DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL HIGHLIGHTS

(Amount in ₹)

Particulars	**For the year ended March 31, 2012**	For the year ended March 31, 2011
Total Income	**—**	—
Profit / (Loss) Before Depreciation, Interest and Taxation	**(28,850,877)**	(496,619)
Less : Depreciation	**301,732**	36,981
Profit / (Loss) Before Interest and Taxation	**(29,152,609)**	(533,600)
Less : Interest	**—**	—
Profit / (Loss) Before Taxation	**(29,152,609)**	(533,600)
Less : . Provision for Taxation		
Deferred Tax	**(10,706,080)**	—
Profit / (Loss) for the year after Taxation	**(18,446,529)**	(533,600)
Add : Balance of Profit /(Loss) for earlier years	**(3,845,017)**	(3,311,417)
Balance carried forward	**(22,291,546)**	(3,845,017)

Operations

Your Company has undertaken the development (design, construction, marketing and sales) of a gated residential community namely, "Bloomdale" on approximately 10.2 hectares (~25.2 acres) of land at Multi– model International Hub Airport at Nagpur (MIHAN). The first phase of the project, which includes 210 units with a total saleable area of 0.24 million square feet, was launched in February 2012 and has met with a very good initial response. Construction of the project has already commenced.

Dividend

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

Capital

The Authorised and paid-up Equity Share Capital of the Company is ₹ 5 Lac which is presently held by Mahindra Lifespace Developers Limited (MLDL) and B.E. Billimoria & Co. Limited (BEBL) in the ratio of 70:30 respectively. Your Company is a subsidiary of MLDL and consequently a subsidiary of its ultimate holding company, Mahindra & Mahindra Limited.

Directors

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

Mr. Rajendra Joshi, Mr. Jayantt Manmadkar, Mr. Digant Kapadia were appointed as additional Directors at the meeting of the Board of Directors of the Company held on January 30, 2012 and Mr. Monesh Bhansali was appointed as additional Director at the meeting of the Board of Directors of the Company held on March 22, 2012. Mr. Rajendra Joshi, Mr. Jayantt Manmadkar, Mr. Digant Kapadia and Mr. Monesh Bhansali hold office only upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received notices from a member signifying their intention to propose Mr. Rajendra Joshi, Mr. Jayantt Manmadkar, Mr. Digant Kapadia and Mr. Monesh Bhansali as candidates for the office of Director.

During the year, Mr. Kaiyoze Billimoria resigned as Director of the Company w.e.f. March 22, 2012. Your Board placed on record its appreciation of the services rendered by Mr. Kaiyoze Billimoria during his tenure as Director of the Company.

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 Codes from the Board Members and Senior Management Personnel 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.

Sustainability Development

"Bloomdale" is designed as a Green Building addressing certain priorities, which includes water conservation, reduction & reutilization of waste, energy conservation, reduction in CO2 emissions, conservation of resources like wood and lesser dependence on usage of virgin materials. So far 380 MT of Flyash is been utilized and 1706.50 Cu.m Sq. m. Top soil is been preserved in the project. "Bloomdale" will also be included under scope of GRI Sustainability reporting from F12-13 and will be a part of Standalone sustainability report.

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

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

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

The Company had no employee who was in receipt of remuneration of not less than ₹ 6,000,000/- p.a. during the year ended March 31, 2012 or not less than ₹ 500,000/- per month during any part of the said year.

Acknowledgments

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

For and on behalf of the Board,

Anita Arjundas
Mumbai, April 19, 2012 *Chairperson*

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,

Anita Arjundas
Mumbai, April 19, 2012 *Chairperson*

AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA BEBANCO DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of Mahindra Bebanco Developers 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 31, 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

Chennai, April 19, 2012

Annexure referred to in paragraph 3 of the Auditors' Report to the members of Mahindra Bebanco Developers Limited

(i) Having regard to the nature of the Company's business/activities/result, clauses (iii), (v) to (vii),(x) to (xx) of CARO are not applicable.

(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 assets have been disposed off by the Company during the year.

(iii) In respect of its inventories:

(a) As explained to us, the inventories representing land and buildings under construction 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and inventories. During the course of audit, we have not observed any major weakness in such internal control system.

(v) 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.

(vi) 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 Income-tax, Service Tax, and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, 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 have not been deposited on account of disputes.

(vii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

B. Ramaratnam
Partner
Membership No.21209

Chennai, 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	**500,000**	500,000
Reserves and surplus	4	**(22,291,546)**	(3,845,017)
		(21,791,546)	(3,345,017)
Non- Current liabilities			
Long term provisions	5	**16,785**	—
		16,785	—
Current Liabilities			
Short term Borrowings	6	**363,641,835**	275,141,835
Other current liabilities	7	**186,705,370**	66,866,535
Short term provisions	8	**1,073,455**	866,250
		551,420,660	342,874,620
Total		**529,645,899**	339,529,603
ASSETS			
Fixed Assets			
Tangible assets	9	**1,196,318**	113,528
Deferred tax assets (net)	10	**10,706,080**	—
Long term loans and advances	11	**20,230,000**	30,300,000
		32,132,398	30,413,528
Current assets			
Currrent Investments	12	**2,807,591**	200,000
Inventories	13	**434,143,060**	304,473,046
Cash and Cash Equivalents	14	**6,140,624**	3,016,269
Short term loans and advances	15	**54,422,226**	1,426,760
		497,513,501	309,116,075
Total		**529,645,899**	339,529,603

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

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

Rajan Narayan
Rajendra Joshi
Jayantt Manmadkar *Directors*
Digant Kapadia
Monesh Bhansali

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 ₹
EXPENDITURE			
Cost of Projects	16	**129,670,014**	247,516,043
Changes in Inventories	17	**(129,670,014)**	(247,553,024)
Employee benefits expenses	18	**1,999,529**	26,953
Finance costs	19	**—**	—
Depreciation		**301,732**	36,981
Other expenses	20	**26,851,348**	506,647
		29,152,609	533,600
Loss before tax		**(29,152,609)**	(533,600)
Less : Tax expense			
– Deferred tax		**(10,706,080)**	—
Loss for the year		**(18,446,529)**	(533,600)
Earnings per equity share:			
Basic and diluted		**(368.93)**	(10.67)

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

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

Rajan Narayan
Rajendra Joshi
Jayantt Manmadkar
Digant Kapadia
Monesh Bhansali
Directors

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**		
	Profit / (Loss) before tax	**(29,152,609)**	(533,600)
	Adjustments for:		
	Depreciation	**301,732**	36,981
	Finance Costs	**39,445,286**	28,378,765
	Income from Mutual Fund	**(361,436)**	—
	Interest from Fixed Deposits	**(356,200)**	(299,206)
	Operating loss before working capital changes	**9,876,773**	27,582,940
	Adjustments in operating assets		
	(Increase) / decrease in short term loans and advances	**(52,158,476)**	200,358,682
	(Increase) / decrease in inventories	**(129,670,014)**	(247,553,024)
	(Increase) / decrease in long term loans and advances	**10,070,000**	
	Adjustments in operating liabilities		
	(Increase) / decrease in long term long Term provisions	**16,785**	—
	Increase / (decrease) in other current liabilities	**80,600,754**	(2,471,271)
		(91,140,951)	(49,665,613)
	Cash (used in) operations	**(81,264,178)**	(22,082,673)
	Taxes paid	**(119,354)**	(14,462)
	Net cash (used in) operating activities	**(81,383,532)**	(22,097,135)
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	**(1,384,522)**	(43,851)
	Net cash from investing activities	**(1,384,522)**	(43,851)
C.	**Cash flow from financing activities:**		
	Proceeds from borrowings	**88,500,000**	39,717,835
	Repayment of borrowings	**—**	(17,500,000)
	Net cash from financing activities	**88,500,000**	22,217,835
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**5,731,946**	76,849
	Cash & cash equivalents		
	Opening balance	**261,269**	184,420
	Closing balance	**5,993,215**	261,269
	Net increase / (decrease) in cash and cash equivalents	**5,731,946**	76,849
	Cash & Cash equivalents comprise of :		
	Cash on Hand	**5,551**	2,040
	Balance with banks on current accounts	**3,180,073**	59,229
	Current Investments considered as cash and cash equivalents		
	Investments in Mutual Funds	**2,807,591**	200,000
	Total	**5,993,215**	261,269
	Reconciliation of cash and cash equivalents with the Balance Sheet		
	Cash and cash equivalents as per Balance Sheet	**6,140,624**	3,016,269
	Less: Bank Balances not considered as cash and cash equivalents	**2,955,000**	2,955,000
	Add: Current Investments in Mutual Funds	**2,807,591**	200,000
	Net cash and cash equivalents	**5,993,215**	261,269

In terms of our report attached

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

B. Ramaratnam
Partner

Place : Chennai
Date : April 19, 2012

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

Rajan Narayan
Rajendra Joshi
Jayantt Manmadkar *Directors*
Digant Kapadia
Monesh Bhansali

Place : Mumbai
Date : April 18, 2012

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

Note

1 CORPORATE INFORMATION

The company is engaged in the business of development of residential complexes in MIHAN at Nagpur. In the current year the company has commenced construction and booking of the flats.

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

Fixed assets are depreciated on the Straight Line method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956 based on the useful life estimated by the Management

Leasehold Improvements are amortised over the period of lease.

Furntiure & Fixtures,Computers/ Office equipments are depreciated at 20% which is higher than the rates specified in schedule XIV to the Companies Act, 1956.

2.7 Revenue

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

1) The project costs incurred is at least 25% of the total estimated project costs including land

2) At least 10% of the sales consideration is realized.

2.8 Other income

Interest income is accounted on accrual 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. 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.

2.10 Investments

Long-term investments, 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.

2.11 Employee benefits

Employee benefits include provident fund 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.

2.12 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.

2.13 Taxes on income

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

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

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

2.14 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.

2.15 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

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

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.

3 Share Capital

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Authorised		
50,000 equity shares of ₹10 each fully paid up	**500,000**	500,000
Issued, subscribed and paid up. 50,000 equity shares of ₹10 each fully paid up	**500,000**	500,000
	500,000	500,000

a 35,000 equity 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.

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

c Details of shares held by each shareholder holding more than 5% shares:

	As at March 31, 2012		As at March 31, 2011	
	No of Shares	**Value of Shares** ₹	No of Shares	Value of Shares ₹
Mahindra Lifespace Developers Limited (70%)				
Equity	**35,000**	**350,000**	35,000	350,000
B. E. Billimoria & Co Limited (30%)				
Equity	**15,000**	**150,000**	15,000	150,000

		As at March 31, 2012 ₹	As at March 31, 2011 ₹
4	**Reserves & Surplus**		
	Deficit in the Statement of Profit & Loss		
	Opening balance	**(3,845,017)**	(3,311,417)
	Add: (Loss) for the Current Year	**(18,446,529)**	(533,600)
	Closing Balance	**(22,291,546)**	(3,845,017)
5	**Long Term Provisions**		
	Compensated absences	**16,785**	—
		16,785	—
6	**Short Term Borrowings**		
	Inter Corporate Deposit		
	Holding company	**254,506,235**	192,556,235
	Others	**109,135,600**	82,585,600
		363,641,835	275,141,835
7	**Other Current Liabilities**		
	Contractual expenses payable	**41,683,686**	—
	Statutory Remittances		
	Withholding Taxes	**3,875,763**	760,485
	Works contract Tax	**1,020,077**	—
	Others	**6,100**	1,100
	Other Payables		
	Accrued Expenses	**12,126,693**	99,270
	Advances from Customers	**26,459,497**	—
	Interest accrued but not due on Inter corporate deposit	**101,506,437**	66,005,680
	Payable on purchase of Fixed Assets	**27,117**	—
		186,705,370	66,866,535
8	**Short Term Provisions**		
	Compensated absences	**160,704**	—
	Provision for bonus	**912,751**	866,250
		1,073,455	866,250

9 Fixed Assets (Amt. in ₹)

Description of Assets	Gross Block			Depreciation			Net Block	
Tangible Assets	As at April 1, 2011	Additions	**As at Mar 31, 2012**	As at April 1, 2011	For the year	**As at Mar 31, 2012**	**As at Mar 31, 2012**	As at March 31, 2011
Lease Hold Improvement	—	543,540	**543,540**	—	135,885	**135,885**	**407,655**	—
Computers	90,480	504,487	**594,967**	47,793	72,008	**119,801**	**475,166**	42,687
Plant & Equipments	50,399	156,595	**206,994**	14,872	31,542	**46,414**	**160,580**	35,527
Furniture & Fixture	—	150,450	**150,450**	—	52,534	**52,534**	**97,916**	—
Office Equipment	43,851	29,450	**73,301**	8,537	9,763	**18,300**	**55,001**	35,314
Total	184,730	1,384,522	**1,569,252**	71,202	301,732	**372,934**	**1,196,318**	
Previous year	*140,879*	*43,851*	*184,730*	*34,221*	*36,981*	*71,202*		*113,528*

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

10 Deferred Tax Assets

	As at March 31, 2012 ₹	As at March 31, 2011 ₹
Deferred Tax Asset		
Unabsorbed Loss	**10,668,255**	—
Compensated absences	**57,586**	
Deferred Tax Liabilities		
Fixed Assets	**(19,761)**	—
	10,706,080	—

Based on the overall profitability of the project the management is virtually certain that the deferred tax asset arising out of the unabsorbed business loss will be recovered in the future years. Accordingly the deferred tax asset has been recognised in the books.

11 Long Term Loans and Advances

Security Deposits	**20,230,000**	30,300,000
	20,230,000	30,300,000

Security Deposits include ₹ 20,115,000 paid to Maharashtra Airport Development Company Limited, recoverable on completion of the project

12 Current Investments

	Units	Units		
JP Morgan India Treasury Fund	280,509	—	2,807,591	—
DWS treasury Fund Cash	—	19,795	—	200,000
			2,807,591	200,000

13 Inventories (valued at lower of cost and net realisable value)

Change in inventories of work in progress	**434,143,060**	304,473,046
(represents land and other realted expenses)	**434,143,060**	304,473,046

14 Cash and Cash Equivalents

Cash on Hand	**5,551**	2,040
Balances with banks		
On Current Accounts	**3,180,073**	59,229
Other bank balances		
On deposit account maturing after 3 months	**2,955,000**	2,955,000
	6,140,624	3,016,269

15 Short Term Loans and advances
(Unsecured, considered good)

Mobilisation advance given to vendors	**53,241,297**	—
Other advances	**972,380**	717,380
Interest Accrued on Fixed Deposits	**—**	620,185
Advance Tax	**208,549**	89,195
	54,422,226	1,426,760

16 Cost of Projects

	Year ended March 31, 2012 ₹	Year ended March 31, 2011 ₹
Cost of land and registration charges	**8,256,116**	211,000,400
Construction Costs	**59,003,889**	—
Architect Fees	**18,141,792**	5,775,100
Other project expenses	**826,275**	413,044
Salaries & staff welfare expenses as allocated	**4,714,292**	2,247,940
Interest on Inter corporate deposit as allocated	**39,445,286**	28,378,765
Less:		
Interest from Fixed deposits	**(356,200)**	(299,206)
Dividend from Mutual Funds	**(361,436)**	—
	129,670,014	247,516,043

17 Changes in Inventories

Opening Work in Progress	**304,473,046**	56,920,022
Closing Work in progress	**434,143,060**	304,473,046
	(129,670,014)	(247,553,024)

18 Employee Benefit Expenses

Salalries wages & Bonus	**6,575,185**	2,247,940
Staff welfare expenses	**138,636**	26,953
	6,713,821	2,274,893
Less: Allocated to Projects	**(4,714,292)**	(2,247,940)
	1,999,529	26,953

19 Finance Cost

Interest on Intercorporate deposits	**39,445,286**	28,378,765
Less: Allocated to Projects	**(39,445,286)**	(28,378,765)
	—	—

20 Other Expenses

Marketing and Advertisement	**6,632,907**	386,050
Legal and Professional Fee	**18,356,741**	—
Rent	**383,066**	—
Rates and taxes	**5,000**	—
Repairs and Maintenance	**209,381**	—
Remuneration to auditors		
Audit Fees	**100,000**	100,000
Reimbursement of expenses / levies	**12,970**	10,300
Miscellaneous expenses	**1,151,283**	10,297
	26,851,348	506,647

Note

21 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.

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

22 Related Party Disclosures

(i) List of related parties with whom transactions were entered during the year

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited
Asssociate Company	B.E. Billimoria & Co. Ltd.

Note: Related parties have been identified by the Management.

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

₹

Nature of transactions:	Holding Company		Associate Company	
	2011-12	2010-11	**2011-12**	2010-11
Purchase of services	**17,868,242**	—	**51,003,890**	—
Interest on inter corporate deposit	**24,845,749**	19,860,792	**10,655,007**	8,517,961
Inter corporate deposit taken	**61,950,000**	27,802,735	**26,550,000**	11,915,100
Inter corporate deposit repaid	**—**	12,250,000	**—**	5,250,000
Net Payable	**333,954,147**	238,773,490	**11,96,36,519**	102,374,031

23 Earnings per Share

	2011-12	2010-11
Net (loss) after tax (₹)	**(18,446,529)**	(533,600)
Weighted average number of Equity shares (Nos.)	**50,000**	50,000
Nominal value of shares (₹)	**10**	10
Basic and Diluted Earnings/(loss) per share (₹)	**(368.93)**	(10.67)

24 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

Anita Arjundas *Chairperson*

Rajan Narayan
Rajendra Joshi
Jayantt Manmadkar *Directors*
Digant Kapadia
Monesh Bhansali

Place : Mumbai
Date : April 18 , 2012