

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Homes Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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. 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, issued by the Institute of Chartered Accountants of India, as 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.

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 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Mahindra Homes Private Limited

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2017, its profit including other comprehensive income, 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 the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, Statement of Profit and Loss including the Statement of 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 2" to this report;
 - (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.



S R B C & CO LLP

Chartered Accountants

Mahindra Homes Private Limited

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- iv. The Company has provided requisite disclosures in Note 36 to these financial statements as to the holdings of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the total holding and nature of total cash transactions, we report that these disclosures are in accordance with the books of accounts maintained by the Company for the 'total' column only. The books of account and other details maintained by the Company do not include the details of bifurcation between the Specified Bank Notes and other denomination notes for the balances or specified transactions reported in Note 36. Hence, our report is solely based on the management representation for such information related to the holdings and dealings in Specified Bank Notes as included in such disclosure and we were unable to perform alternative audit procedures.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi
Partner
Membership Number: 37924



Place of Signature: Mumbai

Date: April 18, 2017

Mahindra Homes Private Limited

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Re: Mahindra Homes Private Limited ('the Company') for the year ended March 31, 2017

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, since the Company's immovable property forming part of fixed assets comprises of building which are on land in possession of the Company, the title deeds are not required.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2017 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the business development of residential complexes, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us, the provisions relating to provident fund and employees' state insurance are not applicable to the Company.



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- (vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. According to the information and explanations given to us, provident fund and employees' state insurance are not applicable to the Company.
- (vii) (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



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Chartered Accountants

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(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For SRBC & CO LLP

Chartered Accountants

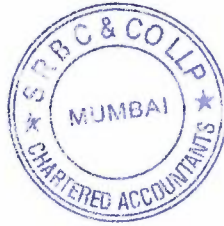
ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi

Partner

Membership Number: 37924



Place of Signature: Mumbai

Date: April 18, 2017

Mahindra Homes Private Limited

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Re: Mahindra Homes Private Limited ('the Company') for the year ended March 31, 2017

Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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

To the Members of Mahindra Homes Private Limited

We have audited the internal financial controls over financial reporting of Mahindra Homes Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of Ind AS 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 the 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.

Auditor's 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 as specified 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 internal financial controls system over financial reporting.



Mahindra Homes Private Limited

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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.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Ind AS financial statements of the company, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated April 18, 2017 expressed an unqualified opinion thereon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Jayesh Gandhi
Partner

Membership Number: 37924

Place of Signature: Mumbai

Date: April 18, 2017



MAHINDRA HOMES PRIVATE LIMITED
(Formerly known as WATSONIA DEVELOPERS PRIVATE LIMITED)
CIN No. U70102MH2010PTC203618
Balance Sheet as at March 31, 2017

(Amounts in INR)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	5,77,23,780	7,85,62,582	6,70,93,935
Capital Work in Progress		-	-	1,98,39,701
Deferred Tax Assets (Net)	4	1,74,47,815	5,62,71,846	-
Other Financial Assets	10	1,19,24,022	1,19,24,022	11,68,350
Other Non-current Assets	5	-	-	3,71,993
		8,70,95,617	14,67,58,450	8,84,73,979
Current assets				
Inventories	6	4,65,00,62,104	4,24,85,37,265	3,66,40,06,222
Financial assets				
Investments	7	-	27,95,61,982	-
Trade Receivables	8	6,32,08,836	3,77,37,556	-
Cash and Cash Equivalents	9	7,40,27,664	7,87,60,087	14,40,99,956
Other Bank Balances	9	21,46,062	20,00,000	-
Other Financial Assets	10	31,321	1,28,047	86,976
Other current assets	5	5,97,93,64,057	5,25,70,17,553	4,61,56,10,208
		10,76,88,40,044	9,90,37,42,490	8,42,38,03,362
Total Assets		10,85,59,35,661	10,05,05,00,940	8,51,22,77,341
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11	82,32,850	41,20,340	41,20,340
Other Equity				
Equity Component of convertible preference shares	12	20	20	20
Share Premium	12	1,94,95,920	1,94,95,920	1,94,95,920
Retained Earnings	12	6,70,43,132	(9,27,73,864)	(15,23,41,813)
Hedging Reserve	12	-	(7,36,658)	-
Total Equity		9,47,71,922	(6,98,94,242)	(12,87,25,533)
Non-current liabilities				
Financial Liabilities				
Borrowings	13	8,24,67,21,836	8,24,52,31,343	6,40,34,00,000
		8,24,67,21,836	8,24,52,31,343	6,40,34,00,000
Current liabilities				
Financial Liabilities				
Trade Payable				
Total outstanding dues of micro enterprises and small enterprises	14	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14	22,47,22,736	20,13,57,905	11,06,78,348
Other financial liabilities	15	2,03,47,47,457	1,13,22,33,902	1,78,85,94,267
Other Current Liabilities	16	21,59,52,360	53,86,61,010	33,83,30,259
Provisions	17	3,90,19,350	29,11,022	-
Total Liabilities		2,51,44,41,903	1,87,51,63,839	2,23,76,02,874
Total Equity and Liabilities		10,85,59,35,661	10,05,05,00,940	8,51,22,77,341

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E / E300003

per Jayesh Gandhi
 Partner
 Membership No.: 37924
 Place: Mumbai
 Date: April 18, 2017



For and on behalf of the board of directors of Mahindra Homes Private Limited

Anita Arjundas
 Director
 DIN No. 00243215
 Place: Mumbai
 Date: April 18, 2017

Ramesh Ranganathan
 Director
 DIN No. - 03118598
 Place: Mumbai
 Date: April 18, 2017



MAHINDRA HOMES PRIVATE LIMITED
(Formerly known as WATSONIA DEVELOPERS PRIVATE LIMITED)
CIN No. U70102MH2010PTC203618
Statement of Profit and Loss for the year ended March 31, 2017

(Amounts in INR)

Particulars	Note No.	March 31, 2017	March 31, 2016
Income			
Revenue from operations	18	2,01,27,04,485	1,54,87,20,337
Other income	19	2,92,52,270	1,31,13,228
Total income		2,04,19,56,755	1,56,18,33,565
Expenses			
Construction Expenses incurred	20A	1,99,87,28,410	1,82,40,09,562
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	20B	(40,15,24,839)	(58,45,31,043)
Depreciation Expenses	3	2,15,71,263	2,03,25,527
Finance Cost	22	2,29,12,544	1,64,40,000
Other expenses	21	15,32,67,659	27,92,23,548
Total Expense		1,79,49,55,037	1,55,54,67,594
Profit before tax		24,70,01,718	63,65,971
Tax expenses			
Current tax	4	5,04,21,000	26,80,000
Earlier year tax	4	(16,70,441)	-
Deferred tax	4	3,84,34,163	(5,58,81,978)
Total tax expense		8,71,84,722	(5,32,01,978)
Profit for the year (A)		15,98,16,996	5,95,67,949
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
Foreign Currency forward contract		11,26,526	(11,26,526)
Income Tax Effect	4	(3,89,868)	3,89,868
Other Comprehensive Income for the year (B)		7,36,658	(7,36,658)
Total Comprehensive Income for the year (A+B)		16,05,53,654	5,88,31,291
Earnings per equity share	23		
Basic			
Class B Equity Shares [nominal value of share Rs 10 (March 31, 2016: Rs 10)]		2,05,420	76,565
Class C Equity Shares [nominal value of share Rs 10 (March 31, 2016: Rs 10)]		2,05,420	76,565
Diluted			
Class B Equity Shares [nominal value of share Rs 10 (March 31, 2016: Rs 10)]		4,996	3,725
Class C Equity Shares [nominal value of share Rs 10 (March 31, 2016: Rs 10)]		4,996	3,725

The accompanying notes are an integral part of the financial statements.

As per our report of even date.
For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E / E300003



per **Jayesh Gandhi**
Partner
Membership No.: 37924
Place: Mumbai
Date: April 18, 2017



For and on behalf of the board of directors of
Mahindra Homes Private Limited



Anita Arjundas
Director
DIN No. 00243215
Place: Mumbai
Date: April 18, 2017



Ramesh Kanganathan
Director
DIN No. - 03118598
Place: Mumbai
Date: April 18, 2017



SIGN & RETURN