	—
Profit / (Loss) Before Taxation.....	(164,205)	(149,052)
Less : Provision for Taxation	—	—
Profit / (Loss) for the year after Taxation.....	(164,205)	(149,052)
Add : Balance of Profit / (Loss) for earlier years.....	(4,036,227)	(3,887,175)
Balance carried forward to the Balance Sheet	(4,200,432)	(4,036,227)

Operations

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

Dividend

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

Capital

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

Your Company is a wholly owned subsidiary of Mahindra Lifespace Developers Limited and consequently a subsidiary of the ultimate holding company, Mahindra & Mahindra Limited.

Directors

Ms. Anita Arjundas and Mrs. Beroz Gazdar retire by rotation and being eligible offers themselves for re-appointment.

Audit Committee

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

Audit Committee met four times during the year under review.

Directors' Responsibility Statement

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012 and of the loss of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Code of Conduct

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

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

Auditors

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

Public Deposits and Loans / Advances

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

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

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

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with

the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure to this Report.

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

The Company had no employee, who was employed throughout the Financial Year and was in receipt of remuneration, of not less than ₹ 6,000,000 p.a. during the year ended March 31, 2012, or was employed for a part of Financial Year and was in receipt of remuneration of not less than ₹ 500,000 p.m. during any part of the year.

Acknowledgment

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

For and on behalf of the Board,

Arun Nanda
Chairman

Mumbai, April 19, 2012

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 MARCH 31, 2012.

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 : 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 : The above measures have resulted in reduction of energy consumption.
- (d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule : Not Applicable

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board,

Arun Nanda
Chairman

Mumbai, April 19, 2012

AUDITORS' REPORT**TO THE MEMBERS OF
KNOWLEDGE TOWNSHIP LIMITED**

1. We have audited the attached Balance Sheet of Knowledge Township Limited as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto, these financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred in paragraph 3 above, we report that:
 - (i) 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;
 - (ii) 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 and proper returns adequate for the purposes of our audit;
 - (iii) 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;
 - (iv) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 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 March 31, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai,
Date: April 19, 2012

Annexure referred to in paragraph 3 of the Auditors' Report to the members of Knowledge Township Limited on the accounts for the year ended March 31, 2012.

- i. Having regard to the nature of Company's business / activities / result, clauses (v) to (vii), (x) to (xx) 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) No fixed asset have been disposed of by the Company during the year.
- iii. In respect of its inventories:
 - (a) As explained to us, the inventories representing land 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. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed 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 fixed assets and inventories. During the course of audit, we have not observed any major weakness in such internal control system
- vi. According to the information and explanations given to us in respect of the statutory dues:
 - a) The Company has been regular in depositing undisputed dues in respect of Income 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 March 31, 2012 for a period of more than six months from the date they became payable.
 - c) As on March 31, 2012, there are no dues of Income Tax which has not been deposited on account of disputes.
- vii. To the best of our knowledge and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed / reported during the year.

For **A.F. Ferguson & Co**
Chartered Accountants
Registration No: 112066W

B. Ramaratnam
Partner
(Membership No.21209)

Place: Chennai,
Date: April 19, 2012

BALANCE SHEET AS AT MARCH 31, 2012

	Note Ref	As at March 31, 2012 ₹	As at March 31, 2011 ₹
EQUITY AND LIABILITIES			
Shareholders Funds			
Share capital	3	210,000,000	210,000,000
Reserves & Surplus.....	4	<u>(4,200,432)</u>	<u>(4,036,227)</u>
		205,799,568	205,963,773
Current Liabilities			
Short term Borrowings.....	5	180,600,000	132,100,000
Other current liabilities.....	6	30,955,132	12,903,388
Short term provisions.....	7	<u>386,870</u>	<u>257,383</u>
		<u>211,942,002</u>	<u>145,260,771</u>
TOTAL.....		<u><u>417,741,570</u></u>	<u><u>351,224,544</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	8	15,792	26,316
Long Term Loans and advances.....	9	1,298	10,417
Current Assets			
Inventories	10	193,529,694	151,083,842
Cash and cash equivalents	11	121,560	627,207
Short term loans and advances.....	12	<u>224,073,226</u>	<u>199,476,762</u>
		<u>417,724,480</u>	<u>351,187,811</u>
TOTAL.....		<u><u>417,741,570</u></u>	<u><u>351,224,544</u></u>

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 : April 19, 2012

Sejal Shah
Company Secretary

Place : Mumbai

Date : April 18, 2012

For and on behalf of the Board of Directors

Anita Arjundas Director

Beroz Gazdar Director

Place : Mumbai

Date : April 18, 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note Ref	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
INCOME			
Other Income.....	13	<u>501</u>	<u>4,482</u>
		<u>501</u>	<u>4,482</u>
EXPENDITURE			
Project Expenses.....	14	19,161,567	121,434,748
Changes in inventories.....	15	(42,445,852)	(134,150,340)
Employee benefit expense.....	16	2,616,520	1,932,156
Finance Cost.....	17	20,667,765	10,783,436
Depreciation and amortization expense.....		10,524	10,527
Other expenses.....	18	<u>154,182</u>	<u>143,007</u>
		<u>164,706</u>	<u>153,534</u>
Loss before tax.....		(164,205)	(149,052)
Less : Tax expense.....		—	—
Loss after tax.....		<u>(164,205)</u>	<u>(149,052)</u>
Earning per equity share:			
Basic and Diluted.....		(0.01)	(0.01)

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **A.F.Ferguson & Co**
Chartered Accountants

B. Ramaratnam
Partner

Place : Chennai
Date : April 19, 2012

Sejal Shah
Company Secretary

Place : Mumbai
Date : April 18, 2012

For and on behalf of the Board of Directors

Anita Arjundas Director

Beroz Gazdar Director

Place : Mumbai
Date : April 18, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
A. Cash flow from operating activities		
Loss before tax	(164,205)	(149,052)
Adjustments for:		
Depreciation	10,524	10,527
Dividend Income	—	(1,742)
Finance Costs.....	<u>20,667,765</u>	<u>10,783,436</u>
Operating loss before working capital changes.....	20,514,084	10,643,169
Changes in working capital :		
<i>Adjustment for (increase) / decrease in operating assets</i>		
(Increase) / decrease in short term loans and advances.....	(24,596,464)	62,778,034
(Increase) / decrease in inventories	(63,113,616)	(134,150,340)
<i>Adjustment for increase / (decrease) in operating liabilities</i>		
Increase / (decrease) in other current liabilities.....	<u>18,181,230</u>	<u>(305,343)</u>
	(69,528,850)	(71,677,649)
Cash (used in) operations	(49,014,766)	(61,034,480)
Taxes paid	9,119	16,960
Net cash (used in) operating activities.....	<u>(49,005,647)</u>	<u>(61,017,520)</u>
B. Cash flow from investing activities:		
Purchase of investments	—	258,539
Dividend received	—	1,742
Net cash from investing activities	<u>—</u>	<u>260,281</u>
C. Cash flow from financing activities:		
Proceeds from borrowings.....	<u>48,500,000</u>	<u>61,100,000</u>
Net cash from financing activities	<u>48,500,000</u>	<u>61,100,000</u>
Net increase / (decrease) in cash and cash equivalents	<u>(505,647)</u>	<u>342,761</u>
Cash & cash equivalents		
Opening balance	627,207	284,446
Closing balance	<u>121,560</u>	<u>627,207</u>
Net increase / (decrease) in cash and cash equivalents	<u>(505,647)</u>	<u>342,761</u>

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 : April 19, 2012

Sejal Shah
Company Secretary

Place : Mumbai
Date : April 18, 2012

For and on behalf of the Board of Directors

Anita Arjundas Director

Beroz Gazdar Director

Place : Mumbai
Date : April 18, 2012

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1 Corporate information

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

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued at lower of cost and net realizable 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 amortization

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

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

2.7 Other income

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

2.8 Tangible fixed assets

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

2.9 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences

Defined contribution plans

The Company's contribution to provident 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.

2.10 Earnings per share

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

2.11 Taxes on income

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

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

2.12 Impairment of assets

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

2.13 Provisions and contingencies

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

	As at March 31, 2012	As at March 31, 2011
	₹	₹
3 Share Capital		
Authorised		
50,000,000 equity shares of ₹ 10 each	500,000,000	500,000,000
Issued, subscribed and fully paid up.		
21,000,000 equity shares fully paid up of ₹10 each.....	<u>210,000,000</u>	<u>210,000,000</u>
	<u>210,000,000</u>	<u>210,000,000</u>

- a. The above shares are held by Mahindra Lifespace Developers Limited, the holding company and its nominees
There has been no movement in the equity share capital during the year.
- b. Terms/ Rights attached to Equity Shares
The company has only one class of Equity shares having a par value of ₹10 per share. Each holder of Equity Shares is entitled to one vote per share.
- c. Repayment of the capital on liquidation will be in proportion to the number of equity shares held.

	As at March 31, 2012	As at March 31, 2011
	₹	₹
4 Reserves & Surplus		
Deficit in the Statement of Profit and Loss		
Opening balance	(4,036,227)	(3,887,175)
Add: Loss for the Current Year	<u>(164,205)</u>	<u>(149,052)</u>
Closing Balance	<u>(4,200,432)</u>	<u>(4,036,227)</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

	As at March 31, 2012 ₹	As at March 31, 2011 ₹		As at March 31, 2012 ₹	As at March 31, 2011 ₹	
5 Short Term Borrowings			7 Short Term Provisions			
Intercorporate deposits from Holding company repayable on demand.....	<u>180,600,000</u>	<u>132,100,000</u>	Compensated absences	103,214	65,311	
	<u>180,600,000</u>	<u>132,100,000</u>	Provision for bonus	<u>283,656</u>	<u>192,072</u>	
				<u>386,870</u>	<u>257,383</u>	
6 Other Current Liabilities						
Interest Accrued but not due on Intercorporate Deposits (from Holding Company repayable on demand).....	30,839,672	12,238,684				
Statutory remittances						
Withholding Taxes.....	11,030	372,154				
Professional Taxes.....	800	800				
Others	<u>103,630</u>	<u>291,750</u>				
	<u>30,955,132</u>	<u>12,903,388</u>				
8 Fixed Assets						
Tangible Assets					₹	
	Gross Block		Accumulated Depreciation		Net Block	
Description of Assets	As at April 1, 2011	As at March 31, 2012	As at April 1, 2011	For the year March 31, 2012	As at March 31, 2012	As at March 31, 2011
Computers	51,683	51,683	25,367	10,524	35,891	15,792
TOTAL	51,683	51,683	25,367	10,524	35,891	15,792
Previous Year	51,683	51,683	14,840	10,527	25,367	26,316
	As at March 31, 2012 ₹	As at March 31, 2011 ₹		Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹	
9 Long Term Loans and Advances			14 Project Expenses			
Advance income tax.....	<u>1,298</u>	<u>10,417</u>	Cost of Land.....	17,022,468	117,024,739	
	<u>1,298</u>	<u>10,417</u>	Legal & Professional fees	2,075,235	4,248,355	
10 Inventories			Other Expenses	<u>63,864</u>	<u>161,654</u>	
(at lower of cost and net realisable value)				<u>19,161,567</u>	<u>121,434,748</u>	
Work in progress.....	193,529,694	151,083,842	15 Changes in Inventories			
(represents land and other related expenses)	<u>193,529,694</u>	<u>151,083,842</u>	Opening Work in progress	151,083,842	16,933,502	
			Closing Work in Progress.....	193,529,694	151,083,842	
11 Cash and Cash Equivalents				<u>(42,445,852)</u>	<u>(134,150,340)</u>	
Cash on hand.....	—	7,748	16 Employee Benefit Expenses			
Balances with Banks			Salaries, wages and bonus	2,394,916	1,713,371	
in current accounts	<u>121,560</u>	619,459	Staff welfare	<u>221,604</u>	<u>218,785</u>	
	<u>121,560</u>	<u>627,207</u>		<u>2,616,520</u>	<u>1,932,156</u>	
12 Short Term Loans and Advances (Unsecured, considered good)			17 Finance Costs			
Advance for purchase of land	222,813,226	198,216,762	Interest on Inter Corporate deposits.....	<u>20,667,765</u>	<u>10,783,436</u>	
Advance given to employees	10,000	10,000		<u>20,667,765</u>	<u>10,783,436</u>	
Claims recoverable	<u>1,250,000</u>	<u>1,250,000</u>	18 Other Expenses			
	<u>224,073,226</u>	<u>199,476,762</u>	Rates and taxes	1,010	16,020	
			Legal and Professional Charges	8,273	7,721	
	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹	Auditors' remuneration	—	—	
13 Other Income			Audit Fee	100,000	100,000	
Interest on Income Tax refund.....	501	2,740	For Other services	10,300	10,300	
Dividend from Mutual Funds	—	1,742	Reimbursement of expenses/levies.....	2,031	690	
	<u>501</u>	<u>4,482</u>	Training expense.....	32,538	—	
			Miscellaneous	30	8,276	
				<u>154,182</u>	<u>143,007</u>	

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

19 The particulars regarding dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors. There are no dues to such parties.

20 Related Party Disclosure

a List of Related Parties

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

Note: Related parties have been identified by the Management.

b Related Party Transactions

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:

Particulars	2011-12 ₹	2010-11 ₹
Mahindra Lifespace Developers Limited		
Inter Corporate Deposit taken	48,500,000	61,100,000
Interest on Inter Corporate Deposit	20,667,765	10,783,436
Outstanding Payables as at the year end	211,439,672	144,338,684

21 Earnings per share

Particulars	2011-12	2010-11
<i>Basic and Diluted :</i>		
Net loss for the year (₹)	(164,205)	(149,052)
Weighted average number of equity shares (Nos.)	21,000,000	21,000,000
Par value per share (₹)	10	10
Earnings per share (₹)	(0.01)	(0.01)

22 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.

23 The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

For and on behalf of the Board of Directors

Sejal Shah
Company Secretary

Anita Arjundas Director
Beroz Gazdar Director

Place : Mumbai
Date : April 18, 2012

Place : Mumbai
Date : April 18, 2012