

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Eighth report together with the audited financial statement of your Company for the financial year ended on 31st March, 2016.

Financial Highlights

Particulars	(Amount in Rs.)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	57,21,40,424	81,13,15,705
Profit/(Loss) Before Depreciation, Finance Cost and Taxation.....	3,49,29,431	15,76,49,671
Less: Depreciation.....	62,19,149	56,71,831
Profit/(Loss) Before Finance Cost and Taxation.....	2,87,10,282	15,19,77,840
Less : Finance Cost	-	-
Profit/(Loss) Before Taxation	2,87,10,282	15,19,77,840
Less: Provision for Taxation	1,10,00,000	3,30,00,000
– Deferred Tax.....	14,91,302	8,44,071
Profit/(Loss) for the year after Taxation.....	1,92,01,584	11,98,21,911
Add: Balance of Profit/(Loss) for earlier years	6,37,71,223	(5,60,50,688)
Less: Transfer to Debenture Redemption Reserve	-	5,10,67,851
Balance carried forward	8,29,72,807	6,37,71,223

Dividend

With a view to conserve the resources of the Company for its growth plan, the Directors do not recommend dividend for financial year 2015-2016.

Reserves

Profit for the year has been carried forward to P & L account and no amount has been transferred to Reserves. The Company has, in the earlier years, transferred adequate amount to the Debenture Redemption Reserve and hence, no further transfer to the Debenture Redemption Reserve was made for the financial year 2015-16.

Operations

The Company's project 'Bloomdale', located at Nagpur, Maharashtra is conceived as a gated community spanning around 25.2 acres and offering a choice of midrise apartments, row houses and duplex homes. During the year, the Company launched one new phase of the project (IIIA), taking the total saleable area launched to 0.97 million square feet. Construction has been completed for the first phase of the project (IA, IB and IC), and is underway for the remaining phases and the club house. 83 per cent of the total units launched in this project have been sold upto March 2016.

No material changes and commitments have occurred after the close of the year till the close of this Report, which affect the financial position of the Company.

The financial statement for the year under review have been prepared on the basis of going concern status of the Company.

During the year under review, no revision was made with respect to previous financial statement of the Company.

Share Capital

The Authorised and Paid-up equity share capital of the Company is Rs.5 lakh which is presently held by Mahindra Lifespace Developers Limited (MLDL) and B.E. Billimoria & Co. Limited (BEBL) in the ratio of 70:30 respectively.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity shares) nor granted employee stock options. Further there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

On 10th September, 2014, the Company had issued and allotted 25 - Secured Redeemable 11.25 % Coupon, Non-Convertible Debentures with a face value of Rs. 1 crore, aggregating Rs. 25 crore on a Private Placement Basis.

The proceeds from the aforesaid issue of Non-Convertible Debentures have been fully utilised for the purposes of the issue.

Networth

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 6,42,71,223 and Rs. 8,34,72,807 respectively.

Holding Company

The Company is a subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company Mahindra & Mahindra Limited.

During the year, no company became/ceased to be subsidiary/ associate or joint venture company of the Company. Therefore, the requirements of consolidated financial statement are not applicable to the Company.

Board of Directors

As of 31st March, 2016, the Board of Directors comprise of the following:

Name of the Director	DIN	Category of the Director
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive, Non Independent
Mr. Vijay Khetan	00465161	Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Digant Kapadia	00021310	Non-Executive, Non Independent
Mr. Jeet Kapadia	02633453	Non-Executive, Non Independent
Mr. Jayantt Manmadkar	03044559	Non-Executive, Non Independent
Mr. Ramesh Ranganathan	03118598	Non-Executive, Non Independent

The Board at its meeting held on 23rd July, 2015 has appointed Mr. Ramesh Ranganathan (DIN: 03118598) w.e.f. 1st August, 2015, as an Additional Director, in the category of Non-Executive Non-Independent Director and liable to retire by rotation. In terms of the provisions of Section 161 of the Companies Act, 2013, Mr. Ramesh ceases to hold office at the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 161(1) of the Companies Act, 2013 from a member proposing his candidature for the office of Director alongwith requisite deposit.

Pursuant to Section 152 of the Companies Act, 2013, Mr. Digant Kapadia (DIN: 00021310) a Non-Executive Non-Independent Director retires by rotation at the 8th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Kapadia is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Mr. Rajendra Joshi (DIN: 01336172) resigned as Director of the Company with effect from 31st July, 2015 due to pre-occupation. The Board places on record its deep appreciation of the valuable services rendered by Mr. Joshi during his tenure as a Director of the Company.

Key Managerial Personnel

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to the Company.

Committees of the Board

Audit Committee

The Audit Committee comprises of two Independent Directors, namely Mr. Raghunath Murti and Mr. Vijay Khetan and one Non-Executive Non-Independent Director, Mr. Jayantt Manmadkar. Mr. Vijay Khetan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting

and financial management. The Chairman and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility (CSR) Committee

As the Company meets the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions with respect to CSR are currently applicable to the Company.

The Board of Directors at its meeting held on 16th April, 2015, constituted Corporate Social Responsibility Committee comprising Mr. Jayantt Manmadkar – Non Executive Non-Independent Director, Mr. Rajendra Joshi – Non Executive Non-Independent Director and Mr. Vijay Khetan – Independent Director. Consequent to the resignation of Mr. Rajendra Joshi, the Board at its meeting held on 23rd July, 2015, appointed Mr. Ramesh Ranganathan w.e.f. 1st August, 2015 as a member of the CSR Committee in place of Mr. Rajendra Joshi. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company has spent Rs. 6,79,000/- as against the required CSR expenditure of Rs. 8,75,000/- calculated in the manner prescribed in the Companies Act, 2013. Of the total unspent amount of Rs. 1,96,000, Rs. 1,85,000 was earmarked for Tree Plantation (Hariyali Campaign) in approved land and Rs. 11,000 was earmarked for running expense of Gyandeeep and renovation of the School. Considering the water shortage in the approved land, the Company was uncertain on the availability of water required to maintain the saplings which the Company would plant using the balance CSR Budget on Hariyali Campaign. Rs. 11,000 remained un-utilised towards Running expense of Gyandeeep and renovation of school as the same were not required by Gyandeeep in FY 15-16. As a result, the amount of Rs. 1,96,000 which was earmarked for aforesaid contribution remained unspent as on 31st March, 2016. The Board has approved that the unspent amount of Rs. 1,96,000, out of the minimum required CSR expenditure for FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

Nomination and Remuneration Committee

As at 31st March, 2016, the Nomination and Remuneration Committee comprised of two Independent Directors, namely Mr. Raghunath Murti and Mr. Vijay Khetan and two Non-Executive Non-Independent Directors, Mr. Ramesh Ranganathan and Mr. Digant Kapadia. Mr. Raghunath Murti is the Chairman of the Committee. Consequent to the resignation of Mr. Rajendra Joshi w.e.f. 31st July, 2015, the Board at its Meeting held on 23rd July, 2015, re-constituted the Committee by appointing Mr. Ramesh Ranganathan as a member of the Committee w.e.f. 1st August, 2015.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as

required under Section 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2, Annexure 3 and Annexure 4**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3**)
3. Policy on Remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

Committee of Directors for borrowings:

The Board has constituted the “Committee of Directors for borrowings” on 21st October, 2015. The Terms of reference of the Committee includes borrowing secured/unsecured monies from time to time within the overall limits fixed by the Shareholders in this regard. The Committee comprises of Non-Executive Non-Independent Directors Ms. Anita Arjundas, Mr. Ramesh Ranganathan and Mr. Jayant Manmadkar.

Meetings of Independent Directors

The Independent Directors of the Company met once during the year without the presence of the Non-Independent Directors or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timelines of flow of information between

The details of the number of meetings of the Board and the Committees attended by the respective members of the Board/ Committees are given below:

Sr. No.	Name of the Director	Board meetings	Audit Committee meetings	Nomination & Remuneration Committee meetings	Corporate Social Responsibility Committee meetings	Committee of Directors for Borrowings
1.	Ms. Anita Arjundas	5	–	–	–	1
2.	Mr. Ramesh Ranganathan (Appointed w.e.f. 1/08/2015)	2	–	–	2	1
3.	Mr. Rajendra Joshi (Ceased w.e.f. 31/7/2015)	3	–	2	1	–
4.	Mr. Jayant Manmadkar	5	4	–	3	1
5.	Mr. Digant Kapadia	4	–	2	–	–
6.	Mr. Jeet Kapadia	2	–	–	–	–
7.	Mr. Raghunath Murti	4	3	2	–	–
8.	Mr. Vijay Khetan	4	3	2	2	–

Code of Conduct

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

The Company has for the year 2015-16, received declarations from Board members, Independent Directors and employees of the Company affirming compliance with the respective Codes.

the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings

During the year, five Meetings of the Board were convened and held on following dates:

16th April, 2015, 8th June, 2015, 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, four meetings of the Audit Committee were convened and held on the following dates:

16th April, 2015, 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, two meetings of the Nomination & Remuneration Committee were convened and held on 16th April, 2015 and 23rd July, 2015.

During the year, three meetings of the Corporate Social Responsibility Committee were convened and held on 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

During the year, one meeting of the “Committee of Directors for borrowing,” was held on 19th February, 2016.

The previous Annual General Meeting of the Company was held on 23rd July, 2015 which was attended by the Chairman of Audit Committee and the Chairman of the Nomination & Remuneration Committee.

Directors’ Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirmed that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and

fair view of the state of affairs of the Company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;

- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management and auditors.

Vigil Mechanism

As the Company does not meet the prescribed criteria given under Section 177 of the Companies Act, 2013, the requirement for establishment of vigil mechanism is currently not applicable to the Company.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration No: 105102W), were appointed as auditors for a term of five consecutive years from the conclusion of 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting to be held in the calendar year 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of 8th Annual General Meeting till the conclusion of 11th Annual General Meeting to be held in 2019.

As required under the provisions of Section 139 (1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors whose appointment is proposed to be ratified, to the effect that their

re-appointment, if made, would be in conformity with the limits specified in the said section.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

The requirement of having internal auditor, cost auditor and secretarial auditor is presently not applicable to the Company. However, the Company has voluntarily appointed M/s. Ernst and Young LLP as Internal Auditors to carry out Internal Audit for the financial year 2015-16

Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As the Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

There were no investments made by the Company attracting the provisions of Section 186 of the Companies Act, 2013.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of contract/arrangement/transaction with related parties which could be considered material are given in **Annexure 5** in the form AOC-2. The Directors draw attention to Note no. 25 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

During the year under review, the Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year under review are given in the prescribed format in **Annexure 6** to this report.

Employee Remuneration

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 7** and forms part of this Report.

Safety, Health and Environmental Performance

The Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

Sustainability

The Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

General

During the year, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any Statutory Authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

No fraud has been reported during the audit conducted by the Statutory Auditor and Internal Auditors of the Company.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 18th April, 2016

ANNEXURE 1

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company is driven by its mission of 'Transforming urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. Our current focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Mahindra Group's core purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.

2. The composition of the CSR Committee.

Comment: As at 31st March, 2016, the CSR committee comprised of the following:

Name of the Member	Designation
Mr. Jayantt Manmadkar	Chairman
Mr. Ramesh Ranganathan	Member
Mr. Vijay Khetan	Member

3. Average net profit of the Company for last three financial years.

The average net profit of the Company for last three financial years was Rs. 4,37.5 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

The prescribed CSR expenditure was Rs. 8.75 lakh

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: Rs. 8.75 lakh
 (b) Amount unspent, if any: Rs. 1.96 lakh
 (c) Manner in which the amount spent during the financial year is detailed below,

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (Amount in Rs.)	Cumulative expenditure upto the reporting period (Amount in Rs.)	Amount spent: Direct or through implementing agency*
1	Nanhi Kali – sponsored 146 girl child education	Education	Nagpur, Maharashtra	4,38,000	Direct expenditure: 4,38,000	4,38,000	Implementing Agency : KC Mahindra Education Trust
2	Gyandeep – supporting child education of nearby community and construction site	Education	Nagpur, Maharashtra	2,00,000	Direct expenditure: 1,89,000	1,89,000	NGO: Sahyadri Gramin Vikas

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (Amount in Rs.)	Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (Amount in Rs.)	Cumulative expenditure upto the reporting period (Amount in Rs.)	Amount spent: Direct or through implementing agency*
3	Project Haryali – Tree Plantation of 300 nos	Environment	Nagpur, Maharashtra	2,37,000	Direct expenditure: 52,000	52,000	NGO: Yashodhara Bahuddeshiya Sangh
	Total			8,75,000	6,79,000	6,79,000	

* Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has spent Rs. 6,79,000/- as against the required CSR expenditure of Rs. 8,75,000/- calculated in the manner prescribed in the Companies Act, 2013. Of the total unspent amount of Rs. 1,96,000, Rs. 1,85,000 was earmarked for Tree Plantation (Hariyali Campaign) in approved land and Rs. 11,000 was earmarked for running expense of Gyandeeep and renovation of the School. Considering the water shortage in the approved land, the Company was uncertain on the availability of water required to maintain the saplings which the Company would plant using the balance CSR Budget on Hariyali Campaign. Rs. 11,000 remained un-utilised towards Running expense of Gyandeeep and renovation of school as the same were not required by Gyandeeep in FY 15-16. As a result, the amount of Rs. 1,96,000 which was earmarked for aforesaid contribution remained unspent as on 31st March, 2016. The Board has approved that the unspent amount of Rs. 1,96,000, out of the minimum required CSR expenditure for FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

The Implementation and Monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Jayant Manmadkar
Chairman of the CSR Committee
Mumbai, 18th April, 2016

Anita Arjundas
Chairperson of the Board
Mumbai, 18th April, 2016

ANNEXURE 2 POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra Bebanco Developers Limited.

“**Committee(s)**” means Committees of the Board for the time being in force.

“**Employee**” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“**HR**” means the Human Resource department of the Company.

“**Key Managerial Personnel**” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“**Nomination and Remuneration Committee**” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Senior Management**” means personnel of the Company who are / will be members of its Core Management Team / Executive Council excluding Board of Directors comprising of all members of management one level below the Executive Directors including the functional heads.

II. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of Director when Independent Director is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.

3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

III. REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

IV. SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

I. Purpose

This Policy sets out the approach to Compensation of Directors in Mahindra Bebanco Developers Limited.

II. Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

III. NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and such other factors as the NRC may consider deem fit for determining the compensation.

The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the shareholders resolution.

IV. Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually / half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 4

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July, i.e., after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end

of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 5
FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

commencement date for the construction works is 18th October, 2011 and the completion date shall be 10th January 2017. The total cost of contract is Rs. 242 crore. Estimated salaeble area of the contract is 15,31,478 sqft.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

(d) Date(s) of approval by the Board, if any:- 17th October, 2011

(e) Amount paid as advances, if any:

1. Details of contracts or arrangements or transactions not at arm's length basis:

NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship:- B.E. Billimoria & Co Ltd – Mr. Digant Kapadia is a common Director on the Boards of the Company and of B.E. Billimoria & Co Ltd. and holds more than 2% paid share capital of B.E. Billimoria & Co Ltd

(b) Nature of contracts/arrangements/transactions:- Principal Construction Contractor for Company's Residential Development project at MIHAN, Nagpur.

(c) Duration of the contracts/arrangements/transactions and Salient terms of the contracts or arrangements or transactions including the value, if any:- The

		Amount in Rs.
Total Mobilization advance given against Bank Guarantee	Total Mobilization advance deducted	Total Mobilization advance outstanding
15,59,51,965	9,29,00,725	6,30,51,240

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE 6

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	: As a part of sustainable development adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Building. Green building increases the resource efficiency (energy, water, and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and removal i.e. the complete building life cycle. Steps taken for energy conservation: 1. Energy efficient building envelopes for walls and roofs 2. Energy efficient electronic ballast & all lighting system 3. Heat Reflective paint 4. Adoption of high efficient light fittings 5. Adoption of high efficient pumps, motors 6. Group control mechanism for lifts 7. CFL/LED lamps for common areas & pathways
(ii)	the steps taken by the company for utilising alternate sources of energy;	: None
(iii)	the capital investment on energy conservation equipments	: It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/green investments. During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself. These expenditures are mainly for 1. use of energy efficient building envelopes 2. heat reflective paint, 3. low flow fixtures, 4. sewage treatment plant, 5. rain water harvesting system, 6. organic waste converter, 7. energy efficient equipments such as pumps and motors, etc.

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	: Around 25 technologies were studied, Out of those Two technologies viz. Aluminum Formwork (Mivan) and High Volume Fly ash Concrete for internal roads were used.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	: Major benefits of the technologies are – Increase in work speed, better finish Quality, better durability due to monolithic structures & less manpower requirement. Hence, reduction in cost.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	(a) The details of technology imported – Aluminum Formwork (Mivan)
		(b) The year of import – FY13-14 & FY14-15 (Aluminum Formwork - Mivan)
		(c) Whether the technology been fully absorbed – Yes
		(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof – NA
(iv)	the expenditure incurred on Research and Development	: NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no transactions involving Foreign Exchange earnings in terms of actual inflows and the Foreign Exchange outgo in terms of actual outflows.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

ANNEXURE7**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2016
(PURSUANT TO SECTION 92(3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014)

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45203MH2008PLC183107
2.	Registration Date	03/06/2008
3.	Name of the Company	Mahindra Bebanco Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018. Tel.: 022 67478600
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable for Equity shares. For Non-Convertible Debentures: Sharepro Service (India) Pvt. Limited 13/AB, Samhita Warehousing Complex, Near Sakinaka Tel. Exchange, Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai 400072. Telephone: 67720300, 67720400 Fax Number: 28591568, 28508927 Email id: sharepro@shareproservices.com

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1	Construction of Buildings	410	100%

* As per National Industrial Classification- Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	70%	2(87)(ii)

The Company does not have any Subsidiary or Associate Company.

4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individuals/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	50,000	50,000	100.00	-	50,000	50,000	100.00	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e. Banks/FI	-	-	-	-	-	-	-	-	-
f. Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	50,000	50,000	100.00	-	50,000	50,000	100.00	0.00
2. Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Non Resident Individuals)	-	-	-	-	-	-	-	-	-
d) Others Trust	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Limited	34950	69.90	–	34950	69.90	–	0.00
2	B.E. Billimoria & Co. Ltd.	15000	30.00	–	15000	30.00	–	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.02	–	10	0.02	–	0.00
4	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.02	–	10	0.02	–	0.00
5	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.02	–	10	0.02	–	0.00
6	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.02	–	10	0.02	–	0.00
7	Mahindra Lifespace Developers Ltd Mr. Jayant Manmadkar	10	0.02	–	10	0.02	–	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

(v) Shareholding of Directors and Key Managerial Personnel: Nil

5. INDEBTNESS

Indebtness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25,00,00,000	30,21,41,835	–	55,21,41,835
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	16,90,574	7,03,13,856	–	7,20,04,430
Total (i+ii+iii)	25,16,90,574	37,24,55,691	–	62,41,46,265
Change in Indebtedness during the financial year				
• Addition	–	2,455,21,800	–	2,455,21,800
• Reduction	–	5,00,00,000	–	5,00,00,000
Net Change	–	19,55,21,800	–	19,55,21,800
Indebtedness at the end of the financial year				
i) Principal Amount	25,00,00,000	49,76,63,635	–	74,76,63,635
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	16,90,574	9,93,02,066	–	10,09,92,640
Total (i+ii+iii)	25,16,90,574	59,69,65,701	–	84,86,56,275

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

B. Remuneration of other directors:

(Amt in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amt.
		Mr. Rajendra Joshi	Mr. Jeet Kapadia	Mr. Jayant Manmadkar	Mr. Raghunath Murti	Ms. Anita Arjundas	Mr. Vijay Khetan	Mr. Digant Kapadia	Mr. Ramesh Rangana	
1.	Independent Directors									
	• Fee for attending board/ committee meetings *	-	-	-	1,10,000	-	1,10,000	-	-	2,20,000
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	-	-	-	-	-	-
2.	Other Non-Executive Directors									
	• Fee for attending board/ committee meetings	-	-	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	1,10,000	-	1,10,000	-	-	2,20,000
	Total (A)	-	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	-

* The Board at its meeting held on 16th April, 2015 had approved payment of sitting fees only to Independent Directors for every Board and Committee meetings except meeting of Corporate Social Responsibility Committee.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Not Applicable

I) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act.	Brief description	Details of penalty/ Punishment/Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty			NONE		
Punishment					
Compounding					
B. Directors					
OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 18th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA BEBANCO DEVELOPERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of **MAHINDRA BEBANCO DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March, 2016, and its profit and cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of Sub-Section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e. On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended) in our opinion and to our best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 18th April, 2016

Membership Number: 044784

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra Bebanco Developers Limited for the year ended 31st March, 2016

- 1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
 - (iii) The title deeds of immovable properties are held in the name of the Company.
- 2) The Company's inventory comprises only construction work in progress. The Company does not have any inventory of raw material, finished goods, stores and spares. Hence para 3(ii) of the Order is not applicable to the Company.
- 3) According to the information and explanations given to us the Company has not granted any loans, secured or unsecured, to companies, firms and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us the Company has not given any loans and guarantees under Sections 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of para 3(iv) of the Order are not applicable to the Company.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- 6) As informed to us, the maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 7) (i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it. The provisions of Excise Duty are not applicable to the operations of the Company.
 - (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year end for a period of more than six months from the date they became payable.
- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) Based on the audit procedures performed and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.
- 11) No managerial remuneration has been paid or provided during the year as per the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare & Co.**

Chartered Accountants
Firm's Registration Number 105102W

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 18th April, 2016

Membership Number: 044784

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA BEBANCO DEVELOPERS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MAHINDRA BEBANCO DEVELOPERS LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of **B. K. Khare & Co.**

Chartered Accountants
Firm's Registration Number 105102W

Padmini Khare Kaicker
Partner

Place: Mumbai
Dated: 18th April, 2016

Membership Number: 044784

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	Current Year ₹	Previous Year ₹
EQUITY & LIABILITIES			
Shareholders' funds			
Share capital.....	3	5,00,000	5,00,000
Reserves and surplus.....	4	8,29,72,807	6,37,71,223
		8,34,72,807	6,42,71,223
Non-Current liabilities			
Long term borrowings.....	5	25,21,41,835	50,21,41,835
		25,21,41,835	50,21,41,835
Current Liabilities			
Short term Borrowings.....	6	23,31,51,848	12,90,19,653
Trade Payables.....	7	48,22,19,360	36,99,99,846
Other current liabilities.....	8	44,63,89,053	22,18,57,789
Short term provisions.....	9	44,00,649	32,57,566
		1,16,61,60,909	72,41,34,853
Total		1,50,17,75,551	1,29,05,47,911
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets.....	10	1,94,03,748	2,46,68,824
		1,94,03,748	2,46,68,824
Other Non Current Assets.....	11	2,79,33,396	2,54,77,800
Deferred Tax Assets (Net)	12	23,35,373	8,44,071
		4,96,72,517	50,990,694
Current assets			
Inventories	13	73,41,60,245	75,06,94,749
Trade receivables	14	5,00,65,942	9,19,24,205
Cash and Cash Equivalents	15	5,08,13,740	1,29,12,617
Short term loans and advances	16	24,40,01,891	14,23,18,927
Other current assets.....	17	37,30,61,214	241,706,719
		1,45,21,03,034	1,239,557,217
Total		1,50,17,75,551	1,29,05,47,911

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
Jayant Manmadkar	Director	(DIN: 03044559)
Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai
Date : 18th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	Current Year ₹	Previous Year ₹
REVENUE			
Income from Operations		56,64,51,427	80,95,26,062
Other Income	18	56,88,997	17,89,643
EXPENDITURE			
Operating Expenses	19	45,55,66,433	58,04,35,211
Employee benefits	20	87,24,620	70,51,193
Finance costs.....	21	-	-
Depreciation.....	10	62,19,149	56,71,831
Administrative & Other expenses.....	22	7,29,19,940	6,61,79,631
		54,34,30,142	65,93,37,865
Profit before tax		2,87,10,282	15,19,77,840
Less: Tax expense			
- Current tax.....		1,10,00,000	3,30,00,000
- Deferred tax.....		(14,91,302)	(8,44,071)
Profit for the period		1,92,01,584	11,98,21,911
Profit for the year		1,92,01,584	11,98,21,911
Earnings per equity share:			
Basic and diluted.....		384.03	2,396.44

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
Jayant Manmadkar	Director	(DIN: 03044559)
Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai

Date : 18th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
A. Cash flow from operating activities		
Profit before tax	2,87,10,282	15,19,77,840
Adjustments for:		
Depreciation.....	62,19,149	56,71,831
Operating loss before working capital changes	3,49,29,431	15,76,49,670
Changes in working capital:		
<i>Adjustments in operating assets</i>		
(Increase)/decrease in short term loans and advances	(10,16,82,964)	(3,70,32,480)
(Increase)/decrease in inventories	1,65,34,504	12,93,20,320
(Increase)/decrease in trade receivable	4,18,58,262	6,16,15,552
(Increase)/decrease in long term loans and advances	(24,55,596)	(9,85,000)
(Increase)/decrease in other current assets	(13,13,54,496)	(22,43,75,090)
<i>Adjustments in operating liabilities</i>		
Increase/(decrease) in other current liabilities	(4,82,46,210)	(5,85,29,542)
Increase/(decrease) in trade payables	11,22,19,514	(2,61,29,305)
	(11,31,26,987)	(15,61,15,546)
Cash (used in) operations.....	(7,81,97,556)	15,34,124
Taxes paid	1,29,20,557	2,42,79,424
Net cash (used in) operating activities	(6,52,76,998)	2,58,13,548
B. Cash flow from investing activities:		
(Purchase)/Sale of fixed assets	(9,54,074)	(1,09,59,921)
Net cash from investing activities	(9,54,074)	(1,09,59,921)
C. Cash flow from financing activities:		
Proceeds from borrowings.....	15,41,32,195	38,26,31,256
Repayment of borrowings.....	(5,00,00,000)	(40,00,00,000)
Net cash from financing activities.....	10,41,32,195	(1,73,68,744)
Net increase/(decrease) in cash and cash equivalents	3,79,01,123	(25,15,117)
Cash & cash equivalents		
Opening balance	1,29,12,617	1,54,27,734
Closing balance	5,08,13,740	1,29,12,617
Net increase/(decrease) in cash and cash equivalents	3,79,01,123	(25,15,117)
Cash & Cash equivalents comprise of:		
Cash on Hand.....	760	157
Balance with Banks	5,08,12,980	1,29,12,460
TOTAL	5,08,13,740	1,29,12,617

See accompanying notes forming part of the Financial Statements

1 to 28

In terms of our report attached

For and on behalf of the Board of Directors

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

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai

Date : 18th April, 2016

Anita Arjundas	Director	(DIN: 00243215)
Ranganathan Ramesh	Director	(DIN: 03118598)
Jayant Manmadkar	Director	(DIN: 03044559)
Digant Kapadia	Director	(DIN: 00021310)
Raghunath Murti	Director	(DIN: 00082761)
Vijay Khetan	Director	(DIN: 00465161)

Place : Mumbai

Date : 18th April, 2016

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1 CORPORATE INFORMATION

The company is engaged in the business of development of residential complexes in MIHAN at Nagpur. Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current - Non Current classification of assets & liabilities.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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 specified under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable.

2.3 Inventories

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest and expenses incidental to the projects undertaken by the Company.

2.4 Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case of construction.

The carrying amount of cash generating units/assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Depreciation on tangible fixed assets has been provided on prorata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or estimated useful life, whichever is lower.

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Sales office & the sample flat/show unit cost is amortised over a period of 5 years.

2.5 Revenue

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Revenues from real estate projects are recognised only when the actual construction and development costs incurred is at least 25% of the total estimated construction and development costs excluding land and when at least 10% of the sales consideration is realised and atleast 25% of total area is sold.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1st April, 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1st April, 2012, revenues will be recognized from these real estate projects only when

- i. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- ii. when at least 10% of the sales consideration is realised and
- iii. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Interest income is accounted on accrual basis of contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

2.6 Investments

Investments are classified into long term and current investments.

Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

2.7 Employee benefits

In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

2.8 Provision for Taxation

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax is reviewed at each balance sheet date.

2.9 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.

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016
2.10 Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.11 Borrowing Costs

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

3 Share Capital
Authorised

50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

	5,00,000	5,00,000
--	----------	----------

Issued, subscribed and paid up.

50,000 (Previous Year 50,000) equity shares of ₹ 10 each fully paid up

	5,00,000	5,00,000
--	----------	----------

	5,00,000	5,00,000
--	----------	----------

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 including Holding Company, holding more than 5% of the aggregate shares in the Company:

	Current Year		Previous Year	
	No of Shares	Value of Shares ₹	No of Shares	Value of Shares ₹
Holding Company (70%)				
Mahindra Lifespace Developers Limited Equity	35,000	3,50,000	35,000	3,50,000
B. E. Billimoria & Co. Limited (30%)				
Equity	15,000	1,50,000	15,000	1,50,000

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

4 Reserves & Surplus
A. Surplus/(Deficit) in the Statement of Profit & Loss:

Opening balance

	12,71,223	(6,74,82,837)
--	-----------	---------------

Add: Profit/(Loss) for the Current Year

	1,92,01,584	11,98,21,911
--	-------------	--------------

	2,04,72,807	5,23,39,074
--	-------------	-------------

Less: Transfer to Debenture

Redemption Reserve (Refer Note 4a)

	-	(5,10,67,851)
--	---	---------------

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

Net Statement of Profit & Loss Surplus/(Deficit)

	2,04,72,807	12,71,223
--	-------------	-----------

B. Debenture Redemption Reserve:

Opening balance

	6,25,00,000	1,14,32,149
--	-------------	-------------

Add: Transfer from Statement of Profit and Loss

	-	5,10,67,851
--	---	-------------

Net Balance in Debenture Redemption Reserve

	6,25,00,000	6,25,00,000
--	-------------	-------------

Closing Balance (A+B)

	8,29,72,807	6,37,71,223
--	-------------	-------------

a Debenture Redemption Reserve has been created to the extent of 25% of NCD issued.

	Current Year ₹	Previous Year ₹
--	-------------------	--------------------

5 Long Term Borrowings
Secured

25 Secured Non Convertible Debentures of face Value of ₹ 1,00,00,000/- each

	-	25,00,00,000
--	---	--------------

Unsecured

Loan from related parties

	25,21,41,835	25,21,41,835
--	--------------	--------------

	25,21,41,835	50,21,41,835
--	--------------	--------------

a The debentures are for tenure of 24 months and are payable on the date of redemption.

b RATE OF INTEREST : Coupon Rate is 11.25% per annum, compounded semi-annually. Interest payment is semi-annually. (for NCD).

c SECURITY : The above Non Convertible Debentures are secured by First pari passu charge by way of mortgage on the Property/Project and second charge over escrow of receivables from the project.

d The company has not defaulted in repayment of interest and principal.

e Loan from related parties carries a coupon rate of 12.75% p.a. and is repayable on demand.

	Current Year ₹	Previous Year ₹
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6 Short Term Borrowings
Secured

Cash Credit Facility

	3,76,30,048	12,90,19,653
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(The above facility is secured by First pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from Project Rate of interest is base rate plus 1% (presently 10.5% p.a)

Unsecured

Commercial Papers

	19,55,21,800	-
--	--------------	---

	23,31,51,848	12,90,19,653
--	--------------	--------------

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
7 Trade Payables		
Trade Payables - Micro & Small Enterprises	-	-
Trade Payables - Others		
Contractual expenses payable	5,91,71,073	3,62,37,007
Accrued Expenses	37,60,45,704	33,23,53,937
Other Trade Payable	4,70,02,582	14,08,902
	<u>48,22,19,360</u>	<u>36,99,99,846</u>

Based on the information available with the Company there are no outstandings in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

	Current Year ₹	Previous Year ₹
8 Other current Liabilities		
Advances from customers	2,18,75,406	7,45,37,762
Interest accrued but not due	10,09,92,640	7,20,04,430
Current maturities of long-term debt	30,00,00,000	5,00,00,000
Provision for Current Tax	-	1,17,14,185
Other liabilities	2,35,21,007	1,36,01,412
	<u>44,63,89,053</u>	<u>22,18,57,789</u>

10 Fixed Assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 st April, 2015	Additions	As at 31 st March, 2016	As at 1 st April, 2015	For the year	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
Tangible Assets								
Lease Hold Improvement	2,55,22,670	-	2,55,22,670	56,73,529	49,95,826	1,06,69,355	1,48,53,315	1,98,49,141
Computers	19,71,410	6,63,246	26,34,655	10,37,544	5,56,922	15,94,465	10,40,190	9,33,866
Furniture & Fixture	37,09,864	69,500	37,79,364	7,00,617	3,35,403	10,36,020	27,43,344	30,09,247
Office Equipment	14,77,140	2,21,328	16,98,468	6,00,570	3,30,998	9,31,568	7,66,900	8,76,570
Total	3,26,81,083	9,54,074	3,36,35,157	80,12,259	62,19,149	1,42,31,409	1,94,03,748	2,46,68,824
Previous year	2,17,21,162	1,09,59,921	3,26,81,083	23,40,429	56,71,831	80,12,259	2,46,68,824	1,93,80,734

	Current Year ₹	Previous Year ₹
11 Other Non Current Assets		
Security Deposits	2,39,78,396	2,15,22,800
Bank Balances		
Long term deposits (margin money) with banks having maturity more than 12 months	39,55,000	39,55,000
	<u>2,79,33,396</u>	<u>2,54,77,800</u>

	Current Year ₹	Previous Year ₹
12 Deferred Tax Assets		
Deferred Tax Assets		
Relating to:		
Difference between book & tax depreciation	19,56,766	7,98,513
Expenses allowable on actual payment	3,78,607	45,558
	<u>23,35,373</u>	<u>8,44,071</u>

- The current maturity of long term debt of ₹ 50,000,000 represent 366 day Unsecured loan availed during the year at an interest rate of 11.40% repayable on 20th June, 2016.
- The current maturity of long term debt of ₹ 250,000,000 represents secured non convertible debetures carrying a coupon rate of 11.25% per annum, compounded semi-annually. Interest payment is semi annual.
- The above Non Convertible Debentures are secured by First pari passu charge by way of mortgage on the Property/Project and second charge over escrow of receivables from the project

	Current Year ₹	Previous Year ₹
9 Short Term Provisions		
Provision for Employee Benefits		
Compensated absences	9,92,774	6,13,308
Provision for Gratuity	10,37,133	8,62,671
Others	23,70,742	17,81,587
	<u>44,00,649</u>	<u>32,57,566</u>

	Current Year ₹	Previous Year ₹
13 Inventories (valued at lower of cost and net realisable value)		
Construction Work in progress	73,41,60,245	75,06,94,749
	<u>73,41,60,245</u>	<u>75,06,94,749</u>

Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹		Current Year ₹	Previous Year ₹
14 Trade Receivable			18 Other Income		
Trade Receivables outstanding for less than six months			Transfer Fee & Cancellation		
Secured, considered good	4,20,78,697	4,94,36,961	Charges received from Customer	9,39,364	11,79,706
Unsecured, considered good	-	-	Interest on Delayed Payment	47,49,633	6,09,937
	<u>4,20,78,697</u>	<u>4,94,36,961</u>		<u>56,88,997</u>	<u>17,89,643</u>
Less: Provision for doubtful debts	-	-	19 Operating Expenses		
(A)	<u>4,20,78,697</u>	<u>4,94,36,961</u>	Opening Work In Progress		
Trade Receivables outstanding for more than six months			01.04.2015	75,06,94,749	88,00,15,069
Secured, considered good	79,87,245	4,24,87,243	Add : CONSUMPTION DURING		
Unsecured, considered good	-	-	01.04.2015 - 31.03.2016		
Less: Provision for doubtful debts	-	-	Architect Fees	-	88,78,773
(B)	<u>79,87,245</u>	<u>4,24,87,243</u>	Stamp Duty	24,000	10,00,000
(A+B)	<u>5,00,65,942</u>	<u>9,19,24,205</u>	Interest on loan from related parties	3,22,14,269	3,21,48,092
15 Cash and Cash Equivalents			Interest on Debentures	2,81,59,106	4,00,81,405
Cash on Hand	760	157	Interest On Term Loans - Rupee Loans	1,18,83,875	-
Balances with banks			Interest on Cash Credit	1,67,52,164	1,42,39,011
On Current Accounts	1,33,12,980	1,29,12,460	Employee, Remuneration & Staff Welfare Expenses	1,33,54,766	69,22,806
On Deposit Accounts having maturity of less than 12 months	3,75,00,000	-	Civil Work	32,53,79,757	33,97,83,719
	<u>5,08,13,740</u>	<u>1,29,12,617</u>	Liasoning/Statutory Fees	33,67,791	-
16 Short Term Loans and advances			Electrical Work	2,89,627	2,06,20,865
Loans & Advances			Fabrication Work	1,20,748	-
- Considered good			Security Services	31,89,475	-
Mobilisation advance given to vendors	6,30,51,240	7,06,81,187	Service Tax Cenvat Credit	(1,03,05,751)	(1,04,28,405)
Other advances	14,59,21,025	4,01,05,594	Land Development	1,51,50,608	-
Interest Accrued on Fixed Deposits	31,02,951	8,50,971	Professional Charges	14,46,637	17,16,872
Advance Tax	32,89,440	-	Other Expenses	9,50,088	-
Cenvat Credit (Service Tax)	2,86,37,235	3,06,81,175	Miscellaneous Expenses	5,00,000	6,90,156
- Considered doubtful	-	-	Other Income	(63,799)	-
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	Interest on FD	(33,81,431)	(25,64,020)
Less : Provision for doubtful loans & advances	-	-	Profit on redemption of Mutual Fund	-	(8,44,718)
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	Divident Income - Mutual Fund	-	(11,29,666)
	<u>24,40,01,891</u>	<u>14,23,18,927</u>	Total Consumption		
17 Other Current Assets			01.04.2015 - 31.03.2016	43,90,31,930	45,11,14,891
Unbilled Revenue	36,25,91,520	23,12,38,485	Less : Closing wip 31.03.2016	73,41,60,245	75,06,94,749
Others	1,04,69,694	1,04,68,233		<u>45,55,66,433</u>	<u>58,04,35,211</u>
	<u>37,30,61,214</u>	<u>24,17,06,718</u>	20 Employee Benefits Expenses		
			Salaries, allowances & Bonus	2,08,79,386	1,19,45,631
			Staff welfare expenses	12,00,000	20,28,368
				<u>2,20,79,386</u>	<u>1,39,73,999</u>
			Less: Allocated to Projects	(1,33,54,766)	(69,22,806)
				<u>87,24,620</u>	<u>70,51,193</u>
			21 Finance Cost		
			Interest on loan from related parties	3,22,14,269	3,21,48,092
			Interest on Debentures	2,81,59,106	4,00,81,405
			Interest on Term Loans - Rupee Loans	1,18,83,875	-
			Interest on Cash Credit	1,67,52,164	1,42,39,011
			Less: Allocated to Projects	(8,90,09,414)	(8,64,68,508)
				-	-

NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Current Year ₹	Previous Year ₹
22 Administration & Other Expenses		
Repairs and Maintenance		
- Buildings	-	-
- Others	36,09,568	17,22,149
Legal and Professional Fee	2,32,24,145	3,94,67,454
Advertisement and Marketing Expenses	1,50,41,007	91,66,385
Compensation to customers	1,39,56,699	-
Brokerage	52,27,438	64,30,492
Remuneration to auditors:		
Statutory Audit Fees	6,50,000	5,61,800
Tax Audit Fees	75,000	73,034
Other Services	1,00,000	2,24,720
Miscellaneous expenses	89,36,083	43,33,597
Defect Liability Expenses	21,00,000	42,00,000
	<u>7,29,19,940</u>	<u>6,61,79,631</u>

The Movement in the defect liability expense provision is summarised below:

Balance, beginning of the year	72,00,000
Provision during the year	21,00,000
Utilisation during the year	-
Balance, end of the year	93,00,000

23 In respect of real estate projects under long term contracts, determination of profits/ losses and realisability of the construction work in progress & project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects/activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.

	Current Year ₹	Previous Year ₹
24 Employee benefits		
Gratuity:		
a Principal Actuarial Assumptions		
Particulars		
Discount rate	7.80%	7.80%

	Current Year ₹	Previous Year ₹
b Reconciliation of Benefit Obligation		
Change in defined benefit obligations (DBO)		
Present value of DBO at beginning of the year	8,62,671	6,26,806
Current service cost	2,26,861	2,10,511
Interest cost	67,288	57,039
Actuarial (gains)/losses	(1,19,657)	(31,685)
Benefits paid	-	-
Present value of DBO at the end of the year	<u>10,37,133</u>	<u>8,62,671</u>

c Expenses recognised in the statement of profit and loss for the year ended 31 March 2016:

Components of employer expense	Current Year	Previous Year
Current service cost	2,26,831	2,10,511
Interest cost	67,288	57,039
Actuarial losses/(gains)	(1,19,657)	(31,685)
Total expense recognised in the statement of profit and loss	<u>1,74,462</u>	<u>2,35,865</u>

	Current Year ₹	Previous Year ₹
d Experience adjustment on plan liabilities (loss)/gain		
Particulars		
Net asset/(liability) recognised in the balance sheet		
Present value of defined benefit obligation	10,37,133	8,62,671
Fair value of plan assets	-	-
Funded status [surplus/(deficit)]	(10,37,133)	(8,62,671)
Unrecognised past service costs	-	-
Experience adjustment on plan liabilities (loss)/gain	1,19,757	70,620
Net asset/(liability) recognised in the balance sheet	<u>(10,37,133)</u>	<u>(8,62,671)</u>

25 Related party transactions

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Associate Company	B.E. Billimoria & Co. Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions and balances outstanding as at 31st March, 2016:

b Nature of transactions:

	Holding company		Associate Company	
	Current Year	Previous Year	Current Year	Previous Year
Purchase of services	2,12,71,624	4,53,55,066	21,58,42,515	39,22,50,403
Inter corporate deposit taken	-	-	-	-
Interest on inter corporate deposit	2,25,44,486	2,24,98,174	96,69,783	96,49,918
Net Payable	30,42,45,637	26,18,33,111	(10,28,23,969)	(1,34,06,496)

26 Earnings Per share

	Current Year	Previous Year
Net (loss) after tax	1,92,01,584	11,98,21,911
Weighted average number of Equity shares (Nos.)	50,000	50,000
Nominal value of shares	10	10
Basic and Diluted Earnings/(loss) per share	384.03	2,396.44

27 The Company operates in one segment namely project and development activity.

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

For and on behalf of
B. K. Khare & Co.

Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 044784

Place : Mumbai
Date : 18th April, 2016

For and on behalf of the Board of Directors

Anita Arjundas Director (DIN: 00243215)
Ranganathan Ramesh Director (DIN: 03118598)
Jayant Manmadkar Director (DIN: 03044559)
Digant Kapadia Director (DIN: 00021310)
Raghunath Murti Director (DIN: 00082761)
Vijay Khetan Director (DIN: 00465161)

Place : Mumbai
Date : 18th April, 2016