

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Twelfth report together with the audited financial statement of your Company for the financial year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

Particulars	(Amount in ₹)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Income.....	23,791	20,556
Profit/(Loss) Before Depreciation, Finance Cost and Taxation.....	(938,653)	(33,682)
Less: Depreciation.....	NIL	Nil
Profit/(Loss) Before Finance Cost and Taxation.....	(938,653)	(33,682)
Less: Finance Cost.....	2,081,589	Nil
Profit/(Loss) Before Taxation.....	(3,020,242)	(33,682)
Less: Provision for Taxation.....	NIL	Nil
Profit/(Loss) for the year after Taxation.....	(3,020,242)	(38,445)
Add: Balance of Profit/(Loss) for earlier years.....	(11,417,655)	(11,379,210)
Balance carried forward to the Balance Sheet.....	(14,437,897)	(11,417,655)

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

In view of the carried forward losses, no dividend has been recommended by the Directors for the financial year 2016-17.

Reserves

In view of loss for the year, no amount has been transferred to reserves.

Operations

The Company is evaluating suitable opportunities for the developments of industrial clusters / residential developments.

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

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

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

Amalgamation

The Board of Directors at its meeting held on 10th October, 2016 decided to amalgamate Kismat Developers Private Limited, Topical Builders Private Limited and Raigad Industrial & Business Park Limited with the Company by approving a Scheme of Amalgamation envisaging the terms of amalgamation and valuation report issued by an Independent Valuer.

Basis the valuation report, the Company shall issue and allot:

- To the equity shareholder of Kismat Developers Private Limited (KDPL), 1 (one) 8.5% Non-cumulative Redeemable Preference share (NCRPS) of ₹ 10 each for every 1 (one) equity share of ₹ 10 each held in KDPL;
- To the preference shareholder of KDPL, 1 (one) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each for every 1 (one) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each held in KDPL;
- To the equity shareholder of Topical Builders Private Limited (TBPL), 1 (one) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each for every 1 (one) equity share of ₹ 10 each held in TBPL;
- To the preference shareholder of TBPL, 1 (one) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each for every 1 (one) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each held in TBPL;
- To the equity shareholder of Raigad Industrial & Business Park Limited (RIBPL), 3 (three) 8.5% Non-cumulative Redeemable Preference share of ₹ 10 each for every 2 (two) equity share of ₹ 10 each held in RIBPL.

The Company Summons for Direction was filed with Hon'ble High Court of Bombay. With the advent of National Company Law Tribunal (NCLT), the Company Summons for Direction was transferred to NCLT, Mumbai Bench. NCLT, Mumbai Bench vide its order dated 22nd March, 2017 inter alia directed the Company to convene meeting of equity shareholders on 16th May, 2017 for seeking approval of the equity shareholders to the Scheme of Amalgamation. Subject to approval of the equity shareholders, the Company will submit Company Scheme Petition with NCLT, Mumbai for seeking approval of the Scheme of Amalgamation.

Share Capital

Authorised equity share capital of the Company is ₹ 15,000,000 and Paid-up equity share capital of the Company is ₹ 11,704,000 crore.

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.

Non-Convertible Debentures

During the year, the Company has not issued/allotted any non-convertible debentures.

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 ₹ 286,345 and (₹ 2,733,897) respectively.

Holding Company

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

During the year, no company became/ceased to be subsidiary or 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 31st March, 2017, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Sangeeta Prasad	02791944	Chairperson, Non-Executive Non-Independent Director
Mr. Vijay Paradkar	00149410	Non-Executive Non-Independent Director
Mr. Suhas Kulkarni	00003936	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. Vijay Paradkar (00149410) a Non-executive and Non-Independent Director retires by rotation at the 12th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Paradkar is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Ms. Anita Arjundas, due to pre-occupation, resigned as a Director of the Company with effect from 10th October, 2016. The Board places on record its deep appreciation of the valuable services rendered by her during her tenure as a Director of the Company.

Key Managerial Personnel

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

Corporate Social Responsibility (CSR) Committee

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

Audit Committee

As the Company, does not meet any of the criteria prescribed under Section 177 of the Companies Act, 2013 and Rules made thereunder, the provisions with respect to Audit Committee are currently not applicable to the Company.

Nomination and Remuneration Committee

As the Company, does not meet any of the criteria prescribed under Section 178 of the Companies Act, 2013 and Rules thereunder, the provisions with respect to Nomination & Remuneration Committee are currently not applicable to the Company.

Meetings

During the year, four (4) Board Meetings were convened and held on 20th April, 2016, 21st July, 2016, 10th October, 2016 and 18th January, 2017.

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

Sr. no.	Name of the Director	No of Board meetings attended
1.	Ms. Anita Arjundas (Resigned wef 10 th October, 2016)	1
2.	Ms. Sangeeta Prasad	3
3.	Mr. Suhas Kulkarni	4
4.	Mr. Vijay Paradkar	4

The previous Annual General Meeting of the Company was held on 21st July, 2016.

Code of Conduct

The Company has adopted Codes of Conduct (“the Codes”) for its 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 of the Company affirming compliance with the respective Codes.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. the Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the of the company at the end of the financial year 31st March, 2017 and of the loss of the company for that period;
- c. the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the Company has prepared the annual accounts on a going concern basis; and
- e. the Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The 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 requirements for establishment of vigil mechanism are 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 9th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from the conclusion of the 12th Annual General Meeting till the conclusion of the 14th Annual General Meeting to be held in 2019.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a

written consent and certificate from the above auditors whose appointment is proposed to be ratified, to the effect that their 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 comments.

The requirements 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 your Company is in the business of Real Estate development the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The said provisions are also not applicable to acquisition of shares if allotted in pursuance of Section 62(1)(a) of the Act. The particulars of investment made during the year are provided in the financial statement at note no 5.

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, Loan and Advances

The Company has not accepted any deposits from the public or its employees during the year under review 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 are given in the prescribed format in the **Annexure 1** to this report.

Employee Remuneration

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the company.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 2** 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 consultants and associates of the Company for the support received from them during the year.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2017

ANNEXURE 1**A. CONSERVATION OF ENERGY**

(i)	the steps taken or impact on conservation of energy	:	The Company is evaluating suitable opportunity in large format development and residential development and adequate energy conservation measures will be taken 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,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2017

ANNEXURE 2

FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

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

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45309MH2005PLC156225
2.	Registration Date	21/09/2005
3.	Name of the Company	Mahindra World City (Maharashtra) Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, 5 th Floor, Dr G M Bhosale Marg, Worli, Mumbai - 400 018 Tel: (022) 67478600/8601
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#
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

The Company is evaluating suitable Business opportunities for large format development and residential developments.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th 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	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	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	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	-
B. Public Shareholding									
1. Institutions									
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)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
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	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,170,400	1,170,400	100	-	1,170,400	1,170,400	100	-

(ii) Shareholding of Promoters:

Sr. No.	Shareholders 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	1,170,340	100	–	1,170,340	100	–	–
2.	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.00	–	10	0.00	–	–
3.	Mahindra Lifespace Developers Ltd & Mr. Suhas Kulkarni	10	0.00	–	10	0.00	–	–
4.	Mahindra Lifespace Developers Ltd & Mr. Rajan Narayan	10	0.00	–	0	0.00	–	0.00
5.	Mahindra Lifespace Developers Ltd & Ms. Sangeeta Prasad	0	0.00	–	10	0.00	–	0.00
6.	Mahindra Lifespace Developers Ltd & Mr. Ulhas Bhosale	10	0.00	–	10	0.00	–	–
7.	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
8.	Mahindra Lifespace Developers Ltd & 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 the promoters. However, during the year, 10 shares held by Mahindra Lifespace Developers Limited jointly with Mr. Rajan Narayan were transferred to Mahindra Lifespace Developers Limited jointly with Ms. Sangeeta Prasad.

(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
Ms. Sangeeta Prasad - Director* At the beginning of the year	–	–	–	–
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment /transfer/ bonus/sweat equity etc):	–	–	10 (transfer of Shares on 10.10.2016)	0.00
At the End of the year	10	0.00	10	0.00
Mr. Suhas Kulkarni – Director* At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in 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

Note:

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

5. INDEBTEDNESS

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

(Amount in ₹)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year				
– Addition	–	36,000,000	–	36,000,000
– Reduction	–	–	–	–
Net Change	–	36,000,000	–	36,000,000
Indebtedness at the end of the financial year				
i) Principal Amount	–	36,000,000	–	36,000,000
ii) Interest due but not paid	–	2,081,589	–	2,081,589
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	38,081,589	–	38,081,589

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration of other directors: Not Applicable

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/ Whole Time Director: NIL

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)
A. Company					
Penalty			None		
Punishment					
Compounding					
B. Directors					
Penalty			None		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			None		
Punishment					
Compounding					

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN: 02791944

Mumbai, 13th April, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Mahindra World City (Maharashtra) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, 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.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend

on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the 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 did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Himanshu Chapsey
Partner
Membership No. 105731

Place: Mumbai
Date: 13th April 2017

ANNEXURE "A" TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra World City (Maharashtra) Limited for the year ended March 31, 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) Since the Company does not have any inventory, the provisions of para 3(ii) of the Order are not applicable to the Company.
- 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 regular in depositing with appropriate authorities undisputed statutory dues of tax deducted at source. The Company had no employees during the year and also did not have any operations and hence did not have any Provident Fund, employees state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues payable by it. According to the information and explanations given to us, no undisputed amounts payable in respect of tax deducted at source were outstanding as on March 31, 2017, for a period of more than 6 months from the date they become payable.
- ii) There are no disputed dues outstanding as on March 31, 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, there are no transactions with related parties during the year. Hence, the provisions of para 3(xiii) of the Order are not applicable to the Company.
- 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 & Co.
Chartered Accountants
Firm Registration No. : 105102W

Himanshu Chapsey
Partner
Membership No.: 105731

Place: Mumbai
Date: 13th April 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAHINDRA WORLD CITY (MAHARASHTRA) LIMITED

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

We have audited the internal financial controls over financial reporting of Mahindra World City (Maharashtra) Limited (“the Company”) as of March 31, 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
Date: 13th April 2017

BALANCE SHEET AS AT ENDED 31ST MARCH, 2017

	Note No.	As at 31 st March, 2017	As at 31 st March, 2016	(Amount in ₹) As at 1 st April, 2015
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment.....	5	–	1	1
(b) Financial Assets.....				
(i) Investments	6	35,000,000	–	–
SUB-TOTAL		35,000,000	1	1
CURRENT ASSETS				
(a) Financial Assets				
(i) Cash and Cash Equivalents	7	393,706	319,012	345,885
(b) Other Current Assets.....	8	36,757	66,082	64,674
SUB-TOTAL		430,463	385,094	410,559
TOTAL ASSETS		35,430,463	385,095	410,560
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	9	11,704,000	11,704,000	11,704,000
(b) Other Equity.....	10	(14,437,897)	(11,417,655)	(11,379,210)
SUB-TOTAL		(2,733,897)	286,345	324,790
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	11	36,000,000	–	–
SUB-TOTAL		36,000,000	–	–
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Trade Payables.....	12	82,771	98,750	85,770
(ii) Other Financial Liabilities.....	13	1,873,430	–	–
(b) Other Current Liabilities	14	208,159	–	–
SUB-TOTAL		2,164,360	98,750	85,770
TOTAL.....		35,430,463	385,095	410,560

See accompanying notes forming part of the financial statements

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 13th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN-02791944)

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 13th April, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No.	(Amount in ₹)	
		As at 31 st March, 2017	As at 31 st March, 2016
Continuing Operations			
I Other Income.....	15	23,791	20,556
II Total Revenue (I)		23,791	20,556
III EXPENSES			
(a) Finance costs.....	16	2,081,589	–
(b) Other expenses.....	17	962,444	54,238
Total Expenses (III)		3,044,033	54,238
IV Profit/(loss) before tax		(3,020,242)	(33,682)
V Tax Expense			
(1) Current tax.....		–	4,763
Total tax expense		–	4,763
VI Profit/(loss) for the period (IV-V)		(3,020,242)	(38,445)
VII Earnings per equity share (for continuing operation):			
(1) Basic/Diluted	18	(2.58)	(0.03)

See accompanying notes forming part of the financial statements

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 13th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN-02791944)

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 13th April, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	(Amount in ₹)	
	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Cash flows from operating activities		
Profit before tax for the year	(3,020,242)	(33,682)
Adjustments for:		
Finance costs recognised in profit or loss	(23,791)	(20,556)
	<u>(3,044,033)</u>	<u>(54,238)</u>
Movements in working capital:		
(Increase)/decrease in other assets	29,325	(1,408)
(Decrease)/increase in other liabilities	2,065,610	12,980
Income taxes paid	-	(4,763)
Net cash generated by operating activities	<u>(949,098)</u>	<u>(47,429)</u>
Cash flows from investing activities		
Payments to acquire Shares	(35,000,000)	-
Interest received	23,791	20,556
Net cash (used in)/generated by investing activities	<u>(34,976,209)</u>	<u>20,556</u>
Cash flows from financing activities		
Proceeds from borrowings	36,000,000	-
Net cash used in financing activities	<u>36,000,000</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>74,694</u>	<u>(26,873)</u>
Cash and cash equivalents at the beginning of the year	319,012	345,885
Cash and cash equivalents at the end of the year	<u><u>393,706</u></u>	<u><u>319,012</u></u>

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 13th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN-02791944)

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 13th April, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

A. Equity share capital

As at 1st April, 2015	11,704,000
Changes in equity share capital during the year.....	—
As at 31st March, 2016	11,704,000
Changes in equity share capital during the year.....	—
As at 31st March, 2017	11,704,000

B. Other Equity

Retained earnings

(Amount in ₹)

Balance as at 1st April, 2015 (A)	(11,379,210)
Profit/(Loss) for the year (B)	(38,445)
Other comprehensive income (C)	—
Total comprehensive income (D) = [(B)+(C)]	(38,445)
Balance as 31st March, 2016 (E) = [(A)+ (D)]	(11,417,655)
Profit/(Loss) for the year (F)	(3,020,242)
Other comprehensive income (G)	—
Total comprehensive income (H) = [(F)+(G)]	(3,020,242)
Balance as at 31st March, 2017 (I) = [(F)+(H)]	(14,437,897)

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 13th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN-02791944)

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 13th April, 2017

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Corporate information

Mahindra World City (Maharashtra) Limited ("the Company") is a public company incorporated in 2005 under the provisions of erstwhile Companies Act, 1956. The registered office of the Company is located at 5th Floor, Mahindra Towers, Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

The Company is in the business of development of Multi product SEZ in Maharashtra as a joint venture with Maharashtra Industrial Development Corporation (MIDC).

The Company is subsidiary of Mahindra Lifespace Developers Limited, Mumbai, a company incorporated in India. The ultimate parent company is Mahindra & Mahindra Limited.

2. Significant Accounting Policies

2.1 Statement of compliance and Basis of preparation and presentation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. For all periods upto and including the financial year ended 31st March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013 (Previous GAAP) which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These financial statements for the year ended 31st March, 2017 are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer to Note No. 4 for information on how the Company adopted Ind AS.

All assets and liabilities are classified as current if it is expected to realise or settle within 12 months after the Balance Sheet date.

The financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency.

The financial statements were approved by the Board of Directors and authorised for issue on 13th April, 2017.

2.2 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. The estimated useful lives, residual values, are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the statement of profit and loss.

Financial assets and Liabilities

2.3 Financial instruments

Financial assets and financial liabilities are recognised when the 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 the Statement of profit or loss.

2.4 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 market place.

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

2.4.1 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets. With respect to trade receivables, the Company measures the loss allowances at an amount equal to lifetime expected credit losses.

2.4.2 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

2.5 Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.5.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.5.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at Fair value through profit and loss.

2.5.1.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.6 Revenue recognition

Interest Income is accounted for on time proportion basis.

2.7 Taxation

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

2.7.1 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.

2.7.2 Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.7.3 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.

2.7.4 Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

2.8 Cash and cash equivalents

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

2.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the year is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and

financing activities of the Company are segregated based on the available information.

3. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, etc. at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

4. First-time adoption – mandatory exceptions and optional exemptions

Mandatory exceptions:

Accounting Estimates

The Company's estimates in accordance with Ind AS at the date of transition are consistent with previous GAAP (after adjustments to reflect any difference in accounting policies) or are required under Ind AS but not under previous GAAP.

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 1st April 2015 (the transition date).

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.

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

Optional exemptions:

Deemed cost for property, plant and equipment

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment and Intangible Assets recognised as of 1st April 2015 (transition date) as deemed cost. Consequently, cost in respect of property, plant and equipment has been retrospectively remeasured in accordance with Ind AS.

Deemed cost for Investments in subsidiary, joint ventures and associates

The company has elected the exemption of previous GAAP carrying amount of its investments in subsidiary, joint ventures and associates as of 1st April, 2015 (transition date) considering as deemed cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
5. Property, Plant and Equipment

Description of Assets	(Amount in ₹)		Description of Assets	(Amount in ₹)	
	Computers	Total		Computers	Total
I. Gross Carrying Amount			I. Gross Carrying Amount		
Balance as at 1 st April, 2016	-	-	Balance as at 1 st April, 2015	61,882	61,882
Additions	-	-	Additions	-	-
Acquisitions through business combinations	-	-	Acquisitions through business combinations	-	-
Disposals	-	-	Disposals	-	-
Reclassified as held for sale	-	-	Reclassified as held for sale	-	-
Others [describe]	-	-	Others [describe]	61,882	61,882
Balance as at 31st March, 2017	-	-	Balance as at 31st March, 2016		61,882
II. Accumulated depreciation and impairment			II. Accumulated depreciation and impairment		
Balance as at 1 st April, 2016	-	-	Balance as at 1 st April, 2015	61,881	61,881
Depreciation expense for the year	-	-	Depreciation expense for the year	-	-
Eliminated on disposal of assets	-	-	Eliminated on disposal of assets	-	-
Eliminated on reclassification as held for sale	-	-	Eliminated on reclassification as held for sale	-	-
Impairment losses recognised in profit or loss	-	-	Impairment losses recognised in profit or loss	-	-
Reversals of impairment losses recognised in profit or loss	-	-	Reversals of impairment losses recognised in profit or loss	-	-
Others [describe]	-	-	Others [describe]	-	-
Balance as at 31st March, 2017	-	-	Balance as at 31st March, 2016	61,881	61,881
III. Net carrying amount (I-II)	-	-	III. Net carrying amount (I-II)	1	1

6. Investments

Particulars	Face Value (₹)	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
		Nos.	Amount in (₹)	Nos.	Amount in (₹)	Nos.	Amount in (₹)
A. Investments carried at cost or deemed cost							
I. Unquoted Investments (all fully paid)							
Investments in Equity Instruments							
- of associate							
Deep Mangal Developers Private Limited	700,000	50	35,000,000	-	-	-	-
Total (A)			35,000,000		-		-
Total Investments (A)			35,000,000		-		-

7. Cash and Bank Balances

Particulars	(Amount in ₹)			Particulars	(Amount in ₹)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015		As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Cash and cash equivalents				Total Cash and Cash			
(a) Balances with banks	392,157	317,463	344,336	Equivalents as per Balance Sheet	393,706	319,012	345,885
(b) Cash on hand	1,549	1,549	1,549	Add: Bank Overdraft	-	-	-
Total Cash and cash equivalent	393,706	319,012	345,885	Add: Cash and bank balances included in a disposal group held for sale	-	-	-
Other Bank Balances				Total Cash and Cash Equivalents as per Statement of Cashflow	393,706	319,012	345,885
Total Other Bank balances	393,706	319,012	345,885				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
8. Other assets

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
	Current	Current	Current
(a) Advances other than capital advances			
(i) Balances with government authorities (other than income taxes)	36,757	66,082	64,674
	<u>36,757</u>	<u>66,082</u>	<u>64,674</u>

9. Equity Share Capital

Particulars	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of shares	Amt ₹	No. of shares	Amt ₹	No. of shares	Amt ₹
Authorised:						
Equity shares of ₹10 each with voting rights	1,500,000	15,000,000	1,500,000	15,000,000	1,500,000	15,000,000
Equity shares of ₹10 each with differential voting rights	-	-	-	-	-	-
Preference shares of ₹10 each	-	-	-	-	-	-
Issued, Subscribed and Fully Paid:						
Equity shares of ₹10 each with voting rights	1,170,400	11,704,000	1,170,400	11,704,000	1,170,400	11,704,000
Equity shares of ₹10 each with differential voting rights	-	-	-	-	-	-
Preference shares of ₹10 each	-	-	-	-	-	-
Issued, Subscribed and Partly Paid:						
Equity shares of ₹10 each with voting rights	1,170,400	11,704,000	1,170,400	11,704,000	1,170,400	11,704,000
Equity shares of ₹10 each with differential voting rights	-	-	-	-	-	-
Preference shares of ₹10 each	-	-	-	-	-	-
Total	<u>1,170,400</u>	<u>11,704,000</u>	<u>1,170,400</u>	<u>11,704,000</u>	<u>1,170,400</u>	<u>11,704,000</u>

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Other Changes	Closing Balance
Year Ended 31 st March, 2016			
No. of Shares	1,170,400		1,170,400
Amount	11,704,000		11,704,000
Year Ended 1 st April, 2015			
No. of Shares	1,170,400		1,170,400
Amount	11,704,000		11,704,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates: (details of fully paid and partly paid also needs to be given)

Particulars	No. of Shares Equity Shares with Voting rights
As at 31st March 2017	
Mahindra Lifespace Developers Ltd.	1,170,400
As at 31st March 2016	
Mahindra Lifespace Developers Ltd.	1,170,400
As at 1st April 2015	
Mahindra Lifespace Developers Ltd.	1,170,400

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

Class of shares/Name of shareholder	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights						
Mahindra Lifespace Developers Ltd.	1,170,400	100.00%	1,170,400	100.00%	1,170,400	100.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
10. Other equity

Particulars	(Amount in ₹)	
	Retained earnings	Total
Balance as at 31st March, 2016	(11,417,655)	(11,417,655)
Profit/(Loss) for the year	(3,020,242)	(3,020,242)
Other comprehensive income	–	–
Total comprehensive income	(3,020,242)	(3,020,242)
Balance at 31st March, 2017	(14,437,897)	(14,437,897)
Balance as at 1st April, 2015	(11,379,210)	(11,379,210)
Profit/(Loss) for the year	(38,445)	(38,445)
Other comprehensive income	–	–
Total Comprehensive income	(38,445)	(38,445)
Balance as at 31st March, 2016	(11,417,655)	(11,417,655)

11. Non-Current Borrowings

Particulars	Rate of Interest	Maturity	(Amount in ₹)		
			As at 31 st March, 2017 Amount	As at 31 st March, 2016 Amount	As at 1 st April, 2015 Amount
Measured at amortised cost					
A. Unsecured Borrowings - at amortised Cost					
(a) Deposits	10.50%	12-Sep-17	36,000,000	–	–
Total Unsecured Borrowings			36,000,000	–	–
Total Borrowings			36,000,000	–	–

12. Trade Payables

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
	Current	Current	Current
Trade payable - Micro and small enterprises	–	–	–
Trade payable - Other than micro and small enterprises	82,771	98,750	85,770
Total trade payables	82,771	98,750	85,770

Note:

- (i) No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16 November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

13. Other Financial Liabilities

Particulars	(Amount in ₹)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Other Financial Liabilities Measured at Amortised Cost			
Current			
(a) Interest accrued	1,873,430	–	–
Total other financial liabilities	1,873,430	–	–

14. Other Liabilities

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
	Current	Current	Current
a. Statutory dues			
– taxes payable (other than income taxes)	208,159	–	–
TOTAL OTHER LIABILITIES	208,159	–	–

15. Other Income

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(a) Interest Income on bank deposits	23,791
Total Other Income	23,791	20,556

16. Finance Cost

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
	(a) Interest expense	2,081,589
Total finance costs	2,081,589	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
17. Other Expenses

Particulars	As at 31 st March, 2017	As at 31 st March, 2016
(a) Rates and taxes	87,500	-
(b) Auditors remuneration and out-of-pocket expenses		
(i) As Auditors	28,750	28,625
(c) Other expenses		
(i) Legal and other professional costs	843,124	25,613
(ii) Miscellaneous expenses	3,070	-
Total Other Expenses	962,444	54,238

18. Current Tax and Deferred Tax
(a) Income Tax recognised in profit or loss

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Current Tax:		
In respect of current year	-	4,763
Deferred Tax:		
Total income tax expense on continuing operations	-	4,763

19. Earnings per Share

Particulars	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	(2.58)	(0.03)
From discontinuing operations	-	-
Total basic earnings per share	(2.58)	(0.03)
Diluted Earnings per share		
From continuing operations	(2.58)	(0.03)
From discontinuing operations	-	-
Total diluted earnings per share	(2.58)	(0.03)
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit/(loss) for the year attributable to owners of the Company	(3,020,242)	(38,445)
Less: Preference dividend and tax thereon		
Profit/(loss) for the year used in the calculation of basic earnings per share	(3,020,242)	(38,445)
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations	-	-
Profits used in the calculation of basic earnings per share from continuing operations	(3,020,242)	(38,445)
Weighted average number of equity shares	1170400	1170400
Earnings per share from continuing operations - Basic	(2.58)	(0.03)

20. Financial Instruments
Capital management

The Company's capital management objectives are:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain an optimal capital structure to reduce the cost of capital

The Management of the Company monitors the capital structure using debt ratio which is determined as the proportion of total debt to total equity.

Debt ratios are as follows:	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Debt (A)	36,000,000	-	-
Equity (B)	(2,733,897)	286,345	324,790
Debt Ratio (A / B)	(13.17)	-	-

Categories of financial assets and financial liabilities

The following tables shows the carrying amount and fair values of financial assets and financial liabilities by category:

	As at 31 st March, 2017			
	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	35,000,000			35,000,000
Current Assets				
Other Bank Balances	393,706			393,706
Non-current Liabilities				
Borrowings	36,000,000			36,000,000
Current Liabilities				
Trade Payables	82,771			82,771
Other Financial Liabilities				
- Non Derivative Financial Liabilities	1,873,430			1,873,430
	As at 31 st March, 2016			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	319,012			319,012
Current Liabilities				
Trade Payables	98,750			98,750
	As at 1 April, 2015			
	Amortised Costs	FVTPL	FVOCI	Total
Current Assets				
Other Bank Balances	345,885			345,885
Current Liabilities				
Trade Payables	85,770			85,770

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017
[II] Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

A) CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to credit risk .

B) LIQUIDITY RISK
(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

21. Fair Value Measurement
Fair Valuation Techniques and Inputs used

This section explains the judgment and estimates made in determining the fair value of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in financials statements. To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years
Non-derivative financial liabilities			
31-Mar-17			
Long Term Borrowing			
Long Term Borrowing - Principal	-	36,000,000	-

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. There has been no significant changes to the Company's exposure to market risk or the methods in which they are managed or measured.

(i) Currency Risk

The Company undertakes transactions denominated only in Indian Rupees and hence, there is no risk of foreign exchange fluctuations.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates.

(iii) Other price risk

The Company does not have other price risk.

Particulars	31-Mar-17		31-Mar-16		1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
<u>Financial assets carried at Amortised Cost</u>						
- cash & cash equivalents	393,706	-	319,012	-	345,885	-
	<u>393,706</u>	<u>-</u>	<u>319,012</u>	<u>-</u>	<u>345,885</u>	<u>-</u>
Financial liabilities						
<u>Financial liabilities held at amortised cost</u>						
- loans from other entities	36,000,000	-	-	-	-	-
- other financial liabilities	1,873,430	-	-	-	-	-
Total	<u>37,873,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Amount in ₹)

(Amount in ₹)

Financial assets/financial liabilities	Fair value hierarchy as at 31 st March, 2017				Financial assets/financial liabilities	Fair value hierarchy as at 31 st March, 2017			
	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
Financial assets					Financial liabilities				
<u>Financial assets carried at Amortised Cost</u>					<u>Financial liabilities held at amortised cost</u>				
(i) Cash and cash equivalents	-	393,706	-	393,706	(i) Long term loan	-	36,000,000	-	36,000,000
Total	-	393,706	-	393,706	(ii) Other financial liabilities	-	1,873,430	-	1,873,430
					Total	<u>-</u>	<u>37,873,430</u>	<u>-</u>	<u>37,873,430</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹)

Financial assets/financial liabilities	Fair value hierarchy as at 31 st March, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(i) Cash and cash equivalents	–	319,012	–	319,012
Total	–	319,012	–	319,012

Financial assets/ financial liabilities	Fair value hierarchy as at 1 st April, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
(ii) Cash and cash equivalents	–	345,885	–	345,885
Total	–	345,885	–	345,885

Note: The Group has not disclosed the fair value for financial instruments, because the carrying amounts are a reasonable approximation of fair value.

22. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 :

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 th November, 2016	–	1,549	1,549
(+) Permitted receipts	–	–	–
(–) Permitted payments	–	–	–
(–) Amount deposited in Banks	–	–	–
Closing cash in hand as on 30 th December, 2016	–	1,549	1,549

23. The accounts of the Company for the year ended 31st March, 2017 have been prepared on the basis of going concern.

24. Previous year's figures have been regrouped/reclassified wherever necessary to correspondent with the Current Year's classification/ disclosure.

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

Himanshu Chapsey
Partner
Membership No.: 105731

Place : Mumbai
Date : 13th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN-02791944)

Vijay Paradkar Director (DIN-00149410)

Suhas Kulkarni Director (DIN-00003936)

Place : Mumbai
Date : 13th April, 2017