

## DIRECTORS' REPORT

### Directors' Report to the Members

Your Directors present their Tenth report together with the audited financial statement of your Company for the financial year ended on 31<sup>st</sup> March, 2017.

### Financial Highlights

Particulars	(₹ in Lakh)	
	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Total Income	4.63	Nil
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	2.93	(0.55)
Less: Depreciation	(0.05)	(0.05)
Profit/(Loss) Before Finance Cost and Taxation	2.88	(0.60)
Less: Finance Cost	Nil	Nil
Profit/(Loss) Before Taxation	2.88	(0.60)
Less: Provision for Taxation	Nil	Nil
Profit/(Loss) for the year after Taxation	2.88	(0.60)
Add: Balance of Profit /(Loss) for earlier years	668.20	(43.95)
Deemed Capital Contribution	670.05	712.71
Balance carried forward	1,341.09	668.16

### Indian Accounting Standards

The financial statements for the financial year 2016-17 have been prepared in accordance with applicable Indian Accounting Standards (INDAS) and the corresponding figures for the previous year have been restated as per INDAS for the purpose of comparison.

### Dividend

With a view to conserve resources of the Company, no dividend has been recommended by the Directors for the financial year 2016-17.

### Reserves

Profit for the year has been carried forward to Profit and Loss account and no amount has been transferred to Reserves.

### Operations

The Company is acquiring land to set up an integrated township in Maharashtra. During the year, the Company continued land acquisition in the targeted area. Due to procedural difficulties related to various approvals required for acquisition of land, which are being sorted out, the progress in land acquisition has been slow.

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

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

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

### Share Capital

Authorised Equity Share Capital of the Company is ₹ 5,000 Lakhs and Paid-up Equity Share Capital of the Company is ₹ 2,100 Lakhs.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) 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.

### Optionally Convertible Redeemable Debentures (OCRDS)

During the year, in terms of the provision of the Companies Act, 2013 ("the Act") read with the Rules made thereunder, the Company has issued 1,937 Unsecured Optionally Convertible Redeemable Debentures (OCRDS) of face value of ₹ 1 lakh each aggregating ₹ 19.37 crore in lieu of and by adjusting the entire outstanding amount of the five-year unsecured loan of ₹ 19.37 Crore availed from the holding company Mahindra Lifespace Developers Limited (MLDL). The Company has also issued to MLDL 700 OCRDS of face value of ₹ 1 lakh each aggregating ₹ 7 crore. Total OCRDS issued and allotted by the Company aggregate to ₹ 26.37 crore.

### Networth

The networth of the Company at the close of the previous financial year (FY 2015-16) and at the close of the current financial year (FY 2016-17) was ₹ 2,768.16 lakh and ₹ 3,441.09 lakh respectively.

### Holding Company

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

During the year, no company has become/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 at 31<sup>st</sup> March, 2017, the Board of Directors comprise of the following:

Name	DIN	Designation
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive Non-Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Vijay Khetan	00465161	Independent Director
Ms. Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas, a Non-executive Non-independent Director retires by rotation at the 10<sup>th</sup> Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Anita Arjundas is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 149(7) of the Act, declarations from all the Independent Directors have been received affirming their independence in accordance with the provision of Section 149(6) of the Act.

### Key Managerial Personnel

As at 31<sup>st</sup> March, 2017, the Key Managerial Personnel (KMP) of the Company comprise of the following:

Sr. No.	Name	Designation
1	Mr. Suhas Kulkarni	Manager
2	Mr. Jasmin Suchak	Chief Financial Officer
3	Ms. Arti Shinde	Company Secretary

None of the KMP draw any remuneration from the Company. All of them draw remuneration from the holding company, Mahindra Lifespace Developers Limited. The Company pays to the holding company proportionate employee cost for all the KMP who are employees of the holding company, in relation to the work of the Company.

### Committees of the Board

#### Audit Committee

The Audit Committee comprises of two Independent Directors, namely Mr. Vijay Khetan and Mr. Raghunath Murti and one

Non-Executive Non-Independent Director, Ms. Sangeeta Prasad. Mr. Vijay Khetan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Financial Officer, and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Board has accepted all recommendations of the Audit Committee made from time to time.

#### Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013, the provisions with respect to CSR are currently not applicable to the Company.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of two Independent Directors, Mr. Vijay Khetan and Mr. Raghunath Murti and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Ms. Sangeeta Prasad. Mr. Raghunath Murti is the Chairman of the Committee.

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 are attached herewith and marked as **Annexure 1, Annexure 2 and Annexure 3**, respectively to this report:

1. Policy on Appointment of Directors and Senior Management
2. Policy on Remuneration of Directors
3. Policy on Remuneration of Key Managerial Personnel and Employees

#### MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once on 11<sup>th</sup> April, 2017 without the presence of the Non- Independent Directors or Chief Financial Officer or any other Management Personnel which was attended by all independent directors. 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, review the performance of the Chairperson of the Company (taking into account the views of non-executive Directors), assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non- Independent Directors and the Board as a whole, Committees thereof, and Chairperson of the Company was carried out by Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. Structured

questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices, etc. were circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

### Meetings

During the year, four (4) meetings of the Board were convened and held on following dates:

18<sup>th</sup> April, 2016, 21<sup>st</sup> July, 2016, 20<sup>th</sup> October, 2016 and 18<sup>th</sup> January, 2017.

During the year, four (4) meetings of Audit Committee were convened and held on the following dates:

18<sup>th</sup> April, 2016, 21<sup>st</sup> July, 2016, 20<sup>th</sup> October, 2016 and 18<sup>th</sup> January, 2017.

During the year, one (1) meeting of Nomination & Remuneration Committee was convened and held on 18<sup>th</sup> April, 2016.

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

Sr. no.	Name of the Director	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended
1.	Ms. Anita Arjundas	4	Not applicable	1
2	Mr. Raghunath Murti	4	4	1
3	Mr. Vijay Khetan	2	2	1
4	Ms. Sangeeta Prasad	3	3	0

The previous Annual General Meeting of the Company was held on 21<sup>st</sup> July, 2016. All the Directors were present at the Annual General Meeting, except Mr. Vijay Khetan who could not attend the meeting due to prior commitments.

### Code of Conduct

The Company has 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.

During the year, due to the changes in the business environment and the governance landscape, the Code of Conduct of the Company for Senior Management and Employees was revised.

The Company has for the year under review, received declarations under the Codes from the Board members including Independent Directors of the Company affirming compliance with the respective Codes.

### Directors’ Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31<sup>st</sup> March, 2017 and of the profit of the Company for that period;
- 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;
- they had prepared the annual accounts on a going concern basis and;
- 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 statement. The Audit Committee of the Board reviews the internal control systems with the 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 has appropriate risk management systems and procedure in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring. The Company reviews implementation and monitoring of the risk management plan.

### Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number-105102W), were appointed as auditors for a term of five consecutive years from the conclusion of 9<sup>th</sup> Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting to be held in the year 2021. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter of appointment of the 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 the 10<sup>th</sup> Annual General Meeting till the conclusion of the 14<sup>th</sup> Annual General Meeting to be held in the year 2021.

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 or adverse remark and therefore does not call for any further comment.

The requirement of having internal auditor, cost auditor and secretarial auditor are presently not applicable to the Company.

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

As the Company is in the business of Real Estate Development, the provision of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The said provisions are also not applicable to acquisition of shares if allotted in pursuance of Section 62(1)(a) of the Act.

There were no investments made by the Company attracting the provision of Section 186(1) of the Companies Act, 2013 for the year under review.

#### **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. During the year, the Company had not entered into any contract/arrangement with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

#### **Deposits, Loans and Advances**

During the year, 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 the 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 the **Annexure 4** 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 are included in this Report as **Annexure 5** and forms part of this Report.

#### **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 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 year by the Statutory Auditor 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, 11<sup>th</sup> April, 2017

## ANNEXURE 1

### 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 Knowledge Township 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

1. 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 ID is to be appointed:

- a) 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.

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

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

2. Based on recommendation of 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 the Director subject to the compliance of the applicable statutory provisions.

#### IV. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Board/Chairperson 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, 11<sup>th</sup> April, 2017

## ANNEXURE 2

### POLICY FOR REMUNERATION OF THE DIRECTORS

#### I. Purpose

This Policy sets out the approach to Compensation of Directors in Knowledge Township 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 Shareholder's 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 Shareholder's 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, 11<sup>th</sup> April, 2017

## ANNEXURE 3

### 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 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. 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, 11<sup>th</sup> April, 2017

**ANNEXURE 4****A. CONSERVATION OF ENERGY**

(i)	the steps taken or impact on conservation of energy	:	The operations of the Company are not energy-intensive. However, adequate measures will be initiated to reduce energy consumption at an appropriate time.
(ii)	the steps taken by the Company for utilising alternate sources of energy	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	NIL

**B. TECHNOLOGY ABSORPTION**

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R&D activities during the year. The Company intends to initiate quality improvement measures at an appropriate time.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	NIL

**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, 11<sup>th</sup> April, 2017



**ANNEXURE 5****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2017

(Pursuant to Section 92(3) of the Companies (Management and Administration) Rules, 2014)

**1. REGISTRATION AND OTHER DETAILS**

1.	CIN	U72900MH2007PLC173137
2.	Registration Date	16/08/2007
3.	Name of the Company	Knowledge Township 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 <sup>th</sup> Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018 Tel: (022) 67478600/8601
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**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 <sup>#</sup>
1.	Construction of Buildings	410	Nil
2.	Real estate activities with own or leased property	681	Nil
3.	Landscape care and maintenance service activities	813	Nil

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

<sup>#</sup> During the year under review, the Company had no turnover. Presently the Company is in process of acquiring land for its project. Business activities will commence after the targeted land area for the project is acquired.**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 Address: Mahindra Towers, 5 <sup>th</sup> Floor, Dr G M Bhosale Marg, Worli, Mumbai – 400 018	L45200MH1999PLC118949	Holding	100%	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Ultimate Holding	–	2(46)

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

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	100	–
e) Banks/Fl	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):-</b>	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	100	–

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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	100	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	–	–	–	–	–	–	–	–	–
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	–	–	–	–	–	–	–	–	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	–	21,000,000	21,000,000	100	–	21,000,000	21,000,000	100	–

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's name	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	20,999,940	100.00	–	20,999,940	100.00	–	–
2	Mahindra Lifespace Developers Limited & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3	Mahindra Lifespace Developers Limited & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4	Mahindra Lifespace Developers Limited & Mr. Narayan Shankar	10	0.00	–	10	0.00	–	–
5	Mahindra Lifespace Developers Limited & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
6	Mahindra Lifespace Developers Limited & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
7	Mahindra Lifespace Developers Limited & Mr. Jayant Manmadkar	10	0.00	–	10	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:**

For each of Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>Ms. Anita Arjundas – Director*</b> At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	–	–	–	–
At the end of the year	10	0.00	10	0.00
<b>Mr. Suhas Kulkarni – Manager*</b> At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc):	–	–	–	–
At the end of the year	10	0.00	10	0.00

\* Jointly with Mahindra Lifespace Developers Limited (first holder)

**5. INDEBTEDNESS**

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

(₹ In Lakh)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	–	1,917.00	–	1,917.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	–	1,917.00	–	1,917.00
<b>Change in Indebtedness during the financial year</b>				
• Addition	–	720.00	–	720.00
• Reduction	–	–	–	–
<b>Net change</b>	–	720.00	–	720.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	–	2,637.00	–	2,637.00
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
<b>Total (i+ii+iii)</b>	–	2,637.00*	–	2,637.00*

\* The discounted value of the OCRDs is ₹ 1,527.18 as on 31.03.2017.

**6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:** Nil**B. Remuneration of other Directors:** Nil**C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director:-**  
None of the Key Managerial Personnel draw any remuneration from the Company.**7. 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)
<b>A. Company</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			None		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

**Anita Arjundas**  
Chairperson  
DIN: 00243215

Mumbai, 11<sup>th</sup> April, 2017

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF  
KNOWLEDGE TOWNSHIP LIMITED****Report on the Financial Statements**

1. We have audited the accompanying financial statements of **KNOWLEDGE TOWNSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 Indian 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 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 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 financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting

principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, 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 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 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 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B;
  - g. With respect to the other matters 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.
    - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in the specified bank notes during the period from 8<sup>th</sup> November to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **B. K. Khare and Co.**

Chartered Accountants

Firm Registration No.: 105102W

**Himanshu Chapsey**

Partner

Membership No.: 105731

Place: Mumbai

Dated:

## ANNEXURE “A” TO THE AUDITOR’S REPORT

### Referred to in paragraph 9 of our report of even date on the accounts of Members of Knowledge Township Limited for the year ended 31<sup>st</sup> March, 2017

- 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 Company does not have immovable property as on March 31, 2017. Hence the provisions of para 3(i)(c) of the Order are not applicable.
- 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.
- 3) 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 Act. Hence, the provisions of para 3(iii) of the Order are not applicable.
- 4) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions during the year.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Act and the Rules framed thereunder.
- 6) We have been informed that the Central Government has not prescribed maintenance of Cost records under section 148(1) of the Act.
- 7) i) According to the records of the Company, the Company is has been generally regular in depositing with appropriate authorities undisputed statutory dues including 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. The Company did not have any employees and hence the provisions of Provident Fund, employees state insurance are not applicable.
- ii) There are no disputed dues outstanding as on 31<sup>st</sup> March, 2017 on account of sales tax, customs duty, income tax, excise duty, service tax, wealth tax and cess.
- 8) The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the

year and hence, the provisions of para 3(viii) of the Order are not applicable to the Company.

- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised.
- 10) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing principles in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- 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 are in compliance with sections 177 and 188 of the 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, the 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, the 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, the provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm’s Registration No.: 105102W

**Himanshu Chapsey**  
Partner  
Membership No.: 105731

Place: Mumbai  
Dated:

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KNOWLEDGE TOWNSHIP 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 Knowledge Township Limited (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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 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 March 31, 2017, 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 **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Himanshu Chapsey**  
Partner  
Membership No. 105731

Place: Mumbai  
Dated:

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

Particulars	Note No.	(₹ in Lakhs)		
		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>I ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
(a) Property, Plant and Equipment .....	1	0.28	0.33	0.38
(b) Financial Assets				
(i) Loans.....	2	0.06	0.08	0.01
<b>SUB-TOTAL .....</b>		<b>0.34</b>	<b>0.41</b>	<b>0.39</b>
<b>CURRENT ASSETS</b>				
(a) Inventories .....	3	2,519.74	2,394.56	2,227.36
(b) Financial Assets				
(i) Cash and Cash Equivalents.....	4	0.06	0.01	0.16
(ii) Other Bank Balances.....	4	493.36	2.04	1.28
(iii) Loans.....	2	12.76	12.74	12.76
(c) Current Tax Assets (Net).....		5.81	5.81	5.81
(d) Other Current Assets .....	5	2,456.05	2,228.13	2,228.50
<b>SUB-TOTAL .....</b>		<b>5,487.78</b>	<b>4,643.30</b>	<b>4,475.88</b>
<b>TOTAL ASSETS .....</b>		<b>5,488.12</b>	<b>4,643.71</b>	<b>4,476.26</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a) Equity Share Capital.....	6	2,100.00	2,100.00	2,100.00
(b) Other Equity .....	7	1,341.10	668.16	(43.95)
<b>SUB-TOTAL .....</b>		<b>3,441.10</b>	<b>2,768.16</b>	<b>2,056.05</b>
<b>LIABILITIES</b>				
<b>3 CURRENT LIABILITIES</b>				
(a) Financial Liabilities				
(i) Borrowings.....	8	1,527.18	1,352.32	1,897.00
(ii) Trade Payables .....	9	519.84	518.59	518.58
(b) Provisions.....	10	-	4.63	4.63
<b>SUB-TOTAL .....</b>		<b>2,047.02</b>	<b>1,875.55</b>	<b>2,420.21</b>
<b>TOTAL .....</b>		<b>5,488.12</b>	<b>4,643.71</b>	<b>4,476.26</b>

The accompanying notes 1 to 17 are an integral part of the Financial Statements

In terms of our report attached

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

Chartered Accountants  
Firm Registration No. 105102W

**Himanshu Chapsey**

Partner  
Membership No 105731

Place: Mumbai  
Date: 11<sup>th</sup> April, 2017

**For and on behalf of the Board of Directors of Knowledge Township Ltd.**

**Jasmin Suchak**  
Chief Financial Officer  
(PAN: APUPS9295Q)

**Arti Shinde**  
Company Secretary  
(PAN: AGSPB7125K)

**Anita Arjundas** Director (DIN: 00243215)  
**Raghunath Murti** Director (DIN: 00082761)  
**Vijay Khetan** Director (DIN: 00465161)

Place: Mumbai  
Date: 11<sup>th</sup> April, 2017



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

Particulars	Note No.	Rupees in Lakhs	
		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>Continuing Operations</b>			
I Revenue from operations		–	–
II Other Income	11	4.63	–
III <b>Total Revenue (I + II)</b>		4.63	–
IV <b>EXPENSES</b>			
(a) Depreciation and amortisation expense	1	0.05	0.05
(b) Other expenses	12	1.70	0.55
V <b>Total Expenses (V)</b>		1.75	0.60
<b>Profit/(loss) before exceptional items and tax (I – IV)</b>		2.88	(0.60)
<b>Exceptional Items</b>			
VI <b>Share of profit/(loss) of joint ventures and associates</b>		–	–
(1) Share of profit/(loss) of joint ventures and associated			
VII <b>Profit/(loss) before tax (VII – VIII)</b>		2.88	(0.60)
VIII <b>Tax Expense</b>			
(1) Current tax		–	–
(2) Deferred tax		–	–
<b>Total tax expense</b>		–	–
IX <b>Profit/(loss) after tax from continuing operations (IX – X)</b>		2.88	(0.60)
X <b>Profit/(loss) after tax from discontinued operations (XII + XIII)</b>		–	–
XI <b>Profit/(loss) for the period (XI + XIV)</b>		2.88	(0.60)
XII <b>Profit/(Loss) from continuing operations for the period attributable to:</b>			
Owners of the Company		2.88	(0.60)
Non controlling interests		–	–
		<b>2.88</b>	<b>(0.60)</b>
XIII <b>Other comprehensive income</b>		–	–
XIV <b>Total comprehensive income for the period (XV + XVIII)</b>		2.88	(0.60)
XV <b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		2.88	(0.60)
Non controlling interests		–	–
XVI <b>Earnings per equity share (for continuing operation):</b>			
(1) Basic ₹ Per share	13	0.01	(0.00)
(2) Diluted ₹ Per share	13	0.01	(0.00)
XVII <b>Earnings per equity share (for continuing and discontinued operations):</b>			
(1) Basic ₹ Per share	13	0.01	(0.00)
(2) Diluted ₹ Per share	13	0.01	(0.00)

**The accompanying notes 1 to 17 are an integral part of the Financial Statements**

In terms of our report attached

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

Chartered Accountants  
Firm Registration No. 105102W

**Himanshu Chapsey**

Partner  
Membership No 105731

Place: Mumbai  
Date: 11<sup>th</sup> April, 2017

**For and on behalf of the Board of Directors of Knowledge Township Ltd.**

**Jasmin Suchak**  
Chief Financial Officer  
(PAN: APUPS9295Q)

**Arti Shinde**  
Company Secretary  
(PAN: AGSPB7125K)

**Anita Arjundas** Director (DIN: 00243215)  
**Raghunath Murti** Director (DIN: 00082761)  
**Vijay Khetan** Director (DIN: 00465161)

Place: Mumbai  
Date: 11<sup>th</sup> April, 2017

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

Particulars	Note No.	Rupees in Lakhs	
		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>Cash flows from operating activities</b>			
Profit before tax for the year	PL	2.88	(0.60)
Adjustments for:			
Depreciation and amortisation of non-current assets	1	0.05	0.05
Movements in working capital:		2.94	(0.55)
Increase in trade and other receivables		–	0.31
(Increase) / decrease in short term loans and advances		(227.91)	–
(Increase)/decrease in inventories		(125.18)	(19.16)
(Decrease)/increase in deferred revenue			
(Decrease)/increase in other liabilities		(3.38)	0.01
Cash generated from operations		(356.47)	(18.84)
Income taxes paid		(353.54)	(19.39)
Net cash generated by operating activities		–	–
<b>Cash flows from investing activities</b>			
Net cash inflow on disposal of associate		(353.54)	(19.39)
Net cash (used in)/generated by investing activities		–	–
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		844.91	20.00
Repayment of borrowings			
Interest paid			
Net cash used in financing activities		844.91	20.00
<b>Net increase in cash and cash equivalents</b>		491.37	0.61
Cash and cash equivalents at the beginning of the year		2.06	1.44
<b>Cash and cash equivalents at the end of the year</b>		<b>493.42</b>	<b>2.06</b>

In terms of our report attached

**For B. K. Khare & Co**Chartered Accountants  
Firm Registration No. 105102W**Himanshu Chapsey**Partner  
Membership No 105731Place: Mumbai  
Date: 11<sup>th</sup> April, 2017**For and on behalf of the Board of Directors of Knowledge Township Ltd.****Jasmin Suchak**  
Chief Financial Officer  
(PAN: APUPS9295Q)**Arti Shinde**  
Company Secretary  
(PAN: AGSPB7125K)**Anita Arjundas** Director (DIN: 00243215)  
**Raghunath Murti** Director (DIN: 00082761)  
**Vijay Khetan** Director (DIN: 00465161)Place: Mumbai  
Date: 11<sup>th</sup> April, 2017

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 1. General Information

The company was incorporated on 16<sup>th</sup> August, 2007 and is engaged in the business of development of Knowledge City in Pune, Maharashtra. Its parent and holding company is Mahindra Lifespace Developers Ltd.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

### 2. Significant Accounting Policies

#### 2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31<sup>st</sup> March, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1<sup>st</sup> April, 2015. Refer Note 17 for the details of first-time adoption exemptions availed by the Company.

#### 2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

#### 2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

#### 2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

##### 2.4.1 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in

contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues will be recognized from these real estate projects only when

- All critical approvals necessary for commencement of the project have been obtained and
- the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- when at least 10% of the sales consideration is realised and
- where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

##### 2.4.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured based on the proportion of costs incurred for rendering of the service to date relative to the estimated total costs, except where this would not be representative of the stage of completion

### 2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

### 2.6.2 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 2.9.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under

the contract exceed the economic benefits expected to be received from the contract.

### 2.10 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 2.11 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

### 2.12 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### 2.13. First-time adoption – mandatory exceptions, optional exemptions, and

#### 2.13.1. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1<sup>st</sup> April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### 2.13.2. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1<sup>st</sup> April 2015 (the transition date).

#### 2.13.3. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

#### 2.13.4. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

increases in credit risk since initial recognition, as permitted by Ind AS 101.

**2.13.5. Assessment of embedded derivatives**

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

**2.13.6. Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

**Note 1 – Property, Plant and Equipment**

Description of Assets	Office Equipment	Furniture and Fixtures	Total
<b>I. Gross Carrying Amount</b>			
Balance as at 1 April 2016.....	0.52	0.63	1.14
Additions .....			-
Acquisitions through business combinations.....			-
Disposals .....			-
<b>Balance as at 31 March 2017.....</b>	<b>0.52</b>	<b>0.63</b>	<b>1.14</b>
<b>II. Accumulated depreciation and impairment</b>			
Balance as at 1 April 2016.....	0.52	0.30	0.81
Depreciation expense for the year.....		0.05	0.05
Eliminated on disposal of assets .....			-
<b>Balance as at 31 March 2017.....</b>	<b>0.52</b>	<b>0.35</b>	<b>0.86</b>
<b>III. Net carrying amount (I-II).....</b>	<b>-</b>	<b>0.28</b>	<b>0.28</b>

**Note 2 – Loans**

Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>a) Security Deposits</b>						
- Secured, considered good.....						
- Unsecured, considered good.....						
- Doubtful .....						
Less: Allowance for Credit Losses.....						
<b>TOTAL (A).....</b>						
<b>b) Loans to related parties</b>						
- Secured, considered good.....						
- Unsecured, considered good.....						
- Doubtful .....						
Less: Allowance for Credit Losses.....						
<b>TOTAL (B).....</b>						
<b>d) Other Loans</b>						
- Secured, considered good.....	-	0.06	-	0.08	-	0.01
- Unsecured, considered good.....	12.76	-	12.74	-	12.76	-
- Doubtful .....						
Less: Allowance for Credit Losses.....						
<b>TOTAL (C).....</b>	<b>12.76</b>	<b>0.06</b>	<b>12.74</b>	<b>0.08</b>	<b>12.76</b>	<b>0.01</b>
<b>GRAND TOTAL.....</b>	<b>12.76</b>	<b>0.06</b>	<b>12.74</b>	<b>0.08</b>	<b>12.76</b>	<b>0.01</b>

(₹ in Lakhs)

Description of Assets	Office Equipment	Furniture and Fixtures	Total
<b>I. Gross Carrying Amount</b>			
Balance as at 1 April 2015.....	0.52	0.63	1.14
Additions .....			-
Acquisitions through business combinations.....			-
Disposals .....			-
<b>Balance as at 31 March 2016.....</b>	<b>0.52</b>	<b>0.63</b>	<b>1.14</b>
<b>II. Accumulated depreciation and impairment</b>			
Balance as at 1 April 2015.....	0.52	0.24	0.76
Depreciation expense for the year.....		0.05	0.05
Eliminated on disposal of assets .....			-
<b>Balance as at 31 March 2016.....</b>	<b>0.52</b>	<b>0.30</b>	<b>0.81</b>
<b>III. Net carrying amount (I-II).....</b>	<b>-</b>	<b>0.33</b>	<b>0.33</b>

**Assets pledged as security and restriction on titles**

As on reporting date Company had not pledged any item of PPE as security and there is no restriction on title.

**Impairment losses recognised in the year:**

During the reporting period Company had not recognised any impairment loss on PPE

**Method of Depreciations:**

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.

**Note 3 – Inventories**

Particulars	(₹ in Lakhs)		
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
(a) Raw materials.....			
(b) Work-in-progress.....	2,519.74	2,394.56	2,227.36
(c) Finished and semi-finished goods.....			
(d) Stock-in-trade of goods acquired for trading.....			
(e) Stores and spares .....			
(f) Loose Tools.....			
(g) Agricultural produce (including biological assets) .....			
(h) Others (specify the nature) .....			
<b>Total Inventories (at lower of cost and net realisable value).....</b>	<b>2,519.74</b>	<b>2,394.56</b>	<b>2,227.36</b>

Note: Inventory mainly represents land and other related expenses

**Note 5 – Other assets**

Particulars	(₹ in Lakhs)					
	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>(a) Capital advances</b>						
(i) For Capital work in progress .....						
(ii) For intangible asset under development.....						
(iii) For Investment property under development.....						
<b>(b) Advances other than capital advances</b>						
(i) Security Deposits .....						
(ii) Advances to related parties.....						
(iii) Balances with government authorities (other than income taxes) .....						
(i) Other advances for purchase of Land..... (Mainly represents advances given to Land Aggregator)....	-	2,456.05	-	2,228.13	-	2,228.50
	-	2,456.05	-	2,228.13	-	2,228.50

**Note 6 – Equity Share Capital**

Particulars	(₹ in Lakhs)					
	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised:</b>						
Equity shares of ₹ 10 each with voting rights.....	5,000,000	5,000	5,000,000	5,000	5,000,000	5,000
Equity shares of ₹ ___ each with differential voting rights.....	-	-	-	-	-	-
Preference shares of ₹ ___ each.....	-	-	-	-	-	-
<b>Issued, Subscribed and Fully Paid:</b>						
Equity shares of ₹ 10 each with voting rights.....	21,000,000	2,100	21,000,000	2,100	21,000,000	2,100
Equity shares of ₹ ___ each with differential voting rights.....	-	-	-	-	-	-
Preference shares of ₹ ___ each.....	-	-	-	-	-	-
	<b>21,000,000</b>	<b>2,100</b>	<b>21,000,000</b>	<b>2,100</b>	<b>21,000,000</b>	<b>2,100</b>

**Note 4 – Cash and Bank Balances**

Particulars	(₹ in Lakhs)		
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Cash and cash equivalents</b>			
(a) Balances with banks.....	493.36	2.04	1.28
(b) Cheques, drafts on hand .....			
(c) Cash on hand.....	0.06	0.01	0.16
(d) Others			
<b>Total Cash and cash equivalent.....</b>	<b>493.42</b>	<b>2.06</b>	<b>1.44</b>

**Demonetisation**

Particulars	(₹ in Lakhs)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016.....	-	0.06	0.06
(+) Permitted receipts.....	-		
(-) Permitted payments.....	-		
(-) Amount deposited in Banks.....			
Closing cash in hand as on 30.12.2016.....		0.06	0.06
Movement for Day 31.12.2016.....			
Closing cash in hand as on 31.12.2016.....		0.06	0.06
Cash on hand.....			0.06

**Notes: Balances in banks represents Bank balance and Fixed deposit with Maturity from 7 to 15 days.**

**Note 7 – Other Equity**

(₹ in Lakhs)

	Reserves and Surplus		Items of other comprehensive income				Total
	General Reserve	Retained Earnings	Debt instrument through Other Comprehensive Income	Equity instrument through Other Comprehensive Income	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	
<b>As at 1 April 2015</b> .....	-	(43.95)	-	-	-	-	(43.95)
Profit/(Loss) for the period.....	-	(0.60)	-	-	-	-	(0.60)
Other Comprehensive Income/(Loss).....	-	-	-	-	-	-	-
Total Comprehensive Income for the year.....	-	(44.55)	-	-	-	-	(44.55)
Deemed Capital Contribution.....	-	-	-	712.71	-	-	712.71
<b>As at 31 March 2016</b> .....	-	(44.55)	-	712.71	-	-	668.2
Profit/(Loss) for the period.....	-	2.88	-	-	-	-	2.88
Deemed Capital Contribution.....	-	-	-	670.05	-	-	670.05
Total Comprehensive Income for the year.....	-	(41.66)	-	1,382.76	-	-	1,341.1
Transfers to Reserves.....	-	-	-	-	-	-	-
Transfers from retained earnings.....	-	-	-	-	-	-	-
<b>As at 31 March 2017</b> .....	-	<b>(41.66)</b>	-	<b>1,382.76</b>	-	-	<b>1,341.1</b>

**Note 8 – Current Borrowings**

(₹ in Lakhs)

Particulars	(₹ in Lakhs)			Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015				
<b>A. Secured Borrowings</b>				<b>Current</b>			
(a) Loans repayable on demand.....				(a) Current maturities of long-term debt.....			
(1) From Banks.....				(b) Current maturities of finance lease obligations.....			
(2) from other parties.....				(c) Interest accrued.....			
(b) Loans from related parties.....				(d) Unpaid dividends.....			
(c) Deposits.....				(e) Other liabilities			
(d) Other Loans.....				(1) Creditors for capital supplies/ services.....			
<b>Total Secured Borrowings</b> .....				(2) Retention Money.....			
				(1) Interest Accrued but not due on loan (from Holding Company repayable on demand).....	518.25	518.25	518.25
<b>B. Unsecured Borrowings</b>				(2) Other liabilities.....	1.59	0.34	0.33
(a) Loans repayable on demand.....				<b>Other Financial Liabilities Measured at Fair value</b>			
(1) From Banks.....				(a) Derivatives designated and effective as hedging instruments.....			
(2) from Holding company OCRDs issued to KTL by MLDL.....	1,527.18	1,352.32	1,897.00	(b) Derivatives not designated as a hedging instruments.....			
<b>Total Unsecured Borrowings</b> .....				(c) Other Financial Instruments carried at FVTPL:			
<b>Total Current Borrowings</b> .....	<b>1,527.18</b>	<b>1,352.32</b>	<b>1,897.00</b>	(1) Non-derivative held for trading liabilities.....			
				(2) Contingent consideration on acquisitions.....			
				(3) Financial guarantee contracts.....			
				(4) Redeemable preference shares (at fair value).....			
				<b>Total other financial liabilities</b>	<b>519.84</b>	<b>518.59</b>	<b>518.58</b>

Note: Total OCRDs issued is worth INR 2637 lacs, which is bought to present value as per IND AS

**Note 9 – Other Financial Liabilities**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016	As at 1 <sup>st</sup> April, 2015
<b>Other Financial Liabilities Measured at Amortised Cost</b>			
<b>Non-Current</b>			
(a) Security Deposits.....			
(d) Other long term liabilities.....			

**Note 10 – Provisions**

Particulars	(₹ in Lakhs)					
	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 1 <sup>st</sup> April, 2015	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
<b>(a) Provision for employee benefits</b>						
(1) Long-term Employee Benefits .....						
<b>(b) Other Provisions</b>						
(1) Warranty .....						
(2) Other Provisions.....	-	-	-	4.63	-	4.63
<b>Total Provisions</b> .....	-	-	-	4.63	-	4.63

**Note 11 – Other Income**

Particulars	(₹ in Lakhs)		For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016		
	(a) Interest Income			
(1) On Financial Assets at Amortised Cost .....				
(2) On Financial Assets at FVTOCI.....				
(3) On Financial Assets at FVTPL.....				
(b) Provision Written Back.....	4.63	-		
<b>Total Other Income</b> .....	<b>4.63</b>	<b>-</b>		

Profits used in the calculation of basic earnings per share from continuing operations .....

Weighted average number of equity shares..... 21,000,000 21,000,000

Earnings per share from continuing operations - Basic..... 0.01 (0.00)

**Note 12 – Other Expenses**

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	(a) Auditors remuneration and out-of-pocket expenses.....	0.53
(i) As Auditors.....	0.29	0.29
(ii) For Taxation matters.....		
(iii) For Company Law matters .....		
(iv) For Other services.....	0.24	0.02
(b) Other expenses		
(1) Provision for diminution of Investments.....		
(2) Provision for losses of subsidiaries.....		
(3) Legal and other professional costs.....	1.17	0.25
(4) Research and Development.....	-	-
(i) Research and development (Gross).....		
<b>Total Other Expenses</b> .....	<b>1.70</b>	<b>0.55</b>

**Note 13 – Earnings per Share**

**Basic earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	For the year ended 31 <sup>st</sup> March, 2017	For the year ended 31 <sup>st</sup> March, 2016
Profit/(loss) for the year attributable to owners of the Company .....	288,432	(60,123)
Less: Preference dividend and tax thereon.....		
Profit/(loss) for the year used in the calculation of basic earnings per share.....		
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations.....		

**Note 14 – Financial Instruments**

**Capital management**

Debt-to-equity ratio as of 31<sup>st</sup> March 2017, 31<sup>st</sup> March 2016 and 1<sup>st</sup> April 2015 is as follows:

	31-Mar-17	31-Mar-16	1-Apr-15
Debt (A).....	1,527.18	1,352.32	1,897.00
Equity (B) .....	2,100.00	2,100.00	2,100.00
Debt Ratio (A/B) .....	0.73	0.64	0.90

**Categories of financial assets and financial liabilities**

	As at 31 <sup>st</sup> March, 2017		
	Amortised Costs	FVTPL	Total
<b>Non-current Assets</b>			
Loans .....	0.06		
<b>Current Assets</b>			
Investments .....			
Trade Receivables.....			
Other Bank Balances.....	493.36		
Loans .....	12.76		
<b>Non-current Liabilities</b>			
<b>Current Liabilities</b>			
Borrowings .....	1,527.18		
Trade Payables .....			
Other Financial Liabilities			
- Non Derivative Financial Liabilities....	519.84		
- Derivative Financial Liabilities .....			

	As at 31 <sup>st</sup> March, 2016		
	Amortised Costs	FVTPL	Total
<b>Non-current Assets</b>			
Loans .....	0.08		
<b>Current Assets</b>			
Other Bank Balances.....	2.04		
Loans .....	12.74		



As at 31<sup>st</sup> March, 2016

	Amortised Costs	FVTPL	Total
<b>Current Liabilities</b>			
Borrowings .....	1,352.32		
Trade Payables .....			
Other Financial Liabilities.....			
– Non Derivative Financial Liabilities...	518.59		
– Derivative Financial Liabilities .....			

As at 1<sup>st</sup> April, 2015

	Amortised Costs	FVTPL	Total
<b>Non-current Assets</b>			
Loans .....	0.01		
Other Bank Balances.....	1.28		
Loans .....	12.76		
<b>Non-current Liabilities</b> .....			
<b>Current Liabilities</b>			
Borrowings .....	1,897.00		
– Non Derivative Financial Liabilities....	518.58		
– Derivative Financial Liabilities .....			

Note 15 – Equity Share Capital

	Rupees in Lakhs
<b>A. Equity share capital</b>	
<b>As at 1 April 2015</b> .....	2,100
Changes in equity share capital during the year.....	
<b>As at 31 March 2016</b> .....	2,100
Changes in equity share capital during the year.....	
<b>As at 31 March 2017</b> .....	<b>2,100</b>

Note 16 – Related Party Transactions

Discription of Relationship	Name of Related Party
Ultimate Holding Company	Mahindra & Mahindra Ltd.
Parent Company	Mahindra Lifespace Developers Ltd

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Parent Company
<b>Nature of transactions with Related Parties</b>		
ICD Taken	31-Mar-17	0.2
	31-Mar-16	0.2
Unsecured Optionally Convertible Redeemable Debentures (OCRDs)- III- 4-6 years from date of issue	31-Mar-17	7.00
	31-Mar-16	

Nature of Balances with Related Parties	Balance as on	Parent Company
Trade payables	31-Mar-17	
	31-Mar-16	
Unsecured Optionally Convertible Redeemable Debentures (OCRDs)- III- 4 years from date of issue	31-Mar-17	1,527.18
	31-Mar-16	1,352.32
Loans & advances given	31-Mar-17	
	31-Mar-16	

Note 17 – First-time adoption of Ind-AS

(i) Reconciliation of Total Comprehensive Income for the year ended 31<sup>st</sup> March, 2016:

PARTICULARS	Notes	Year Ended 31 <sup>st</sup> March 2016
<b>Profit or Loss as per previous GAAP</b> .....		<b>(0.60)</b>
<b>Ind AS: Adjustments increase (decrease):</b>		–
<b>Profit or Loss under Ind AS</b> .....		<b>(0.60)</b>
Other comprehensive income.....		–
<b>Total comprehensive income under Ind ASs</b> .....		<b>(0.60)</b>

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

(ii) Reconciliation of total equity as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015:

PARTICULARS	As at 31 <sup>st</sup> March 2016	As at 1 <sup>st</sup> April 2015
Equity as reported under Previous GAAP .....	2,055.45	2,056.05
IND AS Adjustment – Increase/(Decrease)		
Deemed Capital Contribution.....	712.71	–
Equity as reported under IND AS .....	2,768.16	2,056.05