

A new world. A sustainable future.

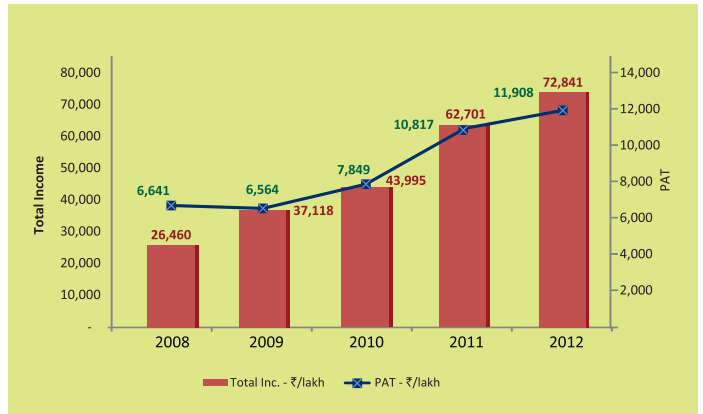
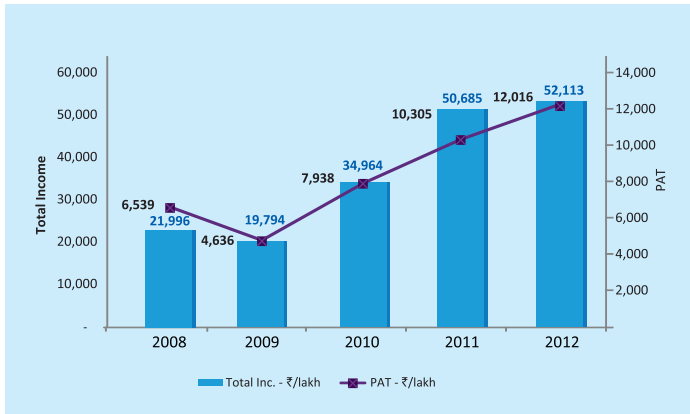


FINANCIAL HIGHLIGHTS

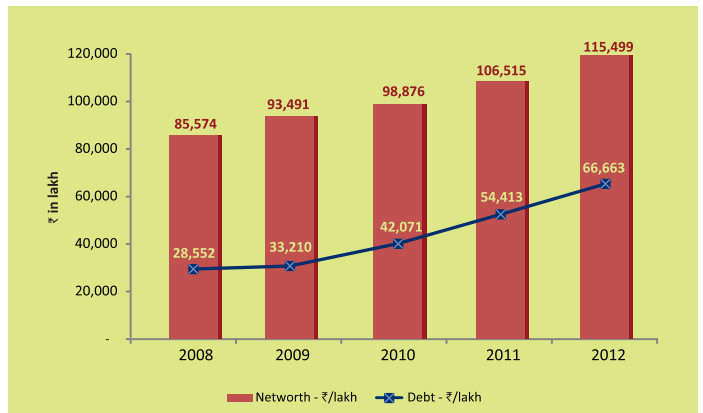
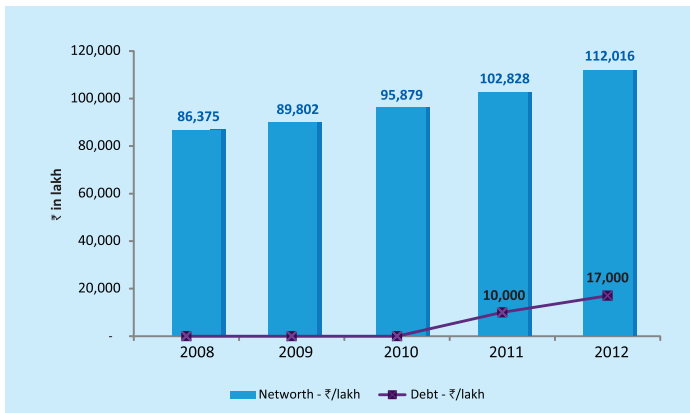
STANDALONE

CONSOLIDATED

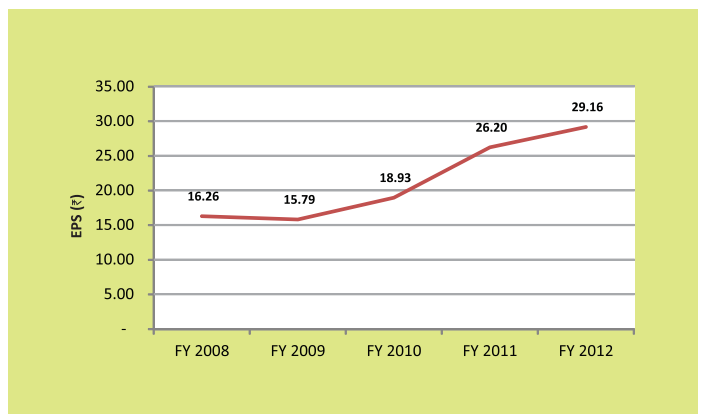
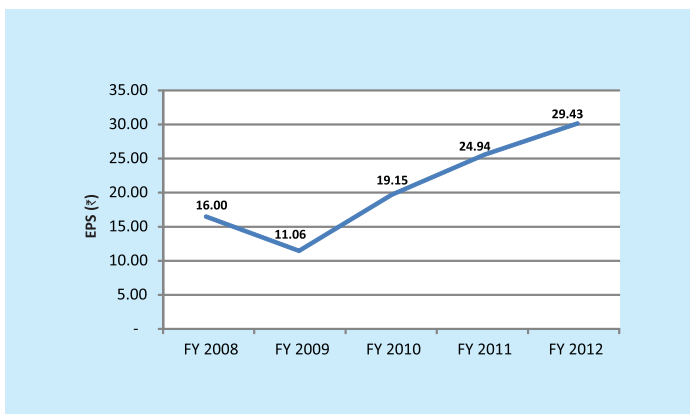
Total Income & PAT



Debt & Networth



EPS



FINANCIAL HIGHLIGHTS-STANDALONE

₹ in lakh

	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005	F - 2004	F - 2003
Net Worth	112,016	102,828	95,879	89,802	86,375	77,077	19,279	19,474	21,249	20,612
Borrowings	17,000	10,000	-	-	-	89	12,729	5,303	6,959	13,398
Net Fixed Assets	2,907	3,192	3,237	3,482	2,688	3,282	3,427	3,758	4,259	9,394
Investments	44,860	36,214	40,955	36,153	50,291	32,578	9,577	9,364	8,399	1,010
Book Value per Equity Share (₹)	274	252	232	218	209	190	41	42	45	43
Operating Income	46,895	47,656	32,065	16,540	17,212	15,552	12,113	9,146	7,139	5,928
Other Income	5,217	3,029	2,899	3,254	4,784	773	300	349	2,928	3,033
Operating Expenses	30,199	31,367	21,267	12,433	11,181	11,981	8,660	6,212	6,199	2,833
Other Expenses	5,159	4,381	2,947	1,585	2,437	2,239	2,005	1,949	3,099	5,748
Profit Before Tax	16,755	14,937	10,750	5,777	8,378	2,105	1,748	1,334	769	549
Profit After Tax	12,016	10,305	7,938	4,636	6,539	1,417	1,099	786	636	230
Basic Earning per Share (₹)	29.43	24.94	19.15	11.06	16.00	3.82	0.51	2.53	1.78	0.47
Diluted Earning per Share (₹)	29.43	24.94	19.15	11.06	16.00	3.81	0.51	-	-	-
Equity Dividend per Share (₹)	6.00	5.00	3.50	2.50	2.50	1.50	1.00	-	-	-



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Board of Directors

Mr. Arun Nanda	Chairman
Mr. Uday Y. Phadke	
Mr. Sanjiv Kapoor	
Mr. Shailesh Haribhakti	
Mr. Anil Harish	
Dr. Prakash Hebalkar	
Ms. Anita Arjundas	Managing Director & Chief Executive Officer

Leadership Team

Ms. Anita Arjundas	Managing Director & Chief Executive Officer, MLDL and CEO, Real Estate Sector
Ms. Sangeeta Prasad	CEO, Mahindra World City, Chennai & Business Head (South)
Mr. B. K. Subbaiah	COO, Mahindra World City, Jaipur
Mr. Sriram S. Mahadevan	Business Head – Special Projects
Mr. Rajendra Joshi	Business Head - West
Mr. Arun Nayar	Business Head – Mahindra Bebanco Developers Ltd. (MBDL)
Mr. Suhas Kulkarni	Vice President – Legal & Company Secretary
Mr. Jayant Manmadkar	Vice President – Finance & Accounts
Mr. Ramesh Ranganathan	Head – Business Development
Mr. Lancelot Cutinha	Head – Human Resources
Ms. Smeeta Neogi	Vice President - Marketing
Mr. Rajan Narayan	Advisor – Strategic Sourcing
Mr. Amit Pal	General Manager – QA & Innovation
Mr. Siddharth Bafna	General Manager – Strategy

Company Secretary

Mr. Suhas Kulkarni

Auditors

M/s. B. K. Khare & Co. Chartered Accountants

Bankers

Central Bank of India
Citibank N.A.

Legal Advisors

Khaitan & Co.
Little & Co.
AZB & Partners

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited
13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri - Kurla Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel : 022-67720300, 67720400
Fax : 022-28591568, 28508927
E-mail: sharepro@shareproservices.com
Website : www.shareproservices.com

Registered Office

5th Floor, Mahindra Towers
Worli, Mumbai 400 018

Branch / Regional Offices

- **Regional Office – North**
Mahindra Towers, 2A,
Bhikaiji Cama Place,
New Delhi 110 066
- **Regional Office – South**
The Canopy, II Floor, Unit No. II,
Mahindra World City, Special Economic Zone,
Natham Sub P.O., Near Paratur Railway Station,
Chengelpet 603 002, Tamilnadu
- **Branch Office – Hyderabad**
1st Floor, Lorven Arcade,
Indraredy Allwyn Colony,
Miyapur – Hi-tech City Road
Miyapur, Hyderabad 500 049
- **Regional Office – West**
Chemtex House, Ground Floor,
Main Street Road, Hiranandani Gardens,
Powai, Mumbai 400 076
- **Branch Office – Pune**
CTS 6017, Nehru Nagar Road,
Pimpri,
Pune 411 018. Maharashtra





1. Mahindra Lifespace Developers Limited named as 'India's Top 10 Builders' by CONSTRUCTION WORLD and CW INTERIORS for the second consecutive year.
2. Eminente (Phase 1-Vervian & Veronica) won the CNBC AWAAZ – CRISIL CREDAI Real Estate Awards 2010, under the category 'Best Residential Property in West Region'.
3. Splendour was the second best of the top three finalists in KPMG-Qimpro Convention 2011, under the category 'Green Initiatives' in the service sector.
4. Ms. Anita Arjundas, MD & CEO, Mahindra Lifespace Developers Limited, appears on Fortune India's first list of 'India's 50 most powerful women in business'.
5. Skyline, the Mahindra World City quarterly newsletter, won the Silver at PRCI Collateral Awards 2012, under the category 'In-house Magazine, English'.
6. Skyline, the Mahindra World City quarterly newsletter also won the Bronze for the 'Best Newsletter Design' at the 51st ABCI Annual Awards on November 11, 2011.
7. Refresh, the quarterly newsletter of Mahindra Lifespaces, won the Appreciation Award at PRCI Collateral Awards 2012, under the category 'External Magazine'.
8. The Mahindra Lifespace Developers Limited corporate brochure (Creating Sustainable Homes, Cities & Happiness) won the Silver at PRCI Collateral Awards 2012.



NOTICE

The Thirteenth Annual General Meeting of **MAHINDRA LIFESPACE DEVELOPERS LIMITED** will be held at Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, on Tuesday, 24th day of July, 2012 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Ms. Anita Arjundas, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Anil Harish, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956, M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number- 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the revision in the scale of basic salary payable to Ms. Anita Arjundas, Managing Director of the Company designated as "Managing Director & Chief Executive Officer", with effect from 1st April, 2012 for the remainder of the term of office of the Managing Director & Chief Executive Officer as stated hereunder :

Name and Designation	Revised scale of basic salary	Period
Ms. Anita Arjundas, Managing Director & Chief Executive Officer	Basic salary of ₹ 400,000 (Rupees Four Lakh) per month in the scale of ₹ 400,000 to ₹ 800,000 per month	From 1 st April, 2012 To 22 nd June, 2014

RESOLVED FURTHER THAT the perquisites (including allowances) payable or allowable to the Managing Director & Chief Executive Officer be as follows :

1.	Housing	:	Furnished/unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 60% of the basic salary
2.	Special / Other Allowances	:	Not exceeding 25% of the basic salary
3.	Performance Pay	:	Such amount as may be determined by the Remuneration Committee for each year, not exceeding 1.3 times of the basic salary per annum
4.	Medical Expenses	:	Medical Expenses incurred for self and family as per the Company's rules.
5.	Personal Accident Insurance	:	Premium as per the Company's rules
6.	The Managing Director & Chief Executive Officer shall also be entitled to Company's contribution to Provident Fund, Superannuation Fund & Gratuity Fund as per Company's Rules. Company's contribution to Provident Fund and Superannuation Fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the Rules of the Company and encashment of leave at the end of her tenure shall not be included in computation of limits for the remuneration and perquisites.		
7.	Leave Travel Allowance for self and family not exceeding Rs.220,000 per annum.		
8.	Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.		
9.	Provision of car for use on Company's business, mobile phone and telephone at residence would not be considered as perquisites.		
10.	The value of the perquisites and Company furnished accommodation would be evaluated as per the Income-tax Rules, 1962 wherever applicable and at cost in absence of such Rule.		
11.	Ms. Arjundas prior to her appointment as Managing Director & Chief Executive Officer in the Company, in her capacity as an employee of the Company, is in receipt of 50,000 Stock Options granted to her on 25 th April, 2008 of which she has exercised 1,000 Options and will continue to hold balance Options in terms of the grant. She shall be eligible for additional Stock Options, as and when the event happens.		

Provided that the remuneration payable by way of salary, perquisites, performance pay, other allowances and benefits does not exceed the limits laid down in Section 198 and 309 of the Companies Act, 1956, including any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director & Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director & Chief Executive Officer the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT the nature of employment of the Managing Director & Chief Executive Officer with the Company shall be contractual and can be terminated by giving three months notice from either party.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include Remuneration Committee thereof, for the time being exercising the powers conferred on the Board by this Resolution) be and is hereby authorized to vary, increase, enhance, or widen from time to time with effect from 1st April, 2012 for the remainder of the term of office of the Managing Director & Chief Executive Officer, the terms and conditions of appointment and remuneration of the Managing Director & Chief Executive Officer within the revised scale of basic salary of Rs.400,000 to Rs.800,000 per month and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Articles of Association of the Company, Sections 79A, 81 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") including any statutory modification(s) or re-enactment of the Act for the time being in force and the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications thereof or supplements thereto ("the Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee), consent of the Company be accorded to introduce and implement a new "Mahindra Lifespace Developers Limited Employees' Stock Option Scheme - 2012" (hereinafter referred to as "ESOS - 2012") and to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in the permanent employment of the Company whether working in India or out of India and Directors of the Company whether Whole-time Directors or not (hereinafter referred to as "Employee" or "Employees"), under ESOS - 2012, such number of equity shares and/or equity linked instruments [including Options/Warrants / Restricted Stock Units] and /or other instruments or Securities of the Company which could give rise to the issue of equity shares (hereinafter referred to as "Options - 2012") not exceeding 2% of the issued equity share capital of the Company as on 31st March, 2012 i.e. not exceeding 817,610 equity shares of ₹10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with ESOS - 2012, the Guidelines and other provisions of the law as may be prevailing at that time.

RESOLVED FURTHER THAT the Options - 2012, in accordance with ESOS - 2012, may be allotted directly to eligible employees/ Directors or through 'Mahindra Lifespace Developers Limited Employees' Stock Option Trust' ("the Trust"), or any entity which may be set up for that purpose in accordance with ESOS-2012 and that ESOS - 2012 may also contain provisions for providing financial assistance from time to time to the Employees / the Trust /entity to acquire, purchase or subscribe to the Options - 2012.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted in the manner aforesaid shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of Securities arising out of the Options - 2012 and/or for the purpose of complying with any Guidelines or Regulations that may be issued from time to time by any Appropriate Authority, the Remuneration Committee of the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in ESOS - 2012 from time to time or to suspend, withdraw or revive the ESOS - 2012 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees /Directors.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Remuneration Committee of the Board be authorised to determine terms and conditions of issue of the Options - 2012 and for administration and superintendence of ESOS - 2012 and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the shareholders of the Company."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Articles of Association of the Company, Sections 79A, 81 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") including any statutory modification(s) or re-enactment of the Act for the time being in force and the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including any modifications thereof or supplements thereto ("the Guidelines") and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee), consent of the Company be accorded to extend the benefits of a new "Mahindra Lifespace Developers Limited Employees' Stock Option Scheme - 2012" (hereinafter referred to as "ESOS - 2012") proposed in Resolution No. 7 to the Employees whether working in India or out of India and Directors whether Whole-time Directors or not, of the subsidiary company(ies), on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of Securities arising out of the Options - 2012, the Remuneration Committee of the Board be authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in ESOS - 2012 from time to time or to suspend, withdraw or revive the ESOS - 2012 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees / Directors.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Remuneration Committee of the Board be authorised to determine terms and conditions of issue of the Options - 2012 and for administration and superintendence of ESOS - 2012 and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Members of the Company."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 and Rules framed thereunder and the provisions of other statutes

as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the existing Articles of Association of the Company be amended as under :

- i. The following Article be inserted after the existing Article 77 as Article 77A:

Participation through Electronic Mode

77A: Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- ii. The following Article be inserted after the existing Article 125 as Article 125A:

Participation through Electronic Mode

125A: Notwithstanding anything contrary contained in the Articles of Association, the Director(s) may participate in Meetings of the Board and Committees thereof, through Video Conference facility and/or other permissible electronic or virtual facilities for communication. Such participation by the Director(s) at Meetings of the Board and Committees thereof, through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

- iii. The following proviso be inserted after the existing Article 126 :

Provided further that a Director participating in a Meeting through use of Video Conference or any other permissible electronic mode of communication shall be counted for the purpose of quorum, notwithstanding anything contrary contained in the Articles of Association.

- iv. The following Article be inserted after the existing Article 175(5) as Article 175(6)

175(6):Notwithstanding anything contrary contained in the Articles of Association, a document may be served by the Company on any Member by any electronic mode of communication and in such manner as is/ may be permitted by any law. Where a document is served by any such electronic mode, the service thereof shall be deemed to be effected in the manner as is/may be provided by any law.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee or any person which the Board may constitute/ nominate to exercise its powers, including the powers by this Resolution) be authorised to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

NOTES:

- A. As of 31st March, 2012:

Ms. Anita Arjundas, Managing Director & Chief Executive Officer holds 1,000 equity shares and Mr. Anil Harish's son and daughter hold 3,500 equity shares each of the Company jointly with Mr. Anil Harish, aggregating 7,000 equity shares of the Company. Brief resumes of Directors seeking re-appointment are given in Corporate Governance Report. None of the Directors of the Company are inter-se related to each other.

- B. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.

- C. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.**

- D. The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.

- E. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 14th July, 2012 to Tuesday, 24th July, 2012 (both days inclusive).

- F. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.

- G. Pursuant to Section 205C (2) of the Companies Act, 1956, unpaid / unclaimed dividends for the financial year ended on 31st March, 2000, 2001 and 2002 have been transferred to the Investor Education & Protection Fund (IE & PF) on 19th September, 2007, 24th October, 2008 and 20th November, 2009 respectively. Given below is the table of dates by which Members can claim the respective unclaimed dividend from the Company / Registrars and the date by which such unclaimed amount will be transferred to the Investor Education & Protection Fund.

Equity Dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed transfer of unclaimed Equity Dividend to IE & PF between
2005 -2006	21 st July, 2006	24 th August, 2013	25 th August, 2013 to 23 rd September, 2013
2006 -2007	17 th September, 2007	17 th October, 2014	18 th October, 2014 to 15 th November, 2014
2007 -2008	28 th July, 2008	27 th August, 2015	28 th August, 2015 to 26 th September, 2015
2008 -2009	24 th July, 2009	26 th August, 2016	27 th August, 2016 to 25 th September, 2016
2009 -2010	21 st July, 2010	22 nd August, 2017	23 rd August, 2017 to 21 st September, 2017
2010 -2011	21 st July, 2011	22 nd August, 2018	23 rd August, 2018 to 20 th September, 2018

Members who have not encashed the dividend warrants so far are requested to make their claim to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

- H. Members can avail of the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Sharepro Services (I) Pvt. Limited.

- I. Members are requested to: a) intimate to the Company's Registrar & Share Transfer Agents, Sharepro Services (I) Pvt. Limited, changes, if any, in their registered addresses at an early date. b) quote their folio numbers / client ID / DP ID in all correspondence.
- J. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- K. Dividend, if declared, will be credited / dispatched between 25th July, 2012 to 30th July, 2012 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business hours on Friday, 13th July, 2012.
- L. As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS platform. NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solution (CBS) for centralized processing of inward instruction and efficiency in handling Bulk transactions. In this regard if you are holding shares in electronic form, please furnish new Bank Account Number allotted to you by your Bank after implementation of CBS, alongwith a photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP) at your earliest convenience. However, if you are holding the shares in physical form you are requested to furnish the new account number alongwith photocopy of the cheque to the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri - Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.
- M. Ministry of Corporate Affairs (MCA), Government of India, has taken a Green initiative in the Corporate Governance by allowing paperless compliances by the companies after considering provisions of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through Electronic Mode. Vide Circular No.17/2011 dated 21st April, 2011, MCA has provided that the company would have complied with Section 53 of the Companies Act, 1956, if the service of documents has been made through electronic mode provided the company has obtained email addresses of its members for sending the notice / documents through e-mail by giving an advance opportunity to every Member to register his/her email address and changes therein from time to time with the company. In cases where any member has not registered his/her e-mail address with the company, the service of documents etc. will be effected by other modes of service as provided in Section 53 of the Companies Act, 1956. Those members, who desire to receive notice / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his/her Depository Participant / the Company's Registrar & Share Transfer Agents, M/s. Sharepro Services (I) Pvt. Limited, as the case may be. In case you desire to receive the notice / documents in physical form, you are requested to send an e-mail to e-communication@mahindralifespaces.com or visit the website, www.shareproservices.com and register for physical copies.

For and on behalf of the Board,
For Mahindra Lifespace Developers Limited

Suhas Kulkarni

Vice President - Legal & Company Secretary

Registered Office

5th Floor, Mahindra Towers,
Worli, Mumbai 400 018

Date: 27th April, 2012

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

The Members at the 10th AGM held on 24th July, 2009 approved the appointment of Ms. Anita Arjundas as Managing Director & Chief Executive Officer for a period of 5 years (i.e. upto 22nd June, 2014) and remuneration for a period of 3 years (i.e. upto 22nd June, 2012).

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Managing Director & Chief Executive Officer and the industry standards, the Board of Directors of the Company at its Meeting held on 27th April, 2012 has pursuant to the recommendation of the Remuneration Committee and subject to the approval of Members, approved the revision in scale of the basic salary payable to Ms. Anita Arjundas, Managing Director of the Company designated as "Managing Director & Chief Executive Officer" w.e.f. 1st April, 2012 for the remainder of the term of office of Managing Director & Chief Executive Officer, in line with the current market trends. The other terms of remuneration payable to Ms. Anita Arjundas, Managing Director & Chief Executive Officer are set out in the Special Resolution under Item No. 6.

An abstract of the terms of revision in remuneration payable to the Managing Director & Chief Executive Officer together with the Memorandum of Concern or Interest, as required under Section 302 of the Companies Act, 1956 was sent to the Members vide circular letter dated 11th May, 2012.

Pursuant to the provisions of Sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 ("the Act"), including Schedule XIII to the Act, the revised remuneration payable to the Managing Director & Chief Executive Officer is now being placed before the Members in the 13th Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend Resolution at Item No.6 as a Special Resolution for approval of the Members.

Apart from Ms. Anita Arjundas, Managing Director & Chief Executive Officer who would be interested in the revision of her remuneration, none of the other Directors is concerned or interested in this item of business.

Although the remuneration proposed to the Managing Director & Chief Executive Officer by way of salary, allowances, perquisites and benefits is within the limit prescribed under Section I of Part II of Schedule XIII to the Companies Act, 1956 i.e. within 5% of the net profit of the Company, the following additional information as required by Section II of Part II of Schedule XIII to the Companies Act, 1956 is given below by way of abundant caution:

I. General Information :

(i) Nature of Industry :

The Company is directly engaged in the business of development of real estate, residential facilities, commercial complexes and through its subsidiary companies is involved in various infrastructure projects including development of Special Economic Zones.

(ii) Date or expected date of Commencement of Commercial production:

The Company was incorporated on 16th March, 1999 as a Private Limited Company. Hence, Commencement Certificate was not required.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Not Applicable

(iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March 2012:

Particulars	₹ in Lakh
Turnover & Other Income	52,112
Net profit as per Profit & Loss Account (after tax)	12,016
Profit as computed under Section 309 (5) read with Section 198 of the Companies Act, 1956	16,821
Net worth	112,016

(v) Export performance and Net foreign exchange collaborations:

Not Applicable

(vi) Foreign Investment of collaborators, if any :

Not Applicable

II. Information about the appointee**(i) Background details :**

Ms. Anita Arjundas is the Managing Director & Chief Executive Officer of Mahindra Lifespace Developers Limited; CEO of the Real Estate Sector of the Mahindra Group. As the CEO of the Real Estate Sector, she is responsible for setting the strategic direction that will enable the business to drive sustainable urban transformation in India.

Ms. Arjundas joined the Mahindra Group in 2002 as Vice President — Marketing in one of the subsidiary companies of Mahindra Lifespaces, Mahindra World City, India's first integrated business city in a public-private partnership. In 2006, she took over profit centre responsibility for the Company and in 2009 moved to Mumbai to head the Real Estate Sector with profit centre responsibility for both the business units of the sector — Residential Real Estate and Industrial Real Estate / Integrated Cities. Ms. Arjundas is also a member of the Mahindra Group Executive Board from April, 2010.

Prior to her career with the Mahindra Group, Ms. Arjundas spent 3 years in the IT industry and 10 years in the consumer goods space. She is Co-chair of the Federation of Indian Chambers of Commerce and Industry (FICCI) — Real Estate Committee. Ms. Arjundas is also a member of the Asia Society and the Chair person of the ASSOCHAM — National SEZ Committee.

An MBA from BIM, India and a Wharton AMP alumnus, Ms. Arjundas has been named among the 50 "Most Powerful Women in Business" by Fortune India.

(ii) Past remuneration:

Remuneration drawn by Ms. Anita Arjundas for the period 1st April, 2011 to 31st March, 2012 is ₹ 152.29 lakh.

(iii) Job profile and her suitability :

Ms. Anita Arjundas, Managing Director & Chief Executive Officer, is responsible for day – to – day management of the Company, subject to overall superintendence, control and direction of the Board of Directors. Taking into consideration her qualifications and expertise in Real Estate, the Managing Director & Chief Executive Officer is best suited for the responsibilities of current assigned role.

(iv) Remuneration proposed :

Basic salary of ₹ 400,000 per month, in the scale of ₹ 400,000 per month to ₹ 800,000 per month and other perquisites and allowances as fully set out in Item No.6 of the Notice.

(v) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) :

Taking into consideration the size of the Company, the profile of Ms. Anita Arjundas, the responsibilities shouldered by her and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vi) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any :

Besides the remuneration proposed to be paid to her, Ms. Anita Arjundas does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Other Information

As the remuneration proposed to Ms. Anita Arjundas is within the prescribed limit under the Companies Act, 1956, when calculated w.r.t. the last audited balance sheet i.e. as of 31st March, 2012, the information w.r.t. :

- Reasons of loss or inadequate profits,
- Steps taken or proposed to be taken for improvement,
- Expected increase in productivity and profits in measurable terms etc.,

is not applicable, as the Company has adequate profits. The Company has posted a net profit after tax of ₹ 12,016 lakh for the year ended 31st March, 2012.

IV. Disclosures

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual report in the Corporate Governance Report Section under the heading "Remuneration paid / payable to Managing / Executive Director (Whole – time Director) for the year ended 31st March, 2012.

Item Nos. 7 and 8

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a Company with an opportunity to optimize its personnel costs. This also provides an opportunity to employees to participate in the growth of the Company, besides creating long term wealth in their hands. In line with this, the Company had formulated an Employee Stock Option Scheme known as Mahindra Lifespace Developers Limited Employees' Stock Option Scheme - 2006 ("ESOS-2006").

As the global business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. For this purpose, it is necessary to formulate a Scheme which is more attractive and provides greater flexibility than the ESOS-2006. Hence, it is proposed that the Board or the Remuneration Committee be authorised to grant equity shares and/or equity linked instruments [including Options / warrants / Restricted Stock Units] and / or other instruments or Securities of the Company which could give rise to the issue of equity shares (hereinafter referred to as 'Options - 2012') at a price equal to or not less than the face value of the Company's equity shares with a flexible vesting period to the permanent employees of the Company, its Directors, and such other persons/entities as may be prescribed by SEBI from time to time.

Keeping in line with above, a new "Mahindra Lifespace Developers Limited Employees' Stock Option Scheme – 2012" ("ESOS-2012") has been formulated in accordance with The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the Guidelines"), issued by SEBI and other applicable laws. The ESOS – 2012 has been approved by the Remuneration Committee and by the Board of Directors at their meetings held on 27th April, 2012.

The Scheme would be operated and administered under the superintendence of the Company's Remuneration Committee as envisaged by the Guidelines. The Remuneration Committee would formulate the detailed terms and conditions of the Scheme including:

- Number of Options to be granted to any Employee, and in the aggregate;
- Terms on which the Options would vest;
- The conditions under which Options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the Options, and lapsing of Options on failure to exercise the Options within the exercise period;
- The specified time period within which the Employee shall exercise the vested Options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the Options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of Options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of Options in case of Employees who are on long leave; and
- Any other related or incidental matters.

The salient features of the Scheme are as under:

(a) The total number of Options – 2012 to be granted

The total number of Options – 2012 that may, in the aggregate, be issued would be such number of Options – 2012 which shall entitle the Option holders to acquire in one or more tranches upto 817,610 equity shares of ₹ 10 each which represent 2% (two per cent) of the issued Equity Share Capital of the Company as on 31st March, 2012 (or such other adjusted figure for any bonus, stock splits or consolidation or other re-organisation of the capital structure of the Company as may be applicable from time to time).

(b) Identification of classes of employees entitled to participate in the Scheme

Persons who are “employees”, including Directors (whether Whole-time Directors or not), as defined in the Guidelines for the time being in force and as may be decided by the Remuneration Committee from time to time.

The class of employees eligible for participating in the ESOS – 2012 shall be determined on the basis of the grade, performance, and such other parameters as may be decided by the Remuneration Committee in its sole discretion from time to time.

The Options - 2012 granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) Requirements of vesting and period of vesting

Vesting of Options – 2012 may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as may be stipulated by the Remuneration Committee in its sole discretion.

(d) Maximum period within which the Options – 2012 shall be vested

The maximum vesting period may extend up to five years from the date of Grant of Options – 2012, unless otherwise decided by the Remuneration Committee.

(e) Exercise price or pricing formula

Exercise Price means the price at which the Eligible Employee is entitled to acquire the Equity Shares pursuant to the Options – 2012 granted and vested in him/her under the ESOS - 2012.

The Exercise Price per equity share shall be equal to or not less than the face value of the shares in accordance with the recommendations of the Remuneration Committee at the time of grant of Options - 2012.

(f) Exercise period and process of Exercise

The exercise period may commence from the date of vesting and will expire not later than 5 years from the date of respective vesting, or such other period as may be decided by the Remuneration Committee, from time to time.

The Options – 2012 will be exercisable by the employees by a written application to the Company / ‘Mahindra Lifespace Developers Limited Employees’ Stock Option Trust’ (“the Trust”) / any other entity which may be set up for this purpose to exercise the Options – 2012, in such manner, and on execution of such documents, as may be prescribed by the Remuneration Committee from time to time.

The Options – 2012 will lapse if not exercised within the specified exercise period. The Options – 2012 may also lapse under certain circumstances even before the expiry of the specified exercise period.

(g) Appraisal Process for determining the eligibility of employees to the Scheme

The appraisal process for determining the eligibility of the employee will be specified by the Remuneration Committee, and will be based on criteria such as the grade of employee, performance record, merit of the employee, future potential contribution by the employee, and/or by any such criteria that may be determined by the Remuneration Committee in its sole discretion.

(h) Maximum number of Options – 2012 to be issued per employee and in the aggregate

The maximum number of Options – 2012 granted per employee will not exceed 50,000 equity shares of ₹ 10 each. The aggregate of all such grants shall not exceed 2% of the issued equity share capital of the Company as on 31st March, 2012.

(i) Disclosure and accounting policies

The Company shall confirm to the accounting policies specified by Securities and Exchange Board of India (SEBI) Guidelines and by Institute of Chartered Accountants of India (ICAI), amended from time to time.

(j) Method of Valuation

The Company follows the intrinsic value method for computing the compensation cost, if any, for the Options - 2012 granted. The difference between the employee compensation cost so calculated and employee compensation cost that would have been recognised if the Company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors’ Report. The fair value would be determined using the Black – Scholes model.

(k) Other terms

The Board / Remuneration Committee shall have the absolute authority to vary or modify or alter the terms of ESOS – 2012 in accordance with the Regulations and Guidelines as prescribed by the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees.

The Securities may be allotted directly to the employees or in accordance with ESOS-2012 through any appropriate mechanism including the Trust or other entity which may be set up for that purpose and such ESOS – 2012 may also contain provisions for providing financial assistance to the employees / the Trust / entity to enable the employees / the Trust / entity to acquire, purchase or subscribe to the Securities.

As ESOS – 2012 would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 and as per the requirement of Clause 6 of the Guidelines.

As per the Guidelines, a separate Resolution is also required to be passed if the benefits of ESOS – 2012 are to be extended to employees of the subsidiary companies. The resolution under Item No. 8 is being proposed accordingly, to cover the employees and Directors (whether Whole-time Directors or not) of the subsidiary company(ies).

Your Directors recommend the resolutions set out in Item Nos. 7 & 8 of the Notice for adoption by the Members as a Special Resolutions.

The Directors who would be eligible or would qualify to join ESOS - 2012 may be deemed to be concerned or interested in these items of business to the extent of the Options - 2012 that may be offered to them under ESOS - 2012.

Item No. 9

The Ministry of Corporate Affairs ("MCA"), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated 20th May, 2011 and Circular No.35/2011 dated 6th June, 2011 has permitted companies to hold Board Meetings and Shareholders Meetings through Video Conference facility, as part of the Green Initiatives under Corporate Governance. Further, MCA vide Circular No. 72/2011 dated 27th December, 2011 made the Video Conference facility at the Shareholders Meetings optional to the listed companies.

Section 53 of the Companies Act, 1956 and Article 175 provide for modes of service of documents on a Member of the Company. The MCA has vide Circular No. 17/2011 dated 21st April, 2011 stated that a company

would have complied with Section 53 if the service of a document has been made through electronic mode, provided the company has obtained e-mail addresses of its Members for sending Notices/Documents through e-mail by giving an advance opportunity to every Member to register their e-mail addresses with the company. Clause 32 of the Listing Agreement of the Stock Exchanges also permits a company to send soft copies of full Annual Reports, Balance Sheet, Statement of Profit & Loss and Directors' Report to all Members who have registered their e-mail addresses for the purpose.

It is proposed to carry out necessary amendments in the existing Articles of Association of the Company by inserting appropriate enabling provisions as set out in the Special Resolution under Item No.9 to give effect to the above Circulars of MCA.

In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company. A copy of the existing Memorandum and Articles of Association of the Company alongwith the proposed draft amendments to the Articles of Association is available for inspection by any Member at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on all working days (except Saturdays, Sundays and Public Holidays).

The Directors recommend the passing of this Resolution at Item No.9 as a Special Resolution, for approval of Members.

None of the Directors of the Company is, in any way, concerned or interested in this item of business.

For and on behalf of the Board,
For **Mahindra Lifespace Developers Limited**

Suhas Kulkarni
Vice President - Legal & Company Secretary

Registered Office
5th Floor, Mahindra Towers,
Worli, Mumbai 400 018
Date: 27th April, 2012

Directors' Report to the Members

Your Directors present their Thirteenth report together with the audited accounts of your Company for the year ended 31st March, 2012.

Financial Highlights

	(₹ in lakh)	
	2012	2011
Operating Income	46,895	47,656
Other Income	5,217	3,029
Total Income	52,112	50,685
Profit Before Depreciation, Interest and Taxation	17,320	15,303
Less : Depreciation	268	250
Profit Before Interest and Taxation	17,052	15,053
Less : Interest & Finance charges	297	116
Profit Before Taxation	16,755	14,937
Less : Provision for Taxation		
Current Tax	4,859	4,728
Deferred Tax (including MAT Credit)	(120)	(96)
Profit After Tax	12,016	10,305
Add : Balance of Profit for earlier years	21,654	14,866
Amount available for appropriation	33,670	25,171
Interim Dividend on Preference Shares (including tax on distributed profits)	-	119
Proposed Dividend on Equity Shares (including tax on distributed profits)	2,848	2,374
Add : Excess Tax of previous year on Dividend written back	-	(6)
Less : Transfer to General Reserve	1,202	1,030
Balance carried forward	29,620	21,654

Dividend

Your Directors have recommended a dividend of ₹ 6 per equity share (60 per cent) of the face value ₹ 10 of the Company for the year 2011-12.

The equity dividend (including tax on distributed profits) amounts to ₹ 2,848 lakh (previous year ₹ 2,374 lakh), and shall be paid out of profits for the current year.

Operations

After staging a recovery from the recession with a 5.3 per cent growth during the previous year, world output decelerated significantly in 2011 — growing at 3.9 per cent. Although the world economy is unlikely to lapse into another recession, there are considerable risks: another acute crisis in Europe, disruption of oil supplies and hard landing in one or more large middle-income countries.

India also witnessed deceleration in growth, growing at 6.5 per cent in 2011-12 as compared to 8.4 per cent during the previous year. With the services sector continuing to grow strongly at 8.9 per cent during the year, the decline was due to significant slowdown in both agriculture and industry — which grew at much lower rates of 2.8 per cent and 3.4 per cent respectively. The construction sector, which is the second largest segment of industry after manufacturing, was also affected — recording a growth of 5.3 per cent during 2011-12 as compared to 8 per cent during 2010-11.

Your Company is one of the few companies in the real estate

development industry in India with the experience of successfully serving consumers as well as businesses through its two segments of operations. Even as the real estate industry operated in a difficult economic environment, the Company has reported creditable results for 2011-12.

Total income of your Company as a standalone entity was ₹ 52,112 lakh as compared to ₹ 50,685 lakh in 2010-11. Profit before tax (PBT) was ₹ 16,755 lakh as compared to ₹ 14,937 lakh in 2010-11, whereas profit after tax (PAT) was ₹ 12,016 lakh as compared to ₹ 10,305 lakh in 2010-11. During the year, the Company also received a dividend income of ₹ 555 lakh from its subsidiary Mahindra World City Developers Limited.

The consolidated total income of your Company increased from ₹ 62,702 lakh in 2010-11 to ₹ 72,841 lakh in 2011-12. The consolidated PBT grew by 9 per cent from ₹ 17,205 lakh in 2010-11 to ₹ 18,806 lakh in 2011-12, whereas consolidated PAT after minority interest increased to ₹ 11,908 lakh from ₹ 10,817 lakh during 2010-11.

In the residential segment, the Company launched new phases of three of its existing projects in addition to the first phase of its fresh launch in Nagpur. All new projects of the Company launched during the year received an impressive response. During the year, the Company alongwith its subsidiary companies sold 677 residential units across its ongoing and newly launched projects. Your Company is currently developing 3.63 million square feet of residential developments. Besides, another 5.19 million square feet are available in the form of new phases of ongoing projects

or fresh projects that are at different stages of planning. These are expected to be launched in the near future.

In the large format developments, the demand situation remained stable in the Domestic Tariff Area (DTA) of both the Mahindra World Cities. Mahindra World City, Jaipur in Rajasthan, saw a moderation in demand during the year for space in the Special Economic Zone (SEZ). However, with the launch of its DTA in the later part of the year, the situation improved considerably and a significant uptick in off-take and performance is expected in 2012-13. Mahindra World City (MWC), Chennai, where most of the current developments are in the residential and social infrastructure zone, entered the 10th year of its operation during the year.

Awards and Recognition

Your Company received several awards and recognitions during 2011-12. Some of the prestigious awards are:

- Voted as India's Top 10 Builders by Construction World and CW Interiors
- 'Chloris' at Faridabad: Platinum Rated Green Building after construction under the CII-IGBC Green Homes Rating System. It is the second project in India to achieve this distinction — highest possible rating (in the multi-dwelling units category)
- 'Iris Court' at MWC Chennai: 'IGBC Gold' pre-certification rating
- 'Aura', in Gurgaon: 'IGBC Gold' pre-certification rating
- New Project 'Antheia' at Pimpri, Pune: 'IGBC Gold' pre-certification rating.
- 'Mahindra Splendour' at Mumbai: Second Best in "Green Initiative in Service Sector" category in KPMG Qimpro Convention 2011
- Skyline, the Mahindra World City's quarterly newsletter: Bronze award in "Best Newsletter Design" at ABCI annual awards, 2011; Silver award in "In-house Magazine English" category by PRCI 2012.
- Refresh, quarterly newsletter of your Company: Appreciation Award in "External Magazine" category by PRCI 2012.
- Your Company's Corporate Brochure (Creating Sustainable Homes, Cities & Happiness): Silver award in "Corporate Brochure" category by PRCI 2012.

Capital

The paid up equity capital of the Company comprises 40,835,150 equity shares of ₹ 10 each aggregating ₹ 408,351,500.

The allotment of 45,351 equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or The Special Court (Trial of offenses relating to transactions in Securities).

Employee Stock Options Scheme

In accordance with the Employee Stock Option Scheme (ESOS – 2006), the Remuneration Committee has on 25th April, 2008, approved grant of 678,359 Stock Options at an exercise price of ₹ 428 per share. As of 31st March, 2012, 26,000 Stock Options were exercised. Details required to be provided under the Securities and Exchange Board of India (Employee Stock Options Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are provided as Annexure 1 to this Report.

Holding Company

The promoters of the Company i.e. Mahindra & Mahindra Limited (M&M) hold 20,846,126 equity shares which represents 51.05 per cent of the paid-up equity capital of the Company. Your Company continues to be a subsidiary company of M&M.

Subsidiary Companies

The developments during the year in key subsidiary companies are provided below:

Mahindra World City Developers Limited (MWCDL) successfully implemented India's first integrated business city & corporate India's first SEZ near Chennai. The three sector-specific SEZs cater to the industry sectors viz. IT (services and manufacturing), Apparel & Fashion Accessories, and Auto Ancillaries and the Domestic Tariff Area caters to a wide range of manufacturing segments. The total development currently stands at 1,550 acres. MWCDL has also procured around 470 acres of land for its second project in Tamil Nadu, and is in the process of procuring the balance land.

Mahindra Integrated Township Limited (MITL) is engaged as a co-developer in developing the residential township area at Mahindra World City with 'Iris Court', spread over 18 acres, as its first project. MITL has a balance of 146 acres to be developed in phases for offering products in different formats and price bands.

Mahindra Residential Developers Limited (MRDL), which is a subsidiary of Mahindra Integrated Township Limited (MITL), is jointly with a private equity real estate fund, ARCH Capital Asian Partners, L.P. – managed by ARCH Capital Management Company Limited, developing a gated residential community in approximately 55 acres within Mahindra World City, New Chennai under the name, "Aqualily". ARCH Capital is an affiliate of Ayala Land, one of the most trusted real estate brands in Philippines.

Mahindra Bebanco Developers Limited (MBDL) is a 70:30 joint venture between your Company and B.E. Billimoria & Co. Limited, one of the leading construction companies in India. This company is developing a residential complex across 25 acres at Multi-modal International Hub Airport at Nagpur (MIHAN). MBDL launched the first phase of its project 'Bloomdale' during the year.

Mahindra World City (Jaipur) Limited (MWCJL) is developing an integrated business city near Jaipur spread over approximately 3,000 acres of land. As on 31st March, 2012 MWCJL was in possession of 2,678 acres of land and the procurement of the balance area is in process. Currently, the project has five zones, IT/ITES SEZ, Handicrafts SEZ, Engineering & Related Industries SEZ, Gems & Jewellery SEZ and a Domestic Tariff Area.

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of the Company's subsidiaries, viz. Mahindra World City Developers Limited, Mahindra Integrated Township Limited, Mahindra Residential Developers Limited, Mahindra World City (Jaipur) Limited, Mahindra World City (Maharashtra) Limited, Knowledge Township Limited, Industrial Township (Maharashtra) Limited, Mahindra Bebanco Developers Limited, Raigad Industrial & Business Park Limited, Mahindra Infrastructure Developers Limited, Anthurium Developers Limited and Watsonia Developers Limited is attached. The consolidated financial statements of the Company prepared in accordance with Accounting Standard 21 prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report

and Accounts. The summary of financial performance of the subsidiaries has been separately furnished forming part of the Annual Report.

Ministry of Corporate Affairs (MCA), Government of India (GOI), vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a general exemption from the requirement of attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of subsidiary companies with the Annual Accounts of the Company under Section 212(8) of the Companies Act, 1956 subject to compliance of conditions mentioned therein.

In terms of the aforesaid general exemption granted by MCA, the Board of Directors of the Company has given its consent for not attaching the Balance Sheet and Profit & Loss Account, Schedules to Accounts and Notes forming part of the Accounts, Report of the Board of Directors, Report of the Auditors etc., of its aforesaid twelve subsidiaries with the Annual Accounts of the Company, in relation to the financial year ending on 31st March, 2012.

The Company Secretary will make these documents available upon receipt of a request from any member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company and the Registered Offices of the respective subsidiary companies during working hours up to the date of the Annual General Meeting.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report, which gives a detailed account of operations of your Company forms a part of this Annual Report.

Corporate Governance

A report on Corporate Governance along with a certificate from the Statutory Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement forms a part of this Annual Report.

Sustainable Development and Corporate Social Responsibility (CSR)

As a part of the Mahindra Group, your Company is committed to the principles of sustainable development and consistently carries out initiatives to benefit the communities that it interacts with during the course of its business. A detailed account of these initiatives has been presented in the Management Discussion and Analysis chapter of the Annual Report.

Directors

Ms. Anita Arjundas and Mr. Anil Harish retire by rotation and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the operating management and after due enquiry, confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair

view of the state of affairs of the Company as at 31st March, 2012 and of the profit of the Company for the year ended on that date;

- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

Auditors

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, retire as auditors at the forthcoming Annual General Meeting. The members will be required to appoint auditors for the current year and fix their remuneration.

As required under the provisions of Section 224(1B) of the Companies Act, 1956, the Company has received a written certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposing to be re-appointed as Statutory Auditors, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review. The details of loans and advances, which are required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company, are furnished separately.

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

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure 2 to this report.

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

The Company had 5 (five) employees who were in receipt of remuneration of not less than ₹ 6,000,000 during the year ended 31st March, 2012 or not less than ₹ 500,000 per month during any part of the said year. However, as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report and Accounts which are being sent to the shareholders need not include this Annexure. Any shareholder interested in obtaining a copy of the Annexure may write to the Company Secretary at the Registered Office of the Company.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers, and associates of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board,

Arun Nanda

Chairman

Mumbai, 27th April, 2012

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

Description	ESOS 2006	
(a) Total Number of Options granted	678,359	
(b) The Pricing formula	<p>Average price preceding the specified date — 24th April, 2008</p> <p>Average price — Average of the daily high and low of the prices for the Company's Equity Shares quoted on Bombay Stock Exchange Limited during 15 days preceding the specified date</p> <p>Specified date — Date on which the Remuneration Committee decided to recommend granting of Stock Options to the employees and Directors of the Company and its holding / subsidiary companies under an Employees' Stock Option Scheme</p>	
(c) Number of Options vested	439,816	
(d) Number of Options exercised	26,000	
(e) Total No. of Shares arising as a result of exercise of Options	26,000	
(f) Number of Options lapsed	63,580	
(g) Variation of terms of Options	<p>The terms of the ESOP Scheme were amended during the financial year 2010 - 2011 (i) to provide for exercise of vested Stock Option by eligible employee at any time during a period of five years from the respective date of vesting instead of earlier option of exercising only on the anniversary of their vesting and (ii) to provide for greater flexibility by allowing retired/resigned employees to exercise the vested Stock Option at any time during the period of five years from respective date of vesting as against exercise of Options within 3 months from the date of retirement/ resignation.</p>	
(h) Money realized by exercise of Options during the year	0	
(i) Total Number of Options in force	588,779	
(j) Employee-wise details of Options granted to:	Name of the Senior managerial personnel to whom Stock Options have been granted	Options granted in April, 2008
(i) Senior managerial personnel	Mr. Arun Nanda	200,000
	Mr. Hemant Luthra (Resigned as Director w.e.f. 30 th January, 2009)	10,000
	Mr. Uday Y. Phadke	10,000
	Mr. Anil Harish	10,000
	Mr. Sanjiv Kapoor	10,000
	Mr. Shailesh Haribhakti	10,000
	Mr. Pawan Malhotra (Resigned as MD and Director w.e.f. 23 rd June, 2009)	50,000
	Ms. Anita Arjundas	50,000
(ii) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that year	Nil	

(iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions, if any) of the company at the time of grant	Nil		
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	NA		
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the Stock Option, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of Stock Options. Had the fair value method been used the employee compensation cost would have been higher by ₹ 344.78 lakh Had the fair value method been used the profit after tax would have been lower by ₹ 245.78 lakh Had the fair value method been used the basic and diluted earnings per share would have been lower by ₹ 0.61		
(m) Weighted-average exercise prices and weighted-average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Option Grant Date 25 th April, 2008	Exercise price ₹ 428.00	Fair value ₹ 291.04
(n) A description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted-average information: (i) risk-free interest rate, (ii) expected life, (iii) expected volatility, (iv) expected dividends, and (v) the price of the underlying share in market at the time of Option grant.	Not Applicable, as no new Options were granted during the year.		

The Company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period.

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken : The operations of your Company are not energy-intensive. However, adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Buildings.
- b. Additional investments and proposals, if any, are being implemented for reduction of consumption of energy : Nil
- c. Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : Not Applicable
- d. Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of industries specified in the schedule : Not Applicable

B. TECHNOLOGY ABSORPTION**Research & Development (R&D)**

1. Areas in which Research & Development is carried out : The Company has not carried out any R&D activities during the year. The Company has carried out internal research and testing for innovative building material. The Company has tie up with technical institutes like IIT-Bombay to carry out testing of energy efficient material for building envelope.
2. Benefits derived as a result of the above efforts : Energy efficient building envelopes are designed for residential buildings.
3. Future plan of action : More experiments and testing on alternative building material and faster process of finishing activity.
4. Expenditure on R&D : Nil
5. Technology absorption, adaptation and innovation : Nil
6. Imported technology : In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
(a) Technology imported - None
(b) Year of import - N. A.
(c) Has technology been fully absorbed? - N. A.
(d) If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action. - N. A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo during the year under review are furnished in the Notes to Accounts.

For and on behalf of the Board,

Arun Nanda

Chairman

Mumbai, 27th April, 2012

Particulars of loans and advances, and investments in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement with the Company and its holding company Mahindra & Mahindra Limited.

Loans and advances in the nature of loans to subsidiaries:

(₹ in lakh)

Name of the Company	Balance as on 31 st March, 2012	Maximum outstanding during the year
Mahindra World City (Jaipur) Limited	5,800.00	5,800.00
Mahindra Integrated Township Limited	3,382.62	3,382.62
Mahindra Bebanco Developers Limited	3,255.69	3,255.69
Knowledge Township Limited	2,114.40	2,114.40
Mahindra World City Developers Limited	5,000.00	5,000.00
Industrial Township (Maharashtra) Limited	957.17	957.17

Management Discussion and Analysis

Mahindra Lifestance Developers Limited ('Mahindra Lifespaces' or 'the Company') is one of the leading real estate development companies in India. Over the years, the Company has created a respected name for itself by delivering an array of highly successful projects and establishing industry benchmarks in environment friendly and sustainable developments.

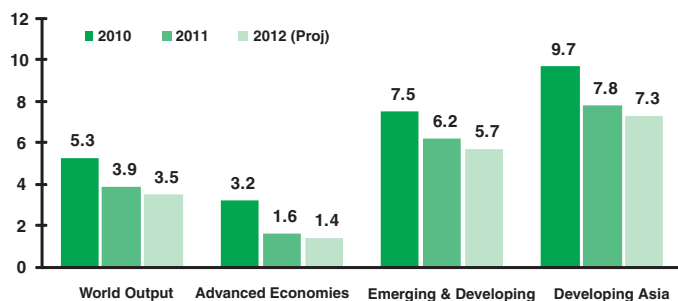
Mahindra Lifespaces, along with its subsidiary companies, is engaged in the development of residential projects and large format, integrated developments such as business cities, industrial parks and SEZs. The Company is currently focussed on creating differentiated offerings within its operating segments and expansion of its geographic presence.

Introduction

2011-12 saw the global economy experience what were considered as the downside scenario a year ago. After staging a recovery from the recession with a 5.3 per cent growth during the previous year, world output decelerated significantly in 2011 — growing at a significantly lower rate of 3.9 per cent as compared to the forecast of 5 per cent a year ago.

As shown in Chart A, advanced economies suffered the most as growth halved from 3.2 per cent in 2010 to 1.6 per cent in 2011. However, on this occasion the financial turmoil in Europe spread to other high-income and developing countries that were largely unaffected earlier. This is visible from the sharp deceleration in growth among emerging and developing economies, especially developing economies in Asia.

Chart A: Global Economic Growth



Source: IMF, World Economic Outlook

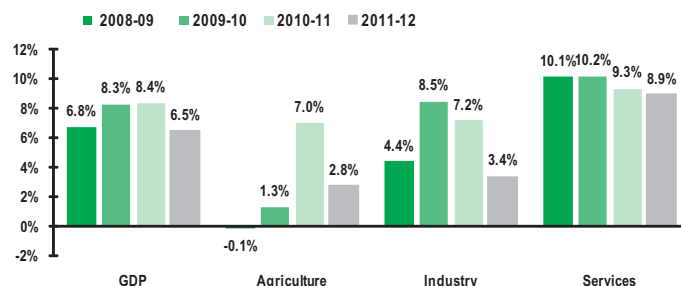
The Euro-area is set to enter into a mild recession in 2012 even as the US is showing signs of improving growth and employment conditions and growth in emerging markets, especially China, India and Brazil, is slowing beyond what was anticipated earlier, mainly due to continued policy tightening during the last couple of years to combat inflation. This, coupled with the contagion of economic and financial difficulty in Europe, has pushed up borrowing costs in many parts of the world. In the process, capital flows to developing countries have also fallen sharply — USD 170 billion in the second half of 2011 compared to USD 309 billion in the corresponding period of the previous year. Short-term credit and portfolio investments have all but dried off.

Although the world economy is unlikely to lapse into another recession, in large measure due to the committed response

towards fiscal consolidation from troubled European nations and the EU, there are considerable risks. The biggest risk remains another acute crisis in Europe. In terms of potential impact, this is followed by risks of disruption of oil supplies and prices due to geo-political tensions in Middle East and North Africa, and hard landing in one or more large middle-income countries. In such a situation, the global macroeconomic outlook remains uncertain and at best cautious.

As far as the advanced economies are concerned, further fiscal consolidation and deleveraging of the banking sector will continue to affect demand and output growth in the short term. While this also poses immediate downside risks for developing countries, their real test would be to calibrate domestic macroeconomic policies to combat overheating pressures from strong activity and renewed risks of inflation from high commodity and oil prices, and avoid a hard landing.

Chart B: Economic Growth In India



Source: Central Statistical Organisation

According to the latest estimates released by the Central Statistical Organisation (CSO), India's GDP growth is pegged at 6.5 per cent in 2011-12, down from 8.4 per cent during the previous year (See Chart B). Incidentally, this is similar to the performance in 2008-09, the immediate aftermath of the global financial crisis, when India recorded its worst performance after several consecutive years of impressive growth. The performance of key sectors during the year is also very similar to 2008-09. With the services sector continuing to grow at a relatively strong 8.9 per cent during the year, the decline was due to significant slowdown in both agriculture and industry — which grew at much lower rates of 2.8 per cent and 3.4 per cent respectively. Industry, which includes manufacturing, construction, mining, electricity and other utilities, and accounts for 27 percentage share of the country's GDP, contributed the most to this decline in performance.

The construction sector, which is the second largest segment of industry after manufacturing, was also affected — recording a growth of 5.3 per cent during 2011-12 as compared to 8 per cent during 2010-11. This can be attributed to three sets of reasons. First, tight monetary conditions resulted in higher borrowing costs and lower availability of funds, especially for the more leveraged players in the industry. This affected project execution significantly. Second, even though end-user interest in the residential segment continued to be stable, off-take was

subdued in markets like Mumbai due to price and interest rate concerns. Third, approval related delays increased significantly due to regulatory policy logjams and uncertainty resulting from impending legislations. This especially affected new launches both in the residential segment and large format developments such as industrial parks, business cities and SEZs.

Mahindra Lifespaces continues to be well placed among its peers in the real estate development industry to withstand the impact of such adverse macroeconomic conditions. For instance, the Company has benefited immensely from its prudent financial management reflected in its low leverage, giving the Company enough headroom and flexibility to raise capital and at the same time keep interest costs in control. This, coupled with excellent project management skills and focus on quality and innovation, has allowed the Company to meet its project time-lines and minimise the impact of high inflation in construction costs. Besides, with a strategy to focus on two key segments of operations — residential and large format integrated developments such as business cities, industrial parks and SEZs — the Company has successfully mitigated the impact of adverse demand scenarios in different phases of the business cycle. Approval related delays and policy uncertainty facing the industry, have also affected your Company. But, here too, the Company has benefited from its focus on developments that are conceived on the principles of sustainability with highly environmental friendly specifications.

In our last year's report, we had mentioned that the Company has formalised an ambitious plan, outlining its growth aspirations for the period 2010-2015. This is based on a combination of innovative offerings that will expand its product bouquet in both the segments that it operates in — residential and integrated developments — as well as by increasing its geographic footprint. 2011-12 saw the Company making further progress with the strategy.

In terms of innovative offerings, Mahindra Lifespaces is focused on developing two products — one in each segment of its operation. In the residential segment, the Company is in advanced stages of developing an affordable housing product which will involve providing good quality homes and community living for the low income segment. The Company has finalised its first parcel of land and will initiate design development and approvals in the early part of the next financial year. In the integrated development space, Mahindra Lifespaces is looking to tap opportunities close to high growth corridors by developing smaller industrial parks with value added support facilities. Apart from allowing the Company to leverage opportunities as they appear by having lower lead times and easier land acquisition, these parks will also have much faster turnaround, and therefore, lower execution risks.

Mahindra Lifespaces is equally well placed to expand its geographic footprint. During the year under review, the Company entered Nagpur with the launch of 'Bloomdale', which is a planned, gated community spanning over 25 acres offering a choice of mid-rise apartments, row houses and duplex homes. During 2012-13, the Company expects to launch its first project in Hyderabad which is spread over 9.7 acres and offers contemporary apartments. Plans are also underway to enter other key residential markets in the country. In the integrated

development segment, the Company had already shared in the previous year's report its efforts to enter Gujarat which is emerging as one of the key investment destinations in India. The Company is also actively considering opportunities in other States both under the existing Mahindra World City format and the smaller industrial parks mentioned earlier.

Apart from these developments with respect to plans for the future, the operational segments of the Company saw considerable activity during the year. In the residential segment, the Company launched new phases of three of its existing projects in addition to the first phase of its fresh launch in Nagpur. All new projects of the Company launched during the year received an impressive response. During the year, the Company alongwith its subsidiary companies sold 677 residential units across its ongoing and newly launched projects.

In the large format developments, the demand situation remained stable in the Domestic Tariff Area (DTA) of both the Mahindra World Cities. Mahindra Lifespaces is the first private sector company to have developed and operationalised large format integrated development projects through its Mahindra World City (MWC) at Chennai in Tamil Nadu. This project entered the 10th year of its operations during the year. The Company's second project, Mahindra World City, Jaipur, which became operational in 2008-09, saw a moderation in demand during the year for space in the Special Economic Zone (SEZ). However, with the launch of its DTA in the later part of the year, the situation improved considerably and significant uptick in off-take and performance is expected in 2012-13.

Today, Mahindra Lifespaces is one of the few companies in the real estate development industry in India with the experience of successfully serving consumers as well as businesses through its two segments of operations. The Company has already built a reputation for building and executing high quality and value added projects, which contribute to the principles of sustainable development. In addition, the Company benefits from the 'Mahindra' brand — a name associated with integrity, transparency and fairness, which enhances its reputation as a professionally managed real estate player in a market which is largely unorganised.

With continuous improvements in quality, technology and process innovations focussed at the customer, Mahindra Lifespaces has emerged as one of the most trusted brands in the business. **During the year, the Company was selected as one of India's Top 10 Builders at the Construction World Architect and Builder Awards 2011. This is the second consecutive year that your Company has received this award.**

Even as the real estate industry operated in a difficult economic environment, the Company has reported creditable results for 2011-12. The highlights of Mahindra Lifespaces' financial performance during the year as a consolidated entity are given below:

Key Indicators of Performance

- Consolidated Income of the Company grew by 16 per cent from ₹ 627 crore in 2010-11 to ₹ 728 crore in 2011-12

- Profit before depreciation, interest and taxes (PBDIT) increased by 14 per cent from ₹ 192 crore in 2010-11 to ₹ 218 crore in 2011-12. Profit before taxes (PBT) grew by 9 per cent from ₹ 172 crore in 2010-11 to ₹ 188 crore in 2011-12
- Profit after taxes (PAT) grew by 14 per cent from ₹ 113 crore in 2010-11 to ₹ 129 crore in 2011-12. After accounting for minority interest, the consolidated net profit (PAT) of the Company increased by 10 per cent from ₹ 108 crore to ₹ 119 crore during 2011-12.
- Diluted earnings per share (EPS) of the Company increased by 11 per cent to ₹ 29.2 in 2011-12 as compared to ₹ 26.2 in the previous year.

Mahindra Lifespaces has set ambitious growth targets for the future. The strategy to achieve these growth objectives outlined earlier is not limited to building the necessary land bank or financial capital. The Company is equally conscious of the need for building scalable systems and processes, technology and human capital to fuel these growth aspirations and realise the opportunity. In the remainder of the report, we will discuss these initiatives as well as the operational and financial performance of the Company. We close the report with a discussion on risks and concerns and the outlook for the future.

Markets and Opportunities

Residential

The demand situation in the residential segment during the year varied across the key markets where the Company operates. The Mumbai market saw a dip in volumes and stable prices, whereas the Pune market had good off-take volumes and strong prices in spite of a huge supply in peripheral markets. In contrast, Gurgaon and Chennai witnessed buoyancy in off-take but with stable prices.

At the macroeconomic level, the demand for residential units in India is expected to remain strong driven by growth in disposable incomes and concomitant increase in affordability, favourable demographic and urbanisation trends, and positive socio-cultural changes such as preference for nuclear families. These will continue to fuel demand for housing in the residential segments that the Company currently operates in.

Apart from this, estimates show that huge deficits in the supply of mass housing units continue. According to a research published by Monitor, the size of the opportunity is estimated at about 21 million un-served urban households in the low income segment who can afford housing in the range of ₹ 3 lakh to ₹ 10 lakh. In a segment that is emerging at a very rapid pace, there are hardly any corporate players with good brand equity. As a result, most of the existing projects in the space are relatively smaller in size, and therefore not suited to leverage the potential that the segment offers and benefit from the scale economies. Mahindra Lifespaces has taken a serious note of this opportunity.

The Company is in advanced stages of developing an affordable housing product which will involve providing good quality homes and community living for the low income segment. The Company has identified its first parcel of land for this business segment and

will initiate design development and approvals in the early part of the next financial year.

Integrated Development

The market situation for integrated developments segment was more subdued during the year in comparison with the residential segment. The Company's operational projects in the segment, especially Mahindra World City, Jaipur, saw less activity than what was expected a year ago, primarily due to the deceleration of advanced economies that are important destinations for India's exports. Even as this situation improves over time, MWC, Jaipur will also benefit from the approval it has received for 500 acres of development in the Domestic Tariff Area.

The risks of implementing large format integrated developments have increased considerably during the last couple of years. First, there is an uncertainty regarding the future attractiveness of Special Economic Zones (SEZs) following the proposal to withdraw direct tax benefits available for units located in these developments. Secondly, land acquisition and aggregation for huge projects, which have always been critical factors for success, became even more onerous. The proposed bill for land acquisition, in its current form, will also make it very costly. Finally, in an ever-changing macroeconomic environment without policy stability, such long term projects have considerably higher execution risks.

To mitigate these risks and at the same time benefit from the opportunity for professional companies such as Mahindra Lifespaces to build destinations suitable for different industries and services sectors, the Company is looking to introduce another innovative product in the segment. Even as the Company is finalising the structure of the product, it has started the process of actively considering and evaluating several site proposals in the key industrial states in the country.

Operations

Residential

Mahindra Lifespaces' residential project operations span all aspects of real estate development from identification and acquisition of land to conceptualisation, execution and marketing of the projects. In line with its growth objectives, the Company has in place systems and processes which are scalable and instrumental in achieving quality, transparency, cost management and timely completion of its projects.

During the previous year, the Company had initiated strategic sourcing, where it put in place systems for pre-qualification of suppliers. In 2011-12, this was extended to all segments of residential operations and across a larger set of products and services: construction material and contractors, fittings and finishing items, utilities, quantity surveyors and cost managers, project management and MEP (Mechanical, Electrical and Plumbing) consultants.

As of 31st March, 2012, the Company along with its subsidiaries has developed projects covering 7.14 million square feet, of which 6.12 million square feet is in the residential segment. It is currently developing 3.63 million square feet. Besides, another

5.19 million square feet are available in the form of new phases of ongoing projects or fresh projects that are at different stages of planning and are expected to be launched in the near future.

In our previous years report, we had outlined our plans to launch new projects during 2011-12. Even as the Company launched one new project in Nagpur and new phases of three of its existing projects, some of its other projects could not be launched due to regulatory and other delays, owing to an uncertain policy environment. These are expected to be launched in the near future, on receipt of approvals, and have been discussed in the subsequent section on 'New Projects'.

Completed and Ongoing Projects

During the year, the Company completed three of its projects: final phase of 'Mahindra Royale' in Pimpri, Pune; phase I of 'Mahindra Splendour' in Bhandup, Mumbai; and phase IA of 'Aqualily' in Mahindra World City, Chennai. Besides these, the new project and the new phases of existing projects launched during the year, are at different stages of construction. The project-wise details are provided below:

'Bloomdale', is the Company's first venture in Nagpur, Maharashtra. The project is conceived as a gated community spanning over 25 acres and offering a choice of mid-rise apartments, row houses and duplex homes. It will be implemented through Mahindra Bebanco Developers Limited (MBDL), a joint venture between Mahindra Lifespaces and B. E. Billimoria & Co. Limited. The first phase of the project, which includes 210 units with a total saleable area of 0.24 million square feet, was launched in February, 2012 and has met with a very good initial response. Construction of the project has already commenced.

'Royal Ivy' is a new phase in The Great Eastern Gardens, the Company's project in Kanjurmarg, Mumbai, with a total saleable area of 0.12 million square feet. Designed along environment friendly and energy efficient principles, this project provides spacious homes in a very green and natural setting. This project was launched in 2011-12 and construction is expected to start in 2012-13.

'Mahindra Eminente', a premium high-rise residential complex with Spanish architecture in Goregaon, western suburbs of Mumbai, is spread across 5.58 acres covering 0.57 million square feet of saleable area. The construction of the first phase including the clubhouse is already complete and fully operational. **During the year, the first phase of the project received the CNBC AWAZ – CRISIL CREDAI Real Estate Awards under category 'Best Residential Property in Western Region.'** The last two phases of the project, comprising 0.15 million square feet each, were launched in 2010-11 and are expected to be completed during 2012-13 and 2013-14 respectively.

'Mahindra Royale' is spread across 8.88 acres covering 0.63 million square feet of saleable area at Pimpri, Pune. The first two phases of the project were completed in 2008-09 and the third phase covering 0.11 million square feet, including the clubhouse, was completed in the previous year. During 2011-12, the fourth and final phase of the project covering 0.22 million square feet was completed and the handing over process is in progress.

'Mahindra Splendour' in Bhandup, eastern suburbs of Mumbai,

is spread across 8.46 acres and has a total saleable area of 0.78 million square feet. The construction of the first phase which constitutes three towers covering 0.42 million square feet was completed during the year and the handing over of units to customers is in progress. The construction of the second phase of two towers covering 0.36 million square feet is underway and is expected to be completed during 2012-13.

'Mahindra Chloris', in Faridabad, National Capital Region, is a premium project with a Mediterranean architecture spread over 5 acres with a total saleable area of 0.39 million square feet. All 160 units in the eight towers of the project are equipped with the IEC security system which allows one to remotely monitor the home. The project was completed during the previous year. The handing over of the apartments and the formation of residents' society for running the complex was completed in 2011-12.

'Aqualily' is a premium project within Mahindra World City, Chennai, which offers world class living spaces by a lake, set amidst lush landscapes and gardens. Spread across 55 acres of land, the project offers villas and apartments covering 1.57 million square feet. This project is being implemented by Mahindra Residential Developers Limited, a subsidiary of Mahindra Lifespaces. During the year, the Company launched the final two phases of Aqualily villas 1C and 1D — taking the total saleable area of launched phases of villas and apartments to 0.92 million square feet. Construction for the first phase of the villas (1A) which comprises 41 units covering 0.12 million square feet was completed during the year, whereas construction of the other launched phases is currently in progress.

'Aura' in Gurgaon is Mahindra Lifespaces' latest offering in the National Capital Region. The project is spread across 17 acres and has a total saleable area of 1.24 million square feet. The first two phases of the project covering 0.27 million square feet and 0.23 million square feet were launched in 2009-10 and 2010-11 respectively and are fully sold out. Construction of these phase are scheduled to be completed during 2012-13 and 2013-14 respectively. The final three phases of the project totalling 361 units with a saleable area of 0.74 million square feet were launched sequentially during the year and have been significantly sold out. The construction of these phases has started and is expected to be completed in 2014-15.

'Iris Court' is the Company's project located in Mahindra World City, Chennai which is spread over 18 acres with a total saleable area of 0.86 million square feet. This project will be implemented by Mahindra Integrated Township Limited, a subsidiary of Mahindra Lifespaces, and will address the mid-market segment of the industry. The first phase of the project covering 0.27 million square feet was launched during 2010-11. It has been fully sold out and the construction work is in progress. The second phase of the project covering 0.30 million square feet was soft-launched in 2010-11 and has received impressive response. The construction of this phase is expected to commence in 2012-13.

New Projects

The Company is in various stages of planning new residential developments, including in new markets like Hyderabad, where Mahindra Lifespaces will enter for the first time. Projects for which planning is in advanced stages are:

- **'Ashvita'** at Hyderabad: Spread across 9.70 acres with a saleable area of 1.0 million square feet, the project is located at Kukatpally near Hi-tech city and will be carried out under a joint development agreement with the land owners. The master planning for the project is complete and the project has received environmental clearances. The final building plan approvals are awaited.
- **'Antheia'** at Pune: Spread over 25 acres with a saleable area of 1.60 million square feet, this project is located in Pimpri, Pune very close to the Company's well received project, Mahindra Royale. The master planning for the project is complete and the project is awaiting environmental clearances and plan approvals.

In addition to these projects, the Company is likely to launch new phases of its existing projects.

Integrated Development

Mahindra World City, Chennai

Mahindra World City, Chennai, is implemented by Mahindra World City Developers Limited (MWCDL), jointly promoted by Mahindra Lifespaces and the Tamil Nadu Industrial Development Corporation Limited. It has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories, and Auto Ancillaries, a Domestic Tariff Area (DTA) for businesses catering to the Indian market, and a Residential and Social Infrastructure zone. 2011-12 marks a special significance for Mahindra World City, Chennai, which entered the 10th year of its operations in September, 2011.

There has been strong interest from leading multi-national companies to take-up space in Mahindra World City (MWC). During the year under review, Mahindra World City, Chennai added four multinational customers in the Domestic Tariff Area — Sanwa Synergy (Singapore), Ingersoll Rand (USA), Guangdong Greatoo (China) and American Axle Manufacturing (USA) and has signed MOUs with five customers from Australia, Japan and Germany.

The business zone in the project has 60 clients of which 28 are in the SEZs and 32 are in the DTA. Currently, 39 companies operate out of Mahindra World City, Chennai and 8 are expected to start functioning soon. During the year, direct employment in the business city increased from 23,000 to 27,000 people. Exports also increased significantly during the year and touched ₹ 4,581 crore — an increase of over ₹ 1,000 crore over the previous year.

In its planning, Mahindra World City, Chennai, has allocated 325 acres for the development of residential and social infrastructure that will cater to the requirement of over 7,000 families. Sylvan County, the first residential project at Mahindra World City, currently has over 180 families living in it. The two more recent offerings, Aqualily and Iris Court, which are currently under development, will add an additional 1,500 homes to the City. Details of these projects have already been provided in the previous section on residential segment.

During the year, considerable progress was made in creating social infrastructure necessary to support people residing and operating in the World City. Mahindra World City signed up JSP Hospitals to set up a 30 bed multi-speciality hospital within

Mahindra World City. It is expected to be operational by March, 2013. In its previous report, the Company had mentioned that MWCDL signed up with Duet Hotels, which is bringing in Holiday Inn Express to set up a 140 room business hotel within Mahindra World City. The construction of the hotel started during the year and is expected to be completed in 2013-14. During the year, the Mahindra World School added Class XI and now has over 450 students.

'The Canopy', a commercial centre at Mahindra World City, Chennai also added new retail businesses and facilities during the year. MWCDL has been a pioneer in commissioning the first off-grid solar power plant in the state of Tamil Nadu. This 75 kw plant at 'The Canopy' is expected to generate around 116,000 units (kWh) of clean electrical energy annually, which will result in significant savings and contribute to environment and sustainability.

With increasing levels of occupancy and activity, MWCDL's quarterly customer engagement initiative, "Coalesce" has been received very well by the occupants. "Rejoice @ Mahindra World City", the community building initiative carried out cultural and engagement initiatives. The inaugural edition of 'Mindquest' — the Mahindra World City quiz competition will be taking place at Mahindra World City.

Mahindra World City, Jaipur

Mahindra World City, Jaipur, is being implemented by Mahindra World City (Jaipur) Limited (MWCJL), a 74:26 joint venture between Mahindra Lifespaces and Rajasthan State Industrial Development & Investment Corporation Limited, a Government of Rajasthan enterprise.

Mahindra World City, Jaipur is proposed to be developed as a Multi Product Special Economic Zone and Domestic Tariff Area across 3,000 acres, of which 2,678 acres have already been acquired. The acquisition of balance land is likely to be completed shortly. This integrated development will be equipped with state-of-the-art infrastructure such as uninterrupted power supply, telecommunications and connectivity, wide road network, water supply, serene landscaping, proposed logistics and warehousing zones and professional operations and maintenance.

During 2011-12, the Company received environmental clearance for 1786.25 acres of land. In another important development, the scope of the 'Light Engineering' SEZ was changed to 'Engineering & Related Industries' SEZ, which gives MWCJL the flexibility to attract potential clients in the heavy engineering segment. The Company also received approval for the master plan for 500 acres of development in the Domestic Tariff Area (DTA). Besides this, the area under the different Special Economic Zones was extended during the year.

With these changes, the project now has five zones, including four sector specific SEZs — IT/ITES (524 acres), Handicrafts (380 acres), Engineering & Related Industries (550 acres) and Gems & Jewellery (27 acres) — and the Domestic Tariff Area. In the future, MWCJL has plans to expand the coverage of the project to include other segments such as Apparel, Logistics and the residential and social infrastructure.

During the year, the Company signed lease deeds with Genpact and Systweak Software for over 30,000 square feet in 'Evolve' — the 1.4 million square feet, multi-tenanted IT park spread over approximately 25 acres. Another lease deed was concluded with Orvi Design for additional 1.4 acres in the Handicrafts SEZ. Additionally, Mahindra World City, Jaipur signed up a leading Global OEM manufacturer for 70 acres in the DTA and also executed two MoUs during the period in the Engineering SEZ and the DTA.

Five new companies became operational in Mahindra World City, Jaipur, which took the total number of operational companies to eight. Total employment by companies at MWC, Jaipur crossed 3000 and exports by MWCJL clients grew by 123 per cent to reach at ₹ 299 crore in 2011-12. MWCJL and its customers have together invested more than ₹ 1000 crore with their development in Mahindra World City, Jaipur. Ten companies have started their development activities during 2011-12 and are likely to be operational in the next financial year.

Other Large Format Projects

Buoyed by the success of Mahindra World City, Chennai, and the current interest in the region among potential customers, the Company is planning to launch another integrated development in Chennai. This project will be spread across 1,000 acres, towards the North of Chennai, which is home to large industries in the engineering and automobile sector. The project is being designed to provide world class infrastructure to mid-sized ancillary industries of this segment including auto components, electronics, precision engineering and logistics. The Company has currently acquired around 470 acres for the project and procurement for the balance land is in progress.

Customer Relationship Management (CRM)

Mahindra Lifespaces, with its focus on the customer, has defined service standards by deploying highly customer friendly systems and procedures. As the customer facing arm of the Company, the CRM team is entrusted with the responsibility of achieving the highest levels of customer satisfaction through honesty, transparency and fairness, with the ultimate objective of building 'Mahindra Lifespaces' as the most trusted brand in the business.

In all its projects, the role of CRM travels beyond facilitating the handing over of the property. A CRM representative is nominated to a customer, soon after a unit is booked, to act as the focal point to address queries of the customers. The CRM team is also responsible for ensuring that the completed units meet the expectations of the customer.

In our previous report, we had mentioned that the Company is implementing an internet based customer self service portal, which will allow customers to view and edit contact details, view status of the project and details pertaining to their billing and payment history, register and track complaints or give feedback. This system was made operational during 2011-12 and has been well received by the customers.

The Company communicates with its customers through its corporate newsletter "Refresh" which gives updates and other useful information on recent trends to homeowners. The Company also communicates monthly updates of each ongoing

project to its respective customers.

Quality

Mahindra Lifespaces has always stressed on the value and importance of its strong quality management system, which is set up as per the requirement of International Standard ISO since 1999. Following a recertification audit that was successfully carried out during the year, the quality management systems certification under the ISO 9001: 2008 standards will be valid till 2014.

During 2011-12, quality audits were performed at all sites and functions. Improvement projects were systematically identified and implemented as group Kaizen under an Annual Quality Improvement Plan. The Company also institutionalised individual Kaizen initiative introduced during the previous year to promote quality and further strengthen the participation of each employee towards achieving excellence in quality.

The company has sustained its maturity in applying the principles of 'Mahindra Quality Way', the Total Quality Management (TQM) initiative of the Mahindra Group. It was successfully assessed by two eminent experts on the status of implementation and the results achieved in its TQM journey.

During this year, the Company explored several innovative initiatives to improve the quality of product and processes, bring down the construction cycle time, and make operations more competitive. Many of these have been successfully implemented in the Company's projects during the year.

Mahindra Lifespaces regularly interacts with technical institutions such as IIT, Mumbai and VJTI, Mumbai for their expertise in testing of building materials and innovations in the area of construction technology.

Safety

Mahindra Lifespaces has established an Occupational Health and Safety Assessment System since 2010 based on the OHSAS 18001: 2007 standard for design, development and construction of residential and commercial properties. The second surveillance audit was successfully carried out during the year.

Since 2009, Mahindra Lifespaces has an established 'Safety Policy' which underscores its commitment to take complete measures to prevent accidental injuries and occupational ill health of all employees and associates working at the offices and project sites. In line with this policy, the Company started an important campaign called "Sampoorna Suraksha" [Complete Safety] during the year to sensitise and create awareness about the importance of practicing safety principles among employees and associates, across offices and project sites.

Mahindra Lifespaces has strong systems in place for implementation and monitoring of safety practices. The implementation is done based on OHSAS guidelines, SOPs, formats and checklists. Besides, various safety activities are regularly carried out by the Company. These include updating of Hazard Identification Risk Assessment and Control (HIRAC),

monthly safety programmes, mock drills, providing job specific training for safety practices and safety gears, first aid facilities, compulsory tetanus vaccination and frequent doctor visits. These safety initiatives have helped the Company to substantially reduce the lost time injuries at all sites and strengthened the overall safety performance of the Company.

Sustainable Development

Mahindra Lifespaces has taken a lead role in the real estate industry in India to protect the environment by promoting sustainable construction practices and developing 'Green Buildings'. During the year, **the Company got recommended for the Environmental Management System certification as per ISO 14001: 2004 standard.**

In its last communication, the Company had reported that it has prepared a roadmap for its journey towards sustainability, which encompasses three aspects: social sustainability, economic sustainability and environmental sustainability. During the year, the Company implemented all of its commitments outlined in the sustainability road map for the year 2011-12. In fact, for the very first time, Mahindra Lifespaces initiated the "Suppliers and Contractors Meet" as an integral part of the sustainability drive to develop a Green Supply Chain. These are a series of stake holder inclusiveness programs where the primary objective is to map the interests and conflicts faced by suppliers and contractors in following sustainable practices. During these events, the Company launched two joint initiatives with its suppliers and contractors called 'Protect Child Labour' and 'Value Human Life'.

During the year, Mahindra Lifespaces continued with its focus on building environment friendly and energy efficient 'Green Buildings' in line with the standards established by the Indian Green Building Council's (IGBC) Green Home Rating System. This year, the Company handed over "Mahindra Chloris", its first Platinum Certified green building to its customers. Three of its projects, Aura, Iris Court and Antheia received the Gold pre-certification rating as per IGBC's Green Home Rating System.

2011-12 will be the first year for which Mahindra Lifespaces will publish its individual Sustainability Report, making it one of the first companies in the real estate industry in India to adopt the practice. The review process is currently underway and the report is expected to be published soon. Besides this, the Company continues to report its Triple Bottom Line performance as a part of the Mahindra Group's Sustainability Report. During the year, the Sustainability Report for the year 2010-11 was released, and as in the case of earlier years, this report is also externally assured by Ernst & Young (E&Y) with an A+ rating and is GRI checked.

Corporate Social Responsibility (CSR)

As a socially responsible citizen, the Mahindra Group has contributed not only to the economic well being of the communities it interacts with, but has also enhanced their social well being and development. Since its inception, the Mahindra Group has always been engaged in activities, which add value to the community around it.

As a part of its commitment to CSR initiatives, your Company,

during the year, made available medical and education assistance to economically disadvantaged and socially weaker sections of the society through the Mahindra Foundation's Central CSR fund. In addition, Mahindra Lifespaces along with its subsidiaries, independently carries out a variety of social initiatives in the areas of education, healthcare and environment where it actively involves its employees.

In the area of education and training, the Company runs informal schools and crèches at four locations aimed at providing basic education and safe environment for children of construction labour when the parents are at work. In addition to providing education facilities, these programmes also encourage co-curricular activities such as sports, drawing and sculpture, and celebration of festivals. At Mahindra World City, Jaipur, over 500 youth have completed employability training and around 400 have been placed in various jobs. Through another initiative in partnership with Technology Business Incubator (TBI) - KIET, 39 women self help groups have been formed in the neighbouring villages, which encourage savings and employability training of its members. As a part of the CSR initiatives at Mahindra World City, Chennai, over 2000 youth from the neighbouring villages have been trained so far at its Employability Training Centre (ETC) and over 1000 students have completed the Teen Channel program.

In a major environmental project called "Mahindra Hariyali" started in 2008-09 with support from the Department of Forest, Government of Maharashtra and in collaboration with a local NGO – A K Rural Development Trust, the Company has taken 205 hectares of forest land under a 7 year lease for tree plantation, and soil and water conservation. During the year, apart from maintenance of trees planted previously, 40,000 new trees were planted as a part of this project to take the total plantation to 140,000.

In the area of healthcare, the Company regularly carries out general health and eye check-up camps as well as HIV awareness programmes across different locations. Over 1,000 people benefited from these programmes during the year.

Human Resources

Mahindra Lifespaces recognises that its people are the key to the success of the organisation and in meeting its aspirations. During the year, the Company continued its efforts to further align its HR policies, processes and initiatives to create the human capital necessary to meet the needs of a growing business.

During the year, the Company continued with its focus on training and development of its employees. Training needs were identified using performance appraisals and competency profiles. A number of new customised training programmes were launched in sales and customer service. On an average, each employee received 41 hours of training during the year and employee participation was 98 per cent.

A number of new initiatives were launched during the year. These include a daily e-newsletter named '360 Degrees View' to improve employee-connect across all locations; townhall meetings branded 'Expressions' which were conducted twice in the year to enable alignment with business goals and priorities; and awards for recognising outstanding performance on a monthly, half yearly and annual basis.

With the implementation of new modules in "Project Harmony", the HR transactional processes such as performance management and leave management have been integrated with the ERP system.

As of 31st March, 2012, the Company had 240 employees and its subsidiary companies had 77 employees. Employee relations during the year remained cordial.

Financials

Table 1 presents the abridged profit and loss statement of Mahindra Lifespace Developers Limited as a consolidated entity.

Table 1: Abridged Consolidated Profit and Loss Statement
(₹ in crore)

	2011-12	2010-11
Operating Income	701.3	611.9
Other Income	27.1	15.1
Total Income	728.4	627.0
Operating Expenses	427.2	365.8
Other Expenses	82.8	69.7
Financial Expenses	21.1	11.3
Depreciation	9.3	8.1
Total Expenditure	540.4	454.9
PBDIT	218.4	191.5
PBDT	197.3	180.2
PBIT	209.1	183.4
PBT	188.0	172.1
Tax	59.3	58.7
PAT	128.7	113.4
Minority Interest	9.7	5.2
PAT (After Minority Interest)	119	108.2
Diluted EPS (₹)	29.16	26.2

In a challenging economic milieu, Mahindra Lifespaces delivered credible performance. The key results are provided below.

- The Consolidated Income from operations grew by 14.6 per cent from ₹ 611.9 crore in 2010-11 to ₹ 701.3 crore in 2011-12. The consolidated total income of the Company increased by 16.2 per cent from ₹ 627 crore in 2010-11 to ₹ 728.4 crore in 2011-12.
- The Consolidated Operating profits (PBDIT) grew by 14 per cent from ₹ 191.5 crore in 2010-11 to ₹ 218.4 crore in 2011-12. The Consolidated Cash profits (PBDT) increased by 9.5 per cent from ₹ 180.2 crore in 2010-11 to ₹ 197.3 crore in 2011-12. The Consolidated Profit before taxes (PBT) increased to ₹ 188 crore during 2011-12 compare to ₹ 172.1 crore in 2010-11.

- The Consolidated net profits (PAT) before minority interest grew by 13.5 per cent from ₹ 113.4 crore in 2010-11 to ₹ 128.7 crore in 2011-12. After accounting for minority interest, the consolidated PAT increased by 10 per cent from ₹ 108.2 crore in 2010-11 to ₹ 119 crore in 2011-12. As a result, the consolidated diluted EPS also increased from ₹ 26.2 in 2010-11 to ₹ 29.2 in 2011-12.

Mahindra Lifespaces has consolidated debt equity ratio of 0.58:1. The liquidity situation of the Company during the year remained comfortable and surplus funds generated during the year have been invested in credit worthy instruments, including money market mutual funds and deposits with banks.

Threats, Risks and Concerns

Mahindra Lifespaces has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

Economic Risks

The real estate industry in India has been affected by the worsening of the global economic situation during the year. Although the situation is expected to improve with the easing of the monetary policy during the second half of 2011-12, the Reserve Bank has indicated that the scope for further easing is limited owing to the inflationary pressures that continue to persist.

Therefore, interest rates are not expected to come down sharply and this can have a direct impact on the performance of the real estate sector and the Company. Secondly, high global commodity prices and further adverse movements in oil price and supply shocks, especially in the current geo-political environment continue to be a cause of worry.

Mahindra Lifespaces is conscious of these risks and is taking measures to mitigate them. For instance, the Company's focus on both residential and integrated developments has been a significant source of comfort during periods of poor economic performance. **The Company's prudent financial management have also kept it relatively insulated from the economic downturn and unlike many other companies in the real estate sector, the Company is well placed to raise capital at competitive interest rates.** Through continuous improvements in its project operations and adoption of value engineering, the Company has been able to keep the impact of increase in input prices under control.

Operational Risks

Key operational risks faced by the Company include longer gestation period for procurement of land, inability to sell the project as per plan, inability to complete and deliver projects according to the schedule leading to additional cost of construction and maintenance, erosion of brand value, appointment and retention of quality contractors, inability to attract and retain talent, poor customer satisfaction, fraud and unethical practices, failure to comply with laws and regulations leading to fines, penalties and lengthy litigations.

The Company addresses these issues within a well structured framework which identifies the desired controls and assigns ownership to monitor and mitigate the risks. The Company has

also invested significant resources in an ERP solution which is expected to go a long way to address some of these risks.

Policy and Regulatory Risks

The real estate industry is easily affected by changes in government policies and regulations. There are considerable procedural delays with respect to approvals related to acquisition and use of land. This problem is accentuated as this is an industry which has traditionally been quite unorganised. Unfavourable changes in the government policies and the regulatory environment can adversely impact the performance of the Company. Recent proposals for modification of direct tax laws that affect the attractiveness of SEZs, certain provisions under the Land Acquisition, Rehabilitation and Resettlement Bill, 2011 that will significantly increase the cost of acquisition, and provisions in the Real Estate (Regulation & Development) Bill, 2011 which will affect execution and profitability without addressing the key concerns of timely approvals, are some such risks.

The Company, with its approach towards acquisition of land based on fairness and trust, and transparent processes in developing the projects, has effectively mitigated risks with respect to land acquisition. Besides, the Company's plans for innovative offerings in the affordable housing and smaller integrated developments are expected to mitigate some of the risks associated with execution, demand, profitability and cost of land acquisition.

Internal Controls

The Company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

An independent internal audit firm appointed by the Company conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the laws and regulations of the country. Their scope of work includes internal controls on accounting, efficiency and economy of operations. The internal auditors also report on the implementation of their recommendations.

Reports of the internal auditors are regularly reviewed at the Audit Committee meetings. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

Outlook

Although the world economy is unlikely to slip into another recession, 2012-13 is expected to be another tough year with deceleration in growth across most of the advanced and large developing economies. The growth of the Indian economy will also continue to be under pressure in the immediate future.

Given that the fundamentals of the economy are still strong, the Company believes that there are significant opportunities that can be tapped if one focuses on the right market segments and geographies. Besides, the longer term outlook for domestic growth remains positive, and India is likely to witness another round of high growth once the global situation stabilises in the next couple of years. In line with these expectations, Mahindra Lifespaces is currently focussing on building an array of new products and simultaneously strengthening its capabilities in terms of scalable systems and processes to benefit from the opportunities in the long term.

In the medium-term, the Company is relying on innovative offerings to help it mitigate the impact of adverse economic and regulatory environment and achieve its growth objectives. However, given that there are still credible risks of high inflation and interest rates, the outlook for 2012-13 remains cautious.

Cautionary Statement

Certain statements in the Management Discussion and Analysis 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.

Corporate Governance Report

1. Corporate Governance Philosophy

Mahindra Lifespaces is committed to good corporate governance and endeavours to implement the Code of Corporate Governance in its true spirit. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the laws and regulations. The Company believes that good governance brings about sustained corporate growth and long-term benefits for stakeholders.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. The stipulations mandated by Clause 49 became applicable to the Company in March, 2001 and have been fully complied with since then. As a Company which believes in implementing corporate governance practices that go beyond meeting the letter of law, the Company has adopted practices mandated in the revised Clause 49 and has established procedures and systems to remain fully compliant with it as on 31st March, 2012. This chapter, along with the chapter on Additional Shareholders' Information reports the Company's compliance with the existing Clause 49.

2. Board of Directors

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Company has a Non-Executive Chairman and over one half of the total number of Directors comprises Independent Directors. The Management of the Company is entrusted in the hands of the Key Management Personnel of the Company and is headed by the Managing Director & Chief Executive Officer who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objective of enhancing stakeholder's value is met.

The Managing Director & Chief Executive Officer is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 1956. Mr. Uday Y. Phadke, Non-Executive Non-Independent Director is the Principal Advisor (Finance) at M&M and receives remuneration from M&M. Apart from the above and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Independent Directors would be entitled to under the Companies Act, 1956, none of the Directors have any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, its Subsidiaries and Associates which in their judgement would affect their independence. The Directors of the Company are not inter-se related to each other.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

a) Number of Board Meetings

Seven Board meetings were held during the year under review, 1st April, 2011 to 31st March, 2012, on the following dates: 11th April, 2011; 23rd April, 2011; 21st July, 2011; 17th October, 2011; 30th December, 2011; 30th January, 2012 and 14th March, 2012. The maximum gap between any two meetings did not exceed four months.

b) Composition, Status, Attendance at the Board Meetings and at the last AGM

As on 31st March, 2012, the Company's Board comprised seven members. The Chairman of the Board is a Non-Executive, Non-Independent Director. The Managing Director & Chief Executive Officer is an Executive of the Company. Four members of the Board are Independent Directors. One member of the Board is Non-Executive, Non-Independent Director. The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting are given below:

Name of the Director	Status	No. of Board Meetings		Attendance at the last AGM
		Held	Attended	
Mr. Arun Nanda, Chairman	Non-Executive Non-Independent	7	7	Yes
Mr. Uday Y. Phadke	Non-Executive Non-Independent	7	7	Yes
Mr. Sanjiv Kapoor	Non-Executive Independent	7	5	Yes
Mr. Shailesh Haribhakti	Non-Executive Independent	7	6	Yes
Mr. Anil Harish	Non-Executive Independent	7	6	Yes
Dr. Prakash Hebalkar	Non-Executive Independent	7	6	Yes
Ms. Anita Arjundas	Executive (Managing Director & Chief Executive Officer)	7	7	Yes

c) Details of Directorships / Committee Memberships* as of 31st March, 2012

As mandated by Clause 49, none of the Directors is a member of more than ten Board level Committees nor is any of them a Chairman of more than five Committees in which they are members. The number of Directorships and Committee positions held by them in Public companies are given below:

Name of the Director and status	Director of Public Companies*	Membership in Committee**	Chairmanship in Committee**
Mr. Arun Nanda (Non-Executive Non-Independent Chairman)	12	6	3
Mr. Uday Y. Phadke (Non-Executive Non-Independent Director)	7	7	—
Mr. Sanjiv Kapoor (Independent Director)	7	6	5
Mr. Shailesh Haribhakti (Independent Director)	14	10	5
Mr. Anil Harish (Independent Director)	14	10	4
Dr. Prakash Hebalkar (Independent Director)	2	3	—
Ms. Anita Arjundas (Managing Director & Chief Executive Officer)	14	4	3

* Including Directorship/Committee Memberships in Mahindra Lifespace Developers Limited as of 31st March, 2012.

** Committees considered are Audit Committee and Shareholders' & Investor's Grievance Committee including that of Mahindra Lifespace Developers Limited

d) Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Managing Director & Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. A detailed operations report is also presented at every Board Meeting. Amongst other things, the Board also reviews strategy and business plans, annual operating and capital expenditure budgets, remuneration of Non-Executive Directors, compliance with statutory/regulatory requirements and review of major legal issues, adoption of quarterly/half-yearly/annual results, risk management policies, investors' grievances, minutes and significant transactions of subsidiary companies, investment and exposure limits, use of capital issue proceeds, major accounting provisions and write-offs, corporate restructuring, minutes of meetings of the Audit Committee and other Committees of Directors of the Board, etc. The Board reviews a compliance certificate issued by the Managing Director & Chief Executive Officer regarding compliance with the requirements of various Statutes, Regulations and Rules as may be applicable to the business of the Company.

3. Directors seeking Appointment / Re-Appointment

Ms. Anita Arjundas and Mr. Anil Harish retire by rotation and being eligible offer themselves for re-appointment. Brief resumes of Directors seeking appointment / re-appointment are given below.

Ms. Anita Arjundas

Ms. Anita Arjundas is the Managing Director & Chief Executive Officer of Mahindra Lifespace Developers Limited; CEO of the Real Estate Sector of the Mahindra Group. As the CEO of the Real Estate Sector, she is responsible for setting the strategic direction that will enable the business to drive sustainable urban transformation in India.

Ms. Arjundas joined the Mahindra Group in 2002 as Vice President — Marketing in one of the subsidiary companies of Mahindra Lifespaces, Mahindra World City, India's first integrated business city in a public-private partnership. In 2006, she took over profit centre responsibility for the Company and in 2009 moved to Mumbai to head the Real Estate Sector with profit centre responsibility for both the business units of the sector — Residential Real Estate and Industrial Real Estate / Integrated Cities. Ms. Arjundas is also a member of the Mahindra Group Executive Board from April 2010.

Prior to her career with the Mahindra Group, Ms. Arjundas spent 3 years in the IT industry and 10 years in the consumer goods space. She is Co-chair of the Federation of Indian Chambers of Commerce and Industry (FICCI) — Real Estate Committee. Ms. Arjundas is also a member of the Asia Society and the Chair person of the ASSOCHAM — National SEZ Committee.

An MBA from BIM, India and a Wharton AMP alumnus, Ms. Arjundas has been named among the 50 "Most Powerful Women in Business" by Fortune India.

Ms. Arjundas is also on the Board of the Mahindra Bebanco Developers Limited, Industrial Township (Maharashtra) Limited, Knowledge Township Limited, Mahindra World City (Maharashtra) Limited, Raigad Industrial & Business Park Limited, Mahindra Integrated Township Limited, Mahindra World City (Jaipur) Limited, Mahindra World City Developers Limited, Mahindra Residential Developers Limited, Mahindra Infrastructural Developers Limited, Anthurium Developers Limited, Watsonia Developers Limited and Mahindra Knowledge Park (Mohali) Limited.

Ms. Arjundas is on the committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Share Allotment Committee	Member
	Committee for Residential Projects in Joint Venture	Member
	Committee for Large Format Developments	Member
	Committee of Directors for investments in subsidiary Co. : Knowledge Township Limited	Member
Mahindra Integrated Township Limited	Remuneration	Member
	ESOP Committee	Member
	Audit	Chairperson
Knowledge Township Limited	Audit	Chairperson

Name of Company	Name of Committee	Position Held
Industrial Township (Maharashtra) Limited	Audit	Chairperson
Mahindra World City Developers Limited	Tender Committee	Member
Mahindra World City (Jaipur) Limited	Contract Committee	Member
Mahindra Infrastructure Developers Limited	Audit	Member

Ms. Arjundas holds 1,000 equity shares of the Company.

Mr. Anil Harish

Mr. Anil Harish is Partner of D. M. Harish & Co., Advocates. Mr. Harish attained his degree of Bachelor of Arts and graduated from Elphinstone College, Mumbai in the year 1973. Thereafter, he studied Law at Government Law College, Mumbai and attained his LLB degree in the year (1976). He went to the University of Miami, USA for further studies and he attained his Masters in Law i.e. LLM from the University in the year 1978.

Mr. Harish practises extensively in several areas of Law such as, Real Estate, Domestic Taxation & International Taxation, International Investments, Corporate Law, Personal Laws etc. He is Executive Vice President of Society of Indian Law Firms (SILF), Member of Managing Committee of Indian Merchants Chamber, Member of Advisory Committee of All India Business Council, Member of Advisory Board of Accommodation Times Institute of Real Estate Management etc.

He is also Director of several other companies such as Unitech Limited, Hotel Leelaventure Limited, Pantaloon Retail (India) Limited, Hinduja Ventures Limited, Hinduja Global Solutions Limited, Ashok Leyland Limited, Mukta Arts Limited, Future Ventures Limited, Ador Welding Limited, Advani Hotels & Resorts Limited, Valecha Engineering Limited, Oberoi Realty Limited, Hinduja Leyland Finance Limited, Trans Atlantic Consultants Pvt. Limited, Helpyourngo.com (India) Pvt. Limited, Freight Connection (India) Pvt. Limited, Cenmar Maritime Agencies (India) Pvt. Limited, OMCI Ship Management Pvt. Limited, Seaco Operations India Pvt. Limited, Oasis Preprint Services Pvt. Limited, Mordril Properties (India) Pvt. Limited, and Astoria Maritime Pvt. Limited.

Mr. Anil Harish is a Trustee of several Educational and Charitable Trusts such as, Hyderabad (Sind) National Collegiate Board (includes 17 Colleges and approximately 50,000 students) (he has also been the immediate past President of this Trust), D.M. Harish Foundation, Create Foundation, etc.

Mr. Anil Harish has also written many articles which have been published in news papers such as Times of India, Hindustan Times and several professional journals. He has been invited on several occasions to deliver professional speeches on various subjects such as FEMA, Taxation Collaborations, Stamp Duty etc., at Hypo Bank, London 2007, "India Calling" - Brussels 2009 and in Dubai, Doha, Muscat and Jakarta, and at many Conferences and Seminars in India including International Fiscal Association – India Chapter, etc

Mr. Harish is on the Committees of the Boards mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Audit Remuneration Loans & Investment	Member Member Member
Valecha Engineering Limited	Audit	Member
Hinduja Ventures Limited	Audit	Chairman
Advani Hotels & Resorts (India) Limited	Remuneration	Member
Hotel Leelaventure Limited	Audit Committee of Director for Issue of Shares	Member Member
Unitech Limited	Audit	Member
Pantaloon Retail (India) Limited	Remuneration Corporate Governance	Member Member
Ador Welding Limited	Audit	Chairman
Ashok Leyland Limited	Audit Remuneration	Chairman Member
Hinduja Global Solutions Limited	Audit Compensation	Chairman Chairman
Raymond Limited	Audit	Chairman
Future Venture India Limited	Audit	Member
Oberoi Realty Limited	Audit	Member

Mr. Harish's son and daughter each hold 3,500 equity shares of the Company jointly with Mr. Anil Harish, aggregating 7,000 equity shares.

4. Codes of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct — one for Directors and another for Senior Management and Employees. These codes are posted on the Company's website www.mahindralifespaces.com

All Board Members and Senior Management personnel have affirmed compliance with the respective Code of Conduct for the year under review. A Declaration signed by Managing Director & Chief Executive Officer to this effect is annexed to this report.

5. CEO /CFO Certification

As required under Section V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director & Chief Executive Officer and the Vice President — Finance & Accounts of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and other matters related to internal controls in the prescribed format for the year ended 31st March, 2012.

6. Remuneration Paid to Directors

Remuneration Policy

While deciding on the remuneration for Directors, the Board and Remuneration Committee (Committee) considers

the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance and other relevant factors. The Board/Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys. This information is used to review the Company's remuneration policies. The Non-Executive Chairman and Independent Directors are paid sitting fees and reimbursement of expenses incurred in attending the Board and Committee meetings.

The remuneration of the Managing Director & Chief Executive Officer is subject to approvals of the Remuneration Committee, Board and shareholders, and is within the ceilings laid down under the Companies Act, 1956. The Board determines the remuneration, if any, of Non-Executive Directors, subject to requisite approvals, if any.

At the 12th Annual General Meeting of the Company held on 21st July, 2011, the shareholders had approved revision in the terms of payment of commission in a manner that commission may be distributed without any sub-limits amongst and paid to such Directors in such proportions as the Board may decide from time to time for period of five years commencing 1st April, 2010. Accordingly, the Board at its meeting held on 27th April, 2012 has approved payment of commission in line with revised resolution.

Detailed information of Directors' remuneration for the year 2011-12 is set forth below:

(₹ in lakh)

Name of the Director	Category	Sitting Fees (Note e)	Commission (Note e)	Salary, Performance Pay and Perquisites	Superannuation and Provident Fund (Note b)	Total
Mr. Arun Nanda, Chairman	Non-Executive Non Independent	1.70	100.00	Nil	Nil	101.70
Mr. Uday Y. Phadke	Non-Executive Non Independent	Nil	Nil	Nil	Nil	Nil
Mr. Sanjiv Kapoor	Independent	2.10	7.50	Nil	Nil	9.60
Mr. Shailesh Haribhakti	Independent	2.50	7.50	Nil	Nil	10.00
Mr. Anil Harish	Independent	2.50	7.50	Nil	Nil	10.00
Dr. Prakash Hebalkar	Independent	1.40	7.50	Nil	Nil	8.90
Ms. Anita Arjundas Managing Director & Chief Executive Officer (Note f)	Executive	N.A.	Nil	137.02	15.27	152.29

Notes:

- Non-Executive Non-Independent Chairman and Non-Executive Independent Directors are paid sitting fees of ₹ 20,000 per meeting for attending meetings of the Board and Audit Committee and ₹ 5,000 per meeting for other committee meetings of the Board of Directors of the Company. The Managing Director & Chief Executive Officer does not receive sitting fees for attending meetings of the Board/Committees of the Board of Directors of the Company.
- Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.
- The Company has not advanced any loan to any Director.
- Except for Dr. Prakash Hebalkar, who joined Board on 30th March, 2009 the Company has granted Stock Options to the following Directors during the year 2008-09:

Name of the Director	No. of Stock Options granted on 25 th April, 2008	No. of Stock Options exercised as on 31 st March, 2012*
Mr. Arun Nanda	200,000	-
Mr. Uday Phadke	10,000	2,500
Mr. Anil Harish	10,000	-
Mr. Sanjiv Kapoor	10,000	-
Mr. Shailesh Haribhakti	10,000	5,000
Ms. Anita Arjundas	50,000	1,000
Total	290,000	8,500

* As of 31st March, 2012, total 26,000 Stock Options have been exercised by the grantees, out of which 8,500 Stock Options have been exercised by the above Directors and 17,500 Stock Options have been exercised by other grantees.

e. Commission to Non-Executive Directors

Name of the Director	Amount (₹ lakh)
Mr. Arun Nanda	100.00
Mr. Anil Harish	7.50
Mr. Sanjiv Kapoor	7.50
Mr. Shailesh Haribhakti	7.50
Dr. Prakash Hebalkar	7.50
Total	130.00

Employee Stock Option and Commission are the only components of Director's remuneration that are performance-linked. All other components are fixed.

f. Salary to Ms. Anita Arjundas, MD & CEO includes:

- i. Salary and Allowances of ₹ 91.30 lakh
- ii. Perquisites of ₹ 3.17 lakh
- iii. Performance pay of ₹ 42.55 lakh.

The nature of employment of the Managing Director & Chief Executive Officer with the Company is contractual and can be terminated by giving three months notice from either party. The contract does not provide for any severance fees.

Ms. Arjundas's appointment is for a period of 5 years from 23rd June, 2009 and revision in her remuneration is proposed for approval by the shareholders for the period 1st April, 2012 to 22nd June, 2014.

Shares and Convertible Instruments held by Directors

The details of the Stock Options granted to the Directors is given under Note (d) of the previous section on Remuneration Policy.

As on 31st March, 2012:

- Mr. Arun Nanda holds 60,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company.
- Mr. Anil Harish's son and daughter hold 3,500 equity shares each of the Company jointly with Mr. Anil Harish, aggregating 7,000 equity shares.
- Mr. Uday Y. Phadke holds 2,500 equity shares in the Company.
- Ms. Anita Arjundas holds 1,000 equity shares in the Company.
- Mr. Sanjiv Kapoor, Shailesh Haribhakti and Dr. Prakash Hebalkar do not hold any shares in the Company either on their own or for any other person on a beneficial basis.

7. Committees of the Board

Audit Committee

The Audit Committee of the Company comprises three independent Directors, namely Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti, Mr. Anil Harish and one Non-Executive Non-Independent Director, Mr. Uday Y. Phadke. Mr. Sanjiv Kapoor is the Chairman of the Committee.

The terms of reference of the Committee are in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee has been granted powers as prescribed under Clause 49 II (C) of the Listing Agreement. Generally, all items listed in Clause 49 II (D) are covered in the terms of reference and inter-alia include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of their fees.
- Approval of payment of fees to statutory auditors for any

other services rendered by the statutory auditors.

- Review of the internal control systems with the management, internal auditors and statutory auditors.
- Review with the management, the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review Management Discussion and Analysis.
- Review Material Individual Transactions with related parties not in normal course of business or which are not on an arm's length basis.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Review financial statements and investment of unlisted subsidiary companies.

During the year under review, 1st April, 2011 to 31st March, 2012, six meetings of the Committee were held on following dates: 23rd April, 2011; 21st July, 2011; 15th September, 2011; 17th October, 2011; 30th January, 2012 and 14th March, 2012. The maximum gap between any two meetings did not exceed four months. Mr. Shailesh Haribhakti, Mr. Anil Harish and Mr. Uday Y. Phadke attended all meetings; Mr. Sanjiv Kapoor attended five meetings. Mr. Sanjiv Kapoor, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 21st July, 2011. The Chairman, the Managing Director & Chief Executive Officer, Chief Operating Officer(s), Vice President – Finance & Accounts, the Internal and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee possess strong knowledge of accounting and financial management.

Shareholder's & Investor's Grievance Committee

The Shareholder's & Investor's Grievance Committee of the Company comprises one Non-Executive Non-Independent Director, Mr. Arun Nanda and one Non-Executive Independent Director Dr. Prakash Hebalkar. Mr. Arun Nanda is the Chairman of the Committee.

The Committee's objective is to attend to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend / interest, and any other related matter.

During the year under review the Committee met once on 30th January, 2012. Mr. Arun Nanda and Dr. Prakash Hebalkar attended the meeting.

Remuneration Committee

The Remuneration Committee of the Company comprises three Independent Directors, Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti and Mr. Anil Harish, and one Non-Executive Non-Independent Director, Mr. Arun Nanda. Mr. Sanjiv Kapoor is the Chairman of the Committee. The terms

of reference of the Remuneration Committee, inter-alia comprise of determining the remuneration payable to the Executive Directors, recommendation for appointment/re-appointment of the Executive Directors, revision in the remuneration of the existing Executive Director(s) of the Company from time to time, recommendations on grant of Employee Stock Options / Restricted Stock Units, etc.

During the year under review the Committee met twice on 21st July, 2011 and 17th October, 2011. All members of the committee attended both the meetings.

Loans & Investment Committee

The Loans & Investment Committee of the Board of the Company comprises three Non-Executive Directors, Mr. Arun Nanda, Mr. Uday Y. Phadke and Mr. Anil Harish who is also an Independent Director. The Committee's objective is to finalise within the parameters set by the Board, the terms on which the borrowings/ investments would be made by the Company from time to time.

Mr. Arun Nanda is the Chairman of the Committee.

Committee of Directors for Investment in a subsidiary company: Knowledge Township Limited

The Committee of Directors comprises Mr. Arun Nanda, Mr. Uday Y. Phadke, Dr. Prakash Hebalkar and Ms. Anita Arjundas. The objective of the Committee is to evaluate the business plan of Knowledge Township Limited (KTL) (a subsidiary of the Company) and to consider and approve investment in KTL from time to time.

Share Allotment Committee

The Committee of Directors comprises Mr. Arun Nanda, Mr. Uday Y. Phadke and Ms. Anita Arjundas. The objective of the Committee is to issue and/or allot Equity Shares arising out of exercise of Stock Options pursuant to the Employee Stock Option Scheme 2006 (ESOS-2006).

Committee for Residential Projects in Joint Venture

The Committee for Residential Projects in Joint Venture comprises of Mr. Arun Nanda, Mr. Shailesh Haribhakti and Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in Residential projects to be undertaken in Joint Venture.

Committee for Large Format Developments

The Committee for Large Format Developments comprises of Mr. Arun Nanda, Dr. Prakash Hebalkar and Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in large format development projects. During the year under review three meetings of the Committee were held on 6th June, 2011, 4th July, 2011 and 15th July, 2011. Mr. Nanda and Dr. Heblakar attended all the meetings. Ms. Arjundas could not attend any meeting.

8. General Shareholder Information

Thirteenth Annual General Meeting

Day / Date : Tuesday, 24th July, 2012
Time : 3.00 p.m.
Venue : Y.B. Chavan Centre,
Gen. Jagannathrao Bhonsle Marg,
Next to Sachivalaya Gymkhana,
Mumbai 400 021

Details of Annual/Extraordinary General Meetings held during past three years

Year	Date	Time	Venue
2009	24 th July, 2009 10 th AGM	10.30 a.m.	Y B Chavan Centre, Mumbai
2010	21 st July, 2010 11 th AGM	3.00 p. m	Y B Chavan Centre, Mumbai
2011	21 st July, 2011 12 th AGM	3.00 p. m	Y B Chavan Centre, Mumbai

Details of special resolutions passed in Annual/Extraordinary General Meetings held during past three years

10th AGM 24th July, 2009	<ul style="list-style-type: none"> For appointment and remuneration of Managing Director & Chief Executive Officer. For Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company.
11th AGM 21st July, 2010	<ul style="list-style-type: none"> No Special Resolution was passed at 11th AGM
12th AGM 21st July, 2011	<ul style="list-style-type: none"> Increase in borrowing limits Commission to Non-executive Directors

No Extraordinary General Meeting (EGM) was held during last three years. In last year, no special resolution was passed through postal ballot, however an ordinary resolution U/s 293 (1)(a) of the Companies Act, 1956 was passed through Postal Ballot. No special resolution is proposed to be conducted through postal ballot.

Dates of Book Closure

Saturday, 14th July, 2012 to Tuesday, 24th July, 2012 (both days inclusive)

Dividend Payment Date

Dividend, if declared, will be credited / dispatched between 25th July, 2012 and 30th July, 2012.

Financial Year

The financial year covers the period from 1st April to 31st March.

Financial reporting for 2012-13 (Tentative)

For Quarter ending- 30 th June, 2012	By end of July, 2012
For Half Year ending - 30 th September, 2012	By end of October, 2012
For Quarter ending - 31 st December, 2012	By end of January, 2013
For year ending - 31 st March, 2013	By end of April, 2013

Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fees have been paid to the Stock Exchanges for the period up to 31st March, 2013.

Mahindra Lifespace Developers Limited's (MLDL) Stock Exchange Codes

BSE 532313
NSE MAHLIFE

Demat International Security Identification Number (ISIN) in NSDL and CDSL for Equity Shares – INE813A01018

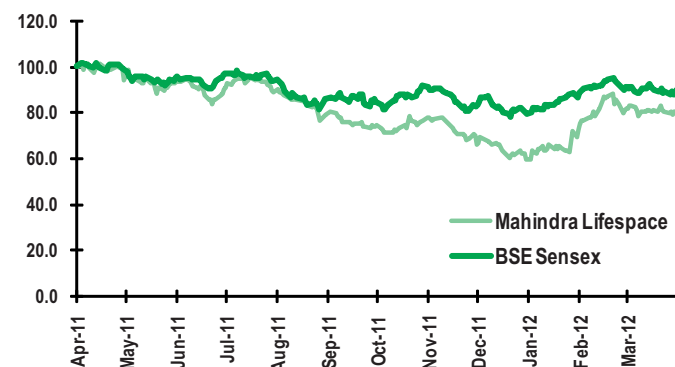
BSE and NSE – Monthly High / Low and Volumes

Year	Month	BSE			NSE		
		High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2011	April	425.00	370.30	133,785	426.90	372.40	492,263
2011	May	396.05	350.00	74,844	395.00	350.30	212,575
2011	June	385.00	330.00	41,528	384.90	332.25	1,463,840
2011	July	385.00	352.20	48,533	384.00	348.00	292,499
2011	August	361.50	300.00	593,122	369.00	303.00	458,544
2011	September	328.00	287.05	35,597	329.80	286.00	118,917
2011	October	316.00	281.00	48,383	319.80	277.50	124,796
2011	November	313.00	260.00	46,720	315.60	260.10	167,781
2011	December	276.00	235.00	241,401	280.75	236.40	281,289
2012	January	299.90	236.00	518,412	300.05	235.10	1,314,581
2012	February	356.95	286.50	507,082	356.90	286.00	1,011,880
2012	March	338.80	309.50	596,150	337.80	310.50	1,140,201

Performance in comparison to BSE – Sensex, NSE Nifty, BSE 500 Index and BSE Realty Index

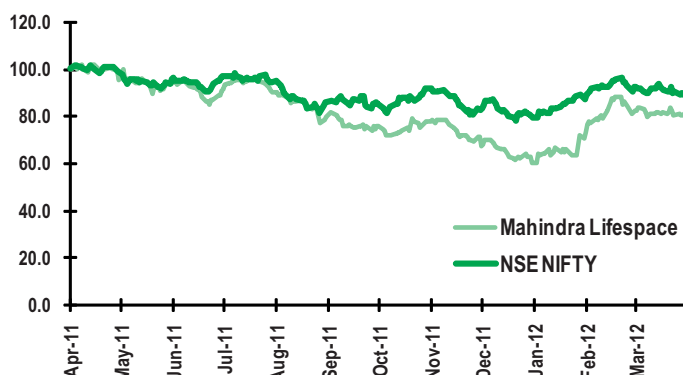
Year	Month	MLDL's Share's Closing Prices on BSE on the last trading day of the month (₹)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month	BSE 500 Index at the Close of last trading day of the month	BSE Realty Index at the Close of last trading day of the month
2011	April	373.15	19,135.96	5,749.50	7,427.14	2,180.10
2011	May	370.70	18,503.28	5,560.15	7,233.85	2,177.97
2011	June	359.85	18,845.87	5,647.40	7,265.32	2,019.84
2011	July	353.05	18,197.20	5,482.00	7,111.31	2,041.40
2011	August	314.15	16,676.75	5,001.00	6,487.22	1,739.58
2011	September	295.10	16,453.76	4,943.25	6,385.76	1,762.96
2011	October	309.05	17,705.01	5,326.60	6,763.26	1,919.68
2011	November	263.00	16,123.46	4,832.05	6,117.00	1,571.16
2011	December	236.35	15,454.92	4,624.30	5,778.68	1,375.65
2012	January	288.35	17,193.55	5,199.25	6,549.31	1,708.05
2012	February	323.15	17,752.68	5,385.20	6,857.28	1,955.60
2012	March	318.05	17,404.20	5,295.55	6,759.63	1,776.96

Chart A: Mahindra Lifespaces' Share Performance versus BSE Sensex



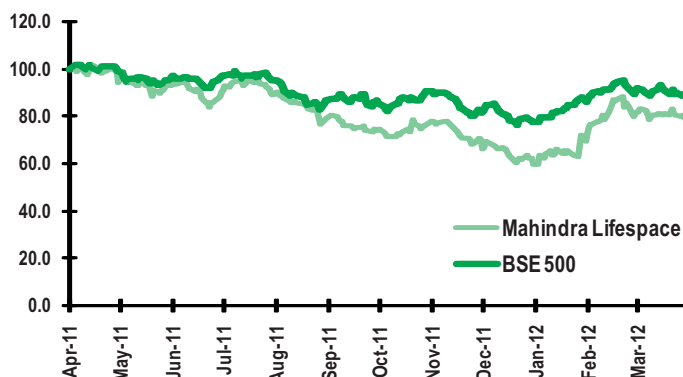
Note: Share price of Mahindra Lifespaces and BSE Sensex have been indexed to 100 on 1st April, 2011

Chart B: Mahindra Lifespaces' Share Performance versus NSE NIFTY



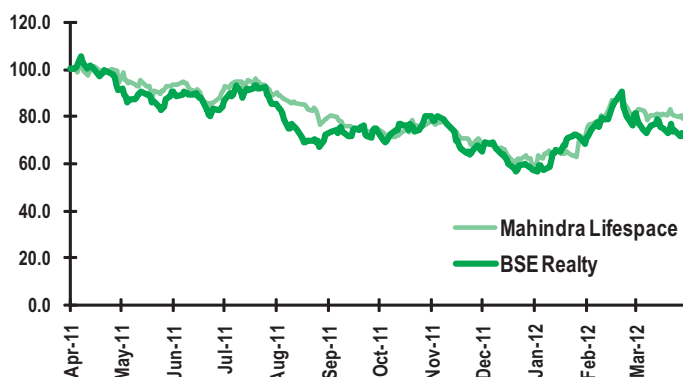
Note: Share price of Mahindra Lifespaces and NSE NIFTY have been indexed to 100 on 1st April, 2011

Chart C: Mahindra Lifespaces' Share Performance versus BSE 500



Note: Share price of Mahindra Lifespaces and BSE 500 have been indexed to 100 on 1st April, 2011

Chart D: Mahindra Lifespaces' Share Performance versus BSE Realty



Note: Share price of Mahindra Lifespaces and BSE Realty have been indexed to 100 on 1st April, 2011

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited

Registered Office

13 AB Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri -Kurla Road, Sakinaka,
Andheri (E), Mumbai-400 072
Tel: 022-67720300, 67720400
Fax: 022-28591568, 28508927
E-mail: sharepro@shareproservices.com
Website : www.shareproservices.com

Investor Relation Centre

Sharepro Services (India) Pvt. Limited
912, Raheja Centre,
Free Press Journal Road,
Nariman Point, Mumbai - 400 021.
Tel: 022-66134700

Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of documents, provided that, documents are valid and complete in all respects. With a view to expedite the process of share transfers, Ms. Anita Arjundas, Managing Director & Chief Executive Officer, Mr. Suhas Kulkarni, Company Secretary and Ms. Arti Shinde, Sr. Manager- Secretarial have been severally authorised by the Board to approve the transfer of shares in physical form, not exceeding 5,000 equity shares per transfer, provided that, the transferee does not hold 100,000 or more equity shares. As of date, there are no pending share transfers pertaining to the year under review.

Distribution of Shareholding as on 31st March, 2012

No. of Equity shares	No. of share-holders	% of shareholders	No. of shares held	% of shareholding
1 – 100	69,221	90.99	1,534,901	3.75
101 – 200	3,435	4.52	510,577	1.25
201 – 300	1,211	1.59	308,400	0.76
301 – 400	543	0.71	193,293	0.47
401 – 500	469	0.62	222,505	0.55
501 - 1,000	661	0.87	486,290	1.19
1,001 - 2,000	248	0.33	357,839	0.88
2,001 - 3,000	89	0.12	223,059	0.55
3,001 - 4,000	49	0.06	171,893	0.42
4,001 - 5,000	20	0.03	93,298	0.23
5,001- 10,000	41	0.05	274,423	0.67
10,001 & above	81	0.11	36,458,672	89.28
Total	76,068	100.00	40,835,150	100.00

Shareholding Pattern

Category	As on 31 st March, 2012		As on 31 st March, 2011	
	No. of Equity shares held	% of shareholding	No. of Equity shares held	% of shareholding
Promoter's and Promoter Group	20,846,126	51.05	20,846,126	51.05
Insurance Companies & Banks	448,830	1.10	448,839	1.10
UTI and Mutual Funds	1,973,709	4.83	2,294,512	5.62

Category	As on 31 st March, 2012		As on 31 st March, 2011	
	No. of Equity shares held	% of shareholding	No. of Equity shares held	% of shareholding
FII's	10,435,157	25.55	10,229,118	25.05
NRIs/OBC	195,033	0.48	197,207	0.48
Bank of New York Mellon (for GDR Holders)	86,070	0.21	86,070	0.21
Domestic Companies	2,036,699	4.98	2,430,975	5.45
Resident Individuals	4,813,526	11.80	4,302,303	10.54
Total	40,835,150	100	40,835,150	100.00

Dematerialisation of Shares

As of 31st March, 2012, 40,099,582 shares (98.20%) of total paid-up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are traded in the electronic form. Requests for dematerialisation of shares are generally processed and confirmed within 7 days.

Outstanding GDRs/ ADRs /Warrants or any convertible instruments, conversion date and likely impact on equity

As of 31st March, 2012 outstanding GDR's represent 86,070 equity shares. Since the underlying equity shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the equity share capital of the Company.

Offices of the Company

Registered Office

5th Floor, Mahindra Towers,
Worli, Mumbai - 400 018
Tel: 022-33273000 / 39493300

Regional Office – West

Chemtex House, Ground Floor, Main Street Road,
Hiranandani Gardens, Powai, Mumbai 400 076
Tel: 022- 33273191 / 99

Regional Office – North:

Mahindra Towers, 2A, Bhikaji Cama Place,
New Delhi -110 066
Tel: 011-26173787/26194977

Regional Office – South:

The Canopy, II Floor, Unit.No-II
Mahindra World City, Special Economic Zone,
Natham Sub P.O., Near Paranur Rly Station
Chengelpet-603 002, Tamil Nadu
Tel: 044-43510000

Branch office – Pune:

CTS 6017, Nehru Nagar Road,
Pimpri, Pune 411 018. Maharashtra

Branch Office – Hyderabad:

Lorven Arcade, 1st Floor,
Indraredy Allwyn Colony,
Miyapur – Hi-tech City Road
Miyapur, Hyderabad 500 049
Tel: 040 - 40258480

Shareholders may correspond with the Company at its Registered Office and/or with the Registrars and Share Transfer Agents, Sharepro Services (I) Pvt. Limited.

Compliance Officer

Mr. Suhas Kulkarni
Company Secretary
Mahindra Lifespace Developers Limited
5th Floor, Mahindra Towers,
Worli, Mumbai - 400 018
Tel: 022-33273000 / 39493300
Fax: 022-24975084
E-mail: kulkarni.suhas@mahindralifespaces.com

Company's investor email ID

investor@mahindralifespaces.com

Company's website

www.mahindralifespaces.com

Status of Investors Complaints received during the period 1st April, 2011 to 31st March, 2012

1.	Number of complaints received from the investors comprising non-receipt of dividend, non-receipt of shares lodged for transfer, non-receipt of Annual Report, etc	6
2.	Number of complaints resolved	6
3.	Complaints pending as at 31 st March, 2012	Nil
4.	Number of share transfers pending for approval as at 31 st March, 2012	Nil

9. Disclosure of Accounting Treatment

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and the Rules framed thereunder.

10. Materially Significant Related Party Transactions

During the financial year 2011-12, there were no materially significant Related Party transactions entered into between the Company and its Promoters, Directors or the Management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Details of Related Party transactions are presented in Note No.35 to Annual Accounts of the Annual Report.

11. Compliance with Clause 49

Mandatory Requirements

As of 31st March, 2012, the Company was fully compliant with all applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

- The Company has set up the Remuneration Committee of the Board of Directors, the details of which have been provided under the section "Committees of the Board".
- The financial statements of the Company are unqualified.
- The Company has not adopted other non-mandatory requirements as specified in Annexure 1 D of the Clause 49.

12. Management Discussion and Analysis Report

Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

13. Corporate Governance Voluntary Guidelines 2009

In December, 2009 the Government of India, Ministry of Corporate Affairs ("MCA") had issued Corporate Governance Voluntary Guidelines 2009. MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by Corporates and may be voluntarily adopted by public companies with the objective to enhance not only the economic value of the enterprise but also the value for every stakeholder who has contributed in the success of the enterprise and set a global benchmark for good Corporate Governance. MCA after taking into account the experience of adoption of these guidelines by Corporates and after consideration of the feedback received from them would review these guidelines for further improvements. The Company has been a strong believer in good corporate governance and has been adopting the best practices that have evolved over the last decade.

As of 31st March, 2012, the Company is compliant with some of the Voluntary Guidelines to the extent that they are consistent with provision of Clause 49 of Listing Agreement.

14. Other Disclosures

Details of Non-compliance Relating to Capital Markets

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company's equity shares.

Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made while dealing with shares of the Company and caution them of the consequences of violations.

Risk Assessment and Minimisation procedures are in existence and are reviewed periodically.

Material Non-listed Indian Subsidiary Company

As of 31st March, 2012, none of the subsidiary companies was a 'Material Non-listed Indian Subsidiary Company' under Clause 49 of the Listing Agreements with the Stock Exchanges. The Audit Committee of the Company periodically reviews the financial statements of subsidiary companies.

Means of Communication

The quarterly, half-yearly and yearly results are published in daily English and daily Marathi newspapers within prescribed timelines. The Company also informs stock exchanges in a prompt manner, about all price sensitive information or such other matters which in its opinion, are material and relevant to the shareholders and subsequently issues a press release on the said matters. Further, the Company has also been complying with the listing requirement for filing of its financial results with BSE and NSE. The Company's results, official presentations, news and releases are displayed on the Company's website www.mahindralifespaces.com

Declaration on Codes of Conduct

As required by Clause 49 of the Listing Agreement the Declaration for Codes of Conduct is given below:

To
The Members of
Mahindra Lifespace Developers Limited

I, Anita Arjundas, Managing Director & Chief Executive Officer of the Company declare that all Board Members and Senior Management and Employees of the Company have affirmed compliance with the Codes of Conduct.

For **Mahindra Lifespace Developers Limited,**

Anita Arjundas
Managing Director & Chief Executive Officer

Mumbai, 27th April, 2012

Auditors' Certificate on Corporate Governance

To
The Members of
Mahindra Lifespace Developers Limited, Mumbai

1. We have examined the compliance of the conditions of Corporate Governance by Mahindra Lifespace Developers Limited ('the Company') for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. The financial statements and other matters prescribed in para V of Clause 49 of the Listing Agreement, which are required to be certified by the Chief Executive Officer & CFO, have been certified by the Managing Director & Chief Executive Officer and the Vice President – Finance & Accounts of the Company respectively, on account of vacancy of CFO position as on the date of signing of the financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

5. We state that in respect of investor grievance during the year ended 31st March, 2012, no grievances are pending for period exceeding one month against the Company as per the records maintained by the Shareholder's & Investor's Grievances Committee.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

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

Padmini Khare Kaicker
Partner
M. No. 44784

Mumbai
Dated: 27th April, 2012

AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **Mahindra Lifespace Developers Limited** as at 31st March 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have 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 the books.
 - c) The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) Without qualifying our opinion, we draw attention to:
 - i. Note No. 11 of the accounts wherein by relying on the management representation no provision on investment has been made for investment of ₹ 1,800 lakh in Mahindra Infrastructure Developers Limited (100 % subsidiary of the company).
 - ii. Note No. 14(#), 17(*), 18(#) of the accounts, we have relied on management representation, due to the resolution of matter being dependent on future events whose outcome is not known, regarding realisability of construction work in progress, project advances and interest accrued thereon of ₹ 7,146.11 lakh on account of a project, where commencement of construction has been delayed on account of a dispute between the land owner and the Company, which is referred to arbitration.
 - iii. Note No.29 of the accounts regarding reliance on management owing to the technical nature of estimates of the percentage of completion, costs to completion and the projections of revenues expected from projects and realisability of Construction work in progress.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
 - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

B. K. Khare and Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

M. No. 44784
Firm Registration No. 105102W

Mumbai
Dated: April 27, 2012

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of Mahindra Lifespace Developers Limited ended 31st March, 2012.

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
- (iii) In our opinion, the disposal of fixed assets during the year does not affect the going concern assumption.
- 2) The Management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-para (iii) of para 4 of the Order is not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
- 5) (i) In our opinion and according to the information and explanations given to us, there were no transactions with any party that needed to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
- (ii) As there are no transactions exceeding value of ₹ Five lakh in case of any party that need to be entered in the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order regarding reasonability of price of which such transactions have been entered is not applicable.
- 6) On our verification and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- 7) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business.
- 8) As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company. On our verification and as per information and explanation given to us such accounts and records have been made and maintained.
- 9) (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.
- (ii) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute, other than disputed Income Tax demand as under:

Sr. No.	Assessment Year	Nature of Dues	Amount ₹ in lakh	Forum where case is pending
1	2008-09	Income Tax	678.82	Income Tax Appellate Tribunal
2	2007-08	Income Tax	360.59	Income Tax Appellate Tribunal
3	2006-07	Income Tax	13.67	Income Tax Appellate Tribunal
4	2005-06	Penalty	28.74	Income Tax Appellate Tribunal

- 10) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks.

- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.
- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act
- 15) 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, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) The company has applied term loans for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term purposes.
- 18) There is no preferential allotment of shares during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not made any public issue of its shares during the year.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
B. K. Khare and Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

M. No. 44784

Firm Registration No. 105102W

Mumbai

Dated: April 27, 2012

Balance Sheet as at 31st March, 2012

	Notes	Current Year ₹ in lakh	Previous Year ₹ in lakh
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital.....	2	4,083.52	4,083.52
Reserves & Surplus.....	3	107,931.98	98,744.06
		112,015.50	102,827.58
Non Current Liabilities			
Long Term Borrowings.....	4	10,983.00	10,000.00
Deferred Tax Liabilities(Net)	5	-	87.85
Long Term Provisions	6	72.40	58.13
		11,055.40	10,145.98
Current Liabilities			
Trade Payables	7	11,037.77	5,828.44
Other Current Liabilities	8	10,641.81	9,218.34
Short Term Provisions	9	4,076.23	3,720.43
		25,755.81	18,767.21
TOTAL		148,826.71	131,740.77
ASSETS			
Non Current Assets			
Fixed Assets :	10		
Tangible Assets		2,907.05	3,095.03
Intangible Assets		0.00	97.17
		2,907.05	3,192.20
Non Current Investments.....	11	32,013.29	29,788.25
Deferred Tax Assets (Net)	5	32.31	-
Other Non Current Assets	12	275.20	204.06
		35,227.85	33,184.51
Current Assets			
Current Investments	13	12,846.79	6,426.20
Inventories	14	23,356.84	16,870.39
Trade Receivables	15	8,828.02	14,886.07
Cash & Cash Equivalents	16	12,725.87	20,280.81
Short-term loans and advances	17	46,352.78	33,304.96
Other Current Assets.....	18	9,488.56	6,787.83
		113,598.86	98,556.26
TOTAL		148,826.71	131,740.77
Notes on Financial Statements	1 to 37		

As per our Report attached hereto

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

Padmini Khare Kaicker
Partner

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director

Managing Director & CEO

Mumbai : 27th April, 2012

Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	Current Year ₹ lakh	Previous Year ₹ in lakh
INCOME			
Income from Operations	19	46,895.23	47,656.17
Other Income	20	5,217.43	3,028.53
		52,112.66	50,684.70
EXPENDITURE			
Operating Expenses	21	30,198.57	31,367.39
Employee Benefits	22	2,093.62	1,593.56
Administration & Other Expenses	23	2,499.75	2,420.82
Finance Cost	24	297.47	115.85
Depreciation & Amortization Expenses		268.02	250.47
		35,357.43	35,748.09
Profit before Tax		16,755.23	14,936.61
Less : Provision for Current Tax		4,859.31	4,727.50
Less : Provision for Deferred Tax		(120.16)	(95.51)
Profit after Tax		12,016.08	10,304.62
Basic Earnings Per Share		29.43	24.94
Diluted Earnings Per Share		29.43	24.94
Notes on Financial Statements	1 to 37		

As per our Report attached hereto

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Cash Flow Statement for the year ended 31st March, 2012

	Current Year ₹ in lakh	Previous Year ₹ in lakh
A. Cash flow from operating activities		
Net Profit Before Tax	16,756.25	14,936.61
Adjustments for:		
Depreciation and Amortisation Expenses	268.02	250.47
Provision for diminution in value of investments.....	-	112.00
Provision for Doubtful debts	-	111.16
Profit on sale of current investments	-	(0.08)
Amortisation of Employee stock option expense.....	19.40	19.46
Considered separately:		
Interest Income	(2,516.50)	(1,466.75)
Finance Cost	1,656.14	115.85
Dividend Income	(1,649.18)	(1,071.93)
(Profit)/Loss on sale of Fixed assets (net).....	(472.01)	0.63
Operating Profit Before Working Capital Changes.....	14,062.12	13,007.42
Adjustments for :		
Trade and Other Receivables	(2,325.75)	(18,141.10)
Inventories.....	(6,487.46)	11,926.82
Trade Payables and Other Liabilities	330.79	1,673.41
Cash Generated from Operations.....	5,579.70	8,466.55
Income taxes (paid) / received	(4,745.10)	(4,433.30)
Net Cash (used in) / from operating activities	834.60	4,033.25
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(121.36)	(219.17)
Proceeds from sale of Fixed Assets	610.55	12.89
Proceeds /(Investments) in others (Net).....	(6,420.60)	4,998.72
Investment in subsidiaries	(2,225.04)	(370.00)
Interest received.....	2,102.73	1,219.17
Dividend received.....	1,649.18	1,071.93
Deposits / Advances with Companies	(7,839.82)	(6,127.22)
Net Cash (used in) / from investing activities.....	(12,244.36)	586.32

Cash Flow Statement for the year ended 31st March, 2012 (Contd.)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
C. Cash flow from financing activities		
Increase in borrowings	7,000.00	10,000.00
Finance Cost Paid	(1,475.20)	(112.70)
Dividend Paid	(2,372.98)	(1,908.43)
Redemption of preference shares	-	(1,000.00)
Issue of share capital	-	2.60
Share Premium Proceeds	-	108.68
Net Cash (used in) /from financing activities	3,151.82	7,090.15
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,257.94)	11,709.72
Cash and Cash Equivalents (Opening)	19,886.78	8,177.06
Cash and Cash Equivalents (Closing).....	11,628.84	19,886.78

As per our Report attached hereto

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Notes annexed to and forming part of Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended 31st March, 2012.

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Presentation and Disclosure of Financial Statements

During the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Assets & liabilities have been classified as Current & Non – Current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

The Company has also reclassified / regrouped the previous year figures in accordance with the requirements applicable in the current year.

b) Accounting Convention:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

c) Use of Estimates:

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

d) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case of construction. The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Depreciation on fixed assets is provided, on prorata basis, on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for:

1. Furniture & Fixtures, Plant & Machinery and Computers, individually costing more than ₹ 5,000, which are depreciated over their estimated useful lives of 5 years,
2. Vehicles at 15 % per annum of cost, and
3. Leasehold improvements are amortised over the period of lease.

e) Intangible Assets:

All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed.

Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months.

f) Investments:

Investments are classified into Non-Current and Current Investments.

Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-Current Investment is made to recognize a decline, other than of a temporary nature.

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

g) Inventories:

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

h) Revenue Recognition:

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

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which is generally with the firmity of the sale contracts/agreements.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

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

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

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

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

i) Employee benefits:**(i) Defined Contribution Plans**

Company's contributions paid / payable during the year to Provident Fund and Superannuation Fund are recognised in the Statement of Profit and Loss.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straightline basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.**j) Borrowing Costs:**

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

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

k) Provision for taxation:

Tax expense comprises both current and deferred tax.

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

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

l) Segment Information:

The Company operates in three main segments; namely, Projects, Project Management and Development activities, Operating of commercial complexes and Business Centers. The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

m) Provisions and Contingent Liabilities

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

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

n) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Sharebased Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

2) Share Capital and Warrants:

		Current Year ₹ in lakh	Previous Year ₹ in lakh
Authorised			
50,000,000	(Previous year 50,000,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
6,500,000	(Previous year 6,500,000) Preference Shares of ₹ 100 each	6,500.00	6,500.00
6,000,000	(Previous year 6,000,000) Unclassified Shares of ₹ 10 each	600.00	600.00
		12,100.00	12,100.00
Issued			
40,880,501	(Previous year 40,880,501) Equity Shares of ₹ 10 each	4,088.05	4,088.05
1,000,000	(Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference Shares of ₹ 100 each	1,000.00	1,000.00
		5,088.05	5,088.05
Subscribed and Paid-up			
40,835,150	(Previous year 40,835,150) Equity Shares of ₹ 10 each fully paid up	4,083.52	4,083.52
		4,083.52	4,083.52

a) Reconciliation of number of shares

	Current Year		Previous Year	
	No of Shares	₹ in lakh	No of Shares	₹ in lakh
Equity Shares				
Balance as at the beginning of the year	40,835,150	4,083.52	40,809,150	4,080.92
Addition due to exercise of ESOP	-	-	26,000	2.60
Balance as at the end of the year	40,835,150	4,083.52	40,835,150	4,083.52
Preference Shares				
Balance as at the beginning of the year	-	-	1,000,000	1,000.00
Redemption of Preference share	-	-	(1,000,000)	(1,000.00)
Balance as at the end of the year	-	-	-	-

b) Shares held by holding company

	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
Equity Shares				
20,846,126 shares (Previous Year- 20,846,126 shares held by Mahindra & Mahindra Limited)	20,846,126	51.05%	20,846,126	51.05%

c) **Details of shares held by shareholders including Holding Company, holding more than 5% of the aggregate shares in the Company**

Equity Shares	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
Mahindra & Mahindra Limited (Holding Company).....	20,846,126	51.05%	20,846,126	51.05%
Amansa Investments Limited.....	2,434,599	5.96%	-	-
Small Cap World Fund, INC	2,157,380	5.28%	2,157,380	5.28%

d) **Shares reserved for issue under options**

Refer note 22(#) for details of shares to be issued under the Employee Stock Option Plan

e) The allotment of 45,351 (Previous Year 45,351) Equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

3) **Reserves & Surplus**

Capital Redemption Reserve

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Balance as at the beginning of the year	7,353.58	6,353.58
Add:- Transfer from General Reserve	-	1,000.00
Add:- Transfer from Profit & Loss Account		
Balance as at the end of the year	7,353.58	7,353.58

Share Premium Account

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Balance as at the beginning of the year	67,664.79	67,556.11
Add: Premium on shares issued during the year	-	108.68
Balance as at the end of the year	67,664.79	67,664.79

General Reserve

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Balance as at the beginning of the year	2,012.62	1,982.15
Add:- Transfer from Profit & Loss Account.....	1,201.71	1,030.47
Less:- Transfer to Capital Redemption Reserve	-	1,000.00
Balance as at the end of the year	3,214.33	2,012.62

Employee Stock Option Outstanding

A) Employee Stock Option Outstanding:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Opening Balance	107.11	107.11
Add: Fresh grants of options	-	-
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing balance	107.11	107.11

Less:

B) Deferred Employee Compensation Expenses :

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Opening Balance	46.62	66.94
Add: Fresh grants of options	-	-
Less: Transfer to Employee Compensation / Options Lapsed	(19.40)	(20.32)
Closing balance	27.22	46.62
Balance as at the end of the year	79.89	60.49

Surplus in the Statement of Profit & Loss

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Balance as at the beginning of the year	21,652.58	14,865.93
Profit for the year	12,016.08	10,304.62

3) Reserves & Surplus (Contd.)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Less: Appropriations		
Proposed Dividend		
On Equity Shares	2,450.11	2,042.63
On Preference Shares	-	-
Tax on distributed profit	397.45	331.37
Excess Tax of previous year written back	-	(5.92)
Interim Preference Dividend	-	102.41
Tax on Interim Dividend	-	17.01
Transfer to General Reserve	1,201.71	1,030.47
Balance as at the end of the year	29,619.39	21,652.58
	107,931.98	98,744.06

4) Long Term Borrowings

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Secured Loans		
Term Loan		
From Banks*#	10,983.00	10,000.00
	10,983.00	10,000.00

*** Nature of Security**

Secured borrowings are secured by a pari-passu charge on immovable properties of the company and are also secured by pari-passu charge on specified movable and current assets of the company, both present and future.

Terms of Repayment

The said loan amount is repayable quarterly on prorated basis after one year starting from June 30, 2013. Interest is payable on monthly basis.

5) Deferred Tax Liability/Asset(Net)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Deferred Tax Liability		
Relating to :		
Difference between book and tax depreciation	768.95	853.59
Deferred Tax Asset		
Relating to :		
Provision for impairment in asset value	502.95	514.96
Expenses allowable on actual payment	298.31	250.78
	801.26	765.74
Deferred Tax Liability(Net)	-	87.85
Deferred Tax Asset(Net)	32.31	-

6) Long Term Provisions

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee benefits		
- Provision for Gratuity	11.44	-
- Provision for compensated absences	60.96	58.13
	72.40	58.13

7) Trade Payables

	Current Year ₹ in lakh	Previous Year ₹ in lakh
-Trade Payables - Micro & Small Enterprises*	-	-
-Trade Payables - Others	11,037.77	5,828.44
	11,037.77	5,828.44

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

8) Other Current Liabilities

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Maturity of Long Term Borrowings#	6,017.00	-
Advances and Deposits	2,795.73	7,930.64
Unclaimed Dividends*	46.43	33.08
Interest accrued but not due	184.09	3.15
Other Liabilities	1,598.56	1,251.47
	10,641.81	9,218.34

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

The current maturity of long term borrowings is repayable during the next financial year.

9) Short Term Provisions

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Employee benefits		
-Provision for Gratuity	38.85	40.27
-Provision for compensated absences	48.03	39.54
Others		
Defect Liabilities / Warranties	118.79	244.64
Proposed Dividend	2,450.11	2,041.76
Provision for tax on Proposed Dividend	397.45	331.22
Provision for Losses to project Completion*	1,023.00	1,023.00
	3,989.35	3,640.62
	4,076.23	3,720.43

* The Company has, in case of certain projects, provided for ₹ 1,023.00 lakh (previous year ₹ 1,023.00 lakh) as provision for losses to project completion. The amount has been determined using best estimates with regard to percentage of completion, foreseeable costs to completion and revenues from the project activity. However, considering future business scenario, inflation in construction costs and market movement causing changes in realisations, which cannot be presently quantified, the final outcome may differ from that presently estimated. The probability and the timing of the outflow with regard to this matter depends on the completion of the project and conclusion of the arbitration proceedings.

10) Fixed Assets

₹ in lakh

Particulars	COST			DEPRECIATION				NET BLOCK		
	As at March 31, 2011	Additions	Deductions	As at March 31, 2012	Up to March 31, 2011	Deductions	For the Year	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets:										
Land	184.74	-	55.70	129.04	-	-	-	-	129.04	184.74
Building	3,597.96	-	99.37	3,498.59	984.71	24.51	58.28	1,018.48	2,480.11	2,613.25
Furniture & Fixtures	62.72	7.00	-	69.72	57.93	-	3.90	61.83	7.89	4.79
Plant & Machinery	160.98	9.15	4.39	165.74	125.20	3.99	13.68	134.89	30.85	35.78
Computers	283.70	32.43	0.39	315.74	204.01	0.07	35.98	239.92	75.82	79.69
Vehicles	150.54	70.59	26.78	194.35	53.36	19.57	24.61	58.40	135.95	97.18
Leasehold improvements	101.35	2.19	-	103.54	21.75	-	34.40	56.15	47.39	79.60
SUB TOTAL	4,541.99	121.36	186.63	4,476.72	1,446.96	48.14	170.85	1,569.67	2,907.05	3,095.03
Previous Year	4,348.24	219.18	25.43	4,541.99	1,305.57	11.91	153.30	1,446.98	3,095.04	3,042.67
Intangible assets:										
Software Expenditure	289.52	-	-	289.52	192.35	-	97.17	289.52	0.00	97.17
SUB TOTAL	289.52	-	-	289.52	192.35	-	97.17	289.52	0.00	97.17
Previous Year	289.52	-	-	289.52	95.18	-	97.17	192.35	97.17	194.34
Total	4,831.51	121.36	186.63	4,766.24	1,639.31	48.14	268.02	1,859.19	2,907.05	3,192.20
Previous year total	4,637.76	219.18	25.43	4,831.51	1,400.75	11.91	250.47	1,639.31	3,192.20	3,237.01

11) Non Current Investments

	Face Value ₹	Number of shares	Current Year ₹ in lakh	Previous Year ₹ in lakh
Non Current Investments (At Cost) Unquoted, Trade				
Equity Shares				
In Subsidiary Companies				
Mahindra Infrastructure Developers Limited	10	18,000,000	1,800.00	1,800.00
Mahindra World City Developers Limited	10	16,524,993	2,254.51	2,254.51
Mahindra World City (Jaipur) Limited	10	111,000,000	11,100.00	10,730.00
(3,700,000 Shares acquired during the year)				
Mahindra World City (Maharashtra) Limited	10	1,170,400	117.04	112.00
(50,400 Shares acquired during the year)				
Mahindra Integrated Township Limited	10	37,000,000	3,700.00	3,700.00
Knowledge Township Limited	10	21,000,000	2,100.00	2,100.00
Mahindra Bebanco Developers Limited	10	35,000	3.50	3.50
Industrial Township (Maharashtra) Limited	10	5,000,000	500.00	500.00
Raigad Business and Industrial Park Limited	10	50,000	5.00	5.00
Watsonia Developers Limited	10	50,000	5.00	5.00
Anthurium Developers Limited	10	50,000	5.00	5.00
			21,590.05	21,215.01
In Others				
Deepmangal Developers Private Limited	100	177	284.61	284.61
New Tirupur Area Development Corporation Limited	10	500,000	50.63	50.63
Mahindra Knowledge Park (Mohali) Limited	10	6	0.00	0.00
			335.24	335.24
Preference Shares				
In Subsidiary Companies				
Mahindra World City Developers Ltd.	100	6,500,000	6,500.00	6,500.00
(6% Cumulative Redeemable Preference Shares)				
Mahindra World City Jaipur Limited	10	37,000,000	3,700.00	1,850.00
(8% Redeemable Cumulative Preference Shares)			10,200.00	8,350.00
(18,500,000 Shares acquired during the year)				
In Others				
Mahindra Knowledge Park (Mohali) Limited	10	50,000	5.00	5.00
(7% Non Cumulative Redeemable			5.00	5.00
Participating Optionally Convertible Preference Shares)				
			32,130.29	29,905.25
Less : Provision for diminution in value of investments			(117.00)	(117.00)
			32,013.29	29,788.25

In the opinion of the Management, no loss is expected to arise in respect of other long term investments for which an additional provision is required to be made in the accounts.

The Company has made investment in equity shares of ₹ 180,000,000 in the wholly owned subsidiary Mahindra Infrastructure Developers Limited ("MIDL"). MIDL has further invested ₹ 150,000,000 in the equity shares of New Tirupur Area Development Corporation Limited (NTADCL). Due to adverse business conditions, NTADCL has been making losses and there has been an erosion in the net worth of NTADCL. The various steps taken by the stakeholders such as infusion of equity capital, debt restructuring, increase in tariff rates of water etc and various other concessions from Tamil Nadu Government will lead to a turnaround in the operations of NTADCL and improve its financial position. Thus in view of the management there is no permanent diminution in the value of the investments in NTADCL and in the value of the investments in MIDL.

12) Other Non Current Assets**Bank Balances**

Long Term Deposits with Banks having maturity more than 12 months
(Fixed deposit of ₹ 43.68 lakh (Previous year- ₹ 204.06 lakh) is against Margin
Monies with banks for Bank Guarantee)

Current Year ₹ in lakh	Previous Year ₹ in lakh
275.20	204.06
275.20	204.06

13) Current Investments

**Current Investments, Unquoted, Non Trade
(At lower of cost and fair value)
In Units of Mutual Fund
Redeemed during the year**

	Number of units	Current Year ₹ in lakh	Previous Year ₹ in lakh
BSL Savings Fund - Instl - Daily Dividend.....	26,147,866	-	2,616.56
JP Morgan India Treasury Fund - Super Institutional Plan Daily Dividend.....	19,010,913	-	1,902.78
JM High Liquidity Fund - Daily Dividend.....	14,036,030	-	1,405.92
DSP Blackrock Liquidity Fund - Daily Dividend	50,078	-	500.94

Acquired during the year

JP Morgan India Treasury Fund - Super Institutional Plan Daily Dividend.....	43,313,047	4,335.16	
L&T Ultra Short Term Fund- Daily Dividend	34,865,596	3,540.67	
JM Money Manager Super Plus - Institutional - Daily Dividend...	35,642,955	3,566.18	
Religare Liquid Fund Super Institutional - Daily Dividend	140,368	1,404.78	
		12,846.79	6,426.20

a) Mutual Fund Units purchased and sold during the year are as under:

	Current Year		Previous Year	
	No of Units	₹ in lakh	No of Units	₹ in lakh
DWS Ultra Short Term Fund - Institutional - Dividend Reinvestment.....	21,016,870.31	2,105.45	20,717,443.18	2,075.45
Birla Sun Life Savings Fund - Institutional - Dividend Reinvestment.....	41,915,207.00	4,194.37	41,971,459.41	4,200.00
Tata Floater Fund - Dividend Reinvestment	-	-	23,408,959.22	2,349.23
UTI - Treasury Advantage Fund - Institutional - Dividend Reinvestment.....	902,430.75	9,026.24	158,624.52	1,586.58
Kotak Floater Long Term Fund - Dividend Reinvestment.....	-	-	12,332,717.27	1,243.11
JM High Liquidity Fund - Super Institutional - Dividend Reinvestment.....	39,029,883.82	3,909.43	30,097,251.82	3,014.69
JM Money Manager Fund - Super Plus - Dividend Reinvestment.....	14,533,197.31	1,454.09	30,858,206.75	3,087.46
ICICI Pru Flexible Income Plan Premium - Dividend Reinvestment.....	-	-	1,488,646.02	1,574.02
ICICI Prudential Liquid Plan - Super Institutional - Dividend Reinvestment.....	-	-	2,632,358.29	2,632.95
BNP Paribas Overnight Fund - Dividend Reinvestment.....	-	-	10,010,730.48	1,001.37
UTI - Liquid Cash Plan - Institutional - Dividend Reinvestment.....	-	-	138,474.05	1,411.67

	Current Year		Previous Year	
	No of Units	₹ in lakh	No of Units	₹ in lakh
DSP Blackrock Floating Rate Fund - Dividend Reinvestment.....	-	-	144,502.82	1,445.82
DSP Blackrock Liquidity Fund - Dividend Reinvestment.....	106,751.24	1,067.85	102,622.90	1,026.55
DWS Insta Cash Plus - Super Institutional - Dividend Reinvestment.....	-	-	10,903,779.52	1,093.69
Sundaram Ultra Short Term Fund - Super Institutional - Dividend Reinvestment	128,525,194.54	12,900.07	-	-
Kotak Flexi Debt Fund - Dividend Reinvestment	2,003,969.75	201.35	-	-
ICICI Pru Flexible Income Plan Premium - Dividend Reinvestment.....	1,457,270.62	1,540.85	-	-
JP Morgan India Treasury Fund - Super Institutional - Dividend Reinvestment.....	29,973,323.74	3,000.00	-	-
L&T Ultra Short Term Fund - Dividend Reinvestment.....	41,079,158.80	4,171.67	-	-
	320,543,257.88	43,571.37	184,965,776.24	27,742.60

14) Inventories

(At lower of cost and net realisable value)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Raw material.....	444.00	415.65
Stock-in-trade	76.98	409.28
Construction Work in Progress*#.....	22,835.86	16,045.46
	23,356.84	16,870.39

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

Construction Work-in-Progress include ₹ 765.87 lakh (previous year ₹ 765.87 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

15) Trade Receivables

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Outstanding over six months		
Considered Good	1,131.45	605.53
Considered Doubtful.....	111.16	111.16
	1,242.61	716.69
Other debts		
Considered Good	7,696.57	14,280.54
Considered Doubtful.....	-	-
	7,696.57	14,280.54
Less: Provision for Doubtful Debts.....	(111.16)	(111.16)
	8,828.02	14,886.07

16) Cash & Cash equivalents

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Cash on hand	0.09	2.54
Bank Balance		
- In Current Accounts*	6,285.07	12,525.66
- In Deposit Accounts (less than 3 months maturity)	5,343.68	7,358.59
(Fixed deposit of ₹ 286.92 lakh (Previous year- ₹ 276.49 lakh) is against Margin Monies with banks for Bank Guarantee)		
	11,628.84	19,886.79
Other Bank Balances		
Long Term Deposits with maturity more than 3 months but less than 12 months (Fixed deposit of ₹ 201.74 lakh (Previous year- ₹ 214.02 lakh) is against Margin Monies with banks for Bank Guarantee)	1,097.03	394.02
	12,725.87	20,280.81

* Balance with Banks includes Unclaimed Dividend of ₹ 46.43 lakh (Previous Year 33.08 lakh)

17) Short Term Loans & Advances**(Unsecured, Considered Good, Unless otherwise stated)**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Loans and advances to related parties		
- Considered good	21,630.02	19,311.27
- Considered doubtful	-	-
Less: Allowance for doubtful loans and advances	-	-
	21,630.02	19,311.27
Other Loans & Advances		
- Considered good*	21,760.87	10,811.29
- Considered doubtful	121.25	121.25
	21,882.12	10,932.54
Less : Provision for doubtful loans & advances	(121.25)	(121.25)
	21,760.87	10,811.29
Intercompany Deposits	174.04	174.04
Advance payment of Income tax (net of Provision for tax ₹ 16,469.69 lakh, Previous year ₹ 11,656.06 lakh)	1,401.46	1,515.67
Staff Loans and Advances	10.53	8.97
Deposits	1,375.86	1,483.72
	46,352.78	33,304.96

* Other Loans & Advances include ₹ 4,205.26 lakh (previous year ₹ 4,205.26 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

18) Other Current Assets**(Unsecured, Considered Good, Unless otherwise stated)**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest accrued on Project advances*#.....	4,070.32	4,070.32
Less: Provision for impairment in asset value.....	(1,550.15)	(1,550.15)
	2,520.17	2,520.17
Interest accrued - Others.....	1,371.16	957.40
(including ₹ 1,206.82 lakh, (Previous year ₹ 814.76 lakh) due from subsidiaries)		
Unbilled Revenue	5,597.23	3,310.26
	9,488.56	6,787.83

* Interest accrued thereon represents the amounts recoverable from the proceeds of projects undertaken/financed by the Company as per the contracted terms. The advances as well as the interest thereon are considered good and fully recoverable based on *inter-alia* estimates and projections by the Company of the project costs and revenues.

Interest accrued include ₹ 2,174.98 lakh (previous year ₹ 2,174.98 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

19) Operating Income

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Income from Projects.....	45,191.75	46,165.40
Project Management Fees	257.80	-
Income from Operation of Commercial Complexes.....	1,256.08	1,228.52
Business Centre Revenues	-	262.25
Profit on Sale of Properties	189.60	-
	46,895.23	47,656.17

20) Other Income

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest Income		
- On Inter Corporate Deposits	1,673.64	972.82
- On Bank Deposits	433.33	468.58
- Others.....	409.53	25.34
Dividend on Long Term Investments-Trade (Subsidiary)	555.25	677.29
Dividend on Current Investments-Non Trade.....	1,093.93	394.64
Profit on sale of Current investments-Non Trade	-	(0.08)
Profit on sale of Fixed assets	283.32	0.33
Miscellaneous Income	768.43	489.61
	5,217.43	3,028.53

21) Operating expenses

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Opening Stock		
- Stock in trade	409.28	732.27
- Work-in-progress	16,045.46	27,699.40
- Raw Material	415.65	364.53
	16,870.39	28,796.20

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Add: Expenses incurred during the year :		
Premium for Development Rights	12,535.14	2,851.51
Architect Fees.....	972.92	493.20
Preliminaries & Site Expenses	466.85	464.17
Civil, Electrical, Contracting etc.	19,198.33	12,887.23
Overheads allocated.....	832.64	672.45
Interest allocated	1,358.67	-
Payment to Local Agencies	87.98	492.82
Insurance	13.26	8.95
Legal & Professional Fee.....	240.24	315.81
	35,706.03	18,186.14
	52,576.42	46,982.34
Less :- Closing Stock.....		
Stock in trade.....	76.98	409.28
Work-in-progress	22,835.86	16,045.46
Raw Material.....	444.00	415.65
	23,356.84	16,870.39
	29,219.58	30,111.95
Rent, Rates & Taxes	38.76	268.37
Insurance	5.17	0.13
Repairs & Maintenance - Commercial Properties	104.69	163.66
Professional Fees	124.05	218.72
Brokerage	325.69	258.13
Advertisement, Marketing & Business Development.....	198.89	130.28
Electricity	1.71	26.92
Other Operating Expenses	180.03	189.23
	30,198.57	31,367.39

22) Employee Benefits

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Salaries, Allowances & Bonus #	2,537.57	2,024.75
Contribution to Provident & Other Funds *.	103.85	120.62
Staff Welfare Expenses	284.84	120.43
	2,926.26	2,265.80
Less :- Allocated to projects	(832.64)	(672.24)
	2,093.62	1,593.56

* Gratuity

(1) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the plan asset.

(2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount rate	8.65%	8.17%
Rate of Return on Plan Assets	9.50%	9.25%

(3) Reconciliation of Benefit Obligation:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Liability at the beginning of the year	109.59	72.73
Interest Cost	9.11	5.66
Current Service Cost	28.33	27.33
Benefit Paid	-	(4.01)
Unrecognised Past Service Cost	-	(0.40)
Actuarial (Gain) / Loss on Obligations	(27.82)	7.88
Liability at the end of the year	119.20	109.59
Fair Value of Plan Assets at the end of the year	68.92	68.92
Amount recognised and disclosed under the head "Provisions for Gratuity" ..	50.29	40.27
Current Liability	38.85	40.27
Non – Current Liability	11.44	-

(4) Reconciliation of Fair value of Plan Assets:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Fair Value of Plan Assets at the beginning of the year	68.92	58.55
Adjustment to the opening balance	-	5.27
Expected Return on Plan Assets	6.56	5.87
Contributions	-	3.19
Benefit Paid	-	(4.01)
Actuarial Gain /(Loss) on Obligations	(6.56)	0.04
Fair Value of Plan Assets at the end of the year	68.92	68.92

(5) Expenses recognised in the Statement of Profit and Loss under the head "Employee Benefits":

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Service Cost	28.33	27.33
Interest Cost	9.11	5.66
Unrecognised Past Service Cost	0.40	(0.40)
Expected Return on Plan Assets	(6.56)	(5.87)
Net Actuarial (Gain) / Loss recognised	(21.26)	7.84
Settlement cost	6.37	-
Expenses recognised in Statement of Profit and Loss	16.39	34.56

(6) Experience Adjustments

	2012	2011	2010	2009	2008
Defined benefit obligation	119.20	109.60	72.73	74.12	59.68
Fair value of plan assets	68.92	68.92	58.55	45.98	42.35
Surplus / (Deficit)	(50.28)	(40.68)	(14.18)	(28.14)	(17.33)
Experience adjustment on plan liability [(Gain) / Loss]	9.08	(7.88)	25.06	11.94	8.89
Experience adjustment on plan assets [Gain / (Loss)]	(3.27)	0.04	(5.17)	(4.27)	(3.60)

Employee Stock Option Scheme

The Company had granted 678,359 Equity shares on 25th April, 2008 to the eligible employees under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 25 th April, 2008
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	678,359
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 428 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	25 % On expiry of 12 months from the date of grant ;
	25 % On expiry of 24 months from the date of grant ;
	25 % On expiry of 36 months from the date of grant ;
	25 % On expiry of 48 months from the date of grant ;

The company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period. The details of the same are given here under:

Particulars	Grant dated 25 th April, 2008
Intrinsic Value of shares based on latest available closing market price	₹ 15.79
Total Amount to be amortized over the vesting period	₹ 98.79 lakh
Charge to Statement of Profit & Loss for the year	₹ 19.40 lakh
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹ 19.76 lakh

The Fair Value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant dated 25 th April, 2008
Risk free interest rate	7.79% - 8.15%
Expected life	3.5 - 6.5 Years
Expected volatility	66.76% - 70.65%
Expected dividend yield	0.33%
Exercise price	₹ 428.00
Stock price	₹ 443.79

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee share-based Payments" is as follows.

	Particulars	Intrinsic Value Method		Fair Value Method	
		Current year	Previous year	Current year	Previous year
A	Net Profit After Tax (₹ in lakh)	12,016.08	10,304.62	11,770.30	10,033.90
	Less Preference dividend (₹ in lakh)	-	119.42	-	119.42
B	Weighted Average number of Equity Shares of ₹ 10/- each (Basic)	40,835,150	40,832,246	40,835,150	40,832,246
C	Weighted Average number of Equity Shares of ₹ 10/- each (Diluted)	40,835,150	40,832,246	40,835,150	40,832,246
D	Basic Earning per Share (₹)	29.43	24.94	28.82	24.28
E	Diluted Earning per Share (₹)	29.43	24.94	28.82	24.28

The compensation costs of stock options granted to employees are accounted by the Company using the Intrinsic Value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1 st April	592,551	635,989
Options granted during the year	-	-
Options lapsed during the year	-	-
Options cancelled during the year	3,772	17,438
Options exercised during the year	-	26,000
Options outstanding on 31 st March	588,779	592,551
Options vested but not exercised on 31 st March	439,816	291,534

Information in respect of options outstanding as at 31st March, 2012:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	588,779	42 months

23) Administration & Other Expenses

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Rent, Rates and Taxes	526.27	502.40
Insurance	3.86	4.46
Repairs and Maintenance		
- Buildings	15.38	6.19
- Others	124.24	105.67
Electricity Charges	33.90	17.86
Travelling & Conveyance	263.18	232.59
Legal & Professional Fees	619.45	335.47
Printing & Stationery	74.37	53.34
Communication	119.22	88.13
Advertisement, Marketing & Business Development	201.33	359.72
Auditors Remuneration	33.24	29.25
Loss on Sale of Fixed Assets (Net)	0.91	0.96
Diminution In Value Of Long Term Investment	-	112.00
Doubtful Debts Provided	-	111.16
Miscellaneous Expenses	484.40	461.62
	<u>2,499.75</u>	<u>2,420.82</u>

24) Finance Cost

	Current Year ₹ in lakh	Previous Year ₹ in lakh
On Term Loan	1,656.14	115.85
Less : Allocated to projects	(1,358.67)	-
	<u>297.47</u>	<u>115.85</u>

25) Auditors' Remuneration (including service tax):

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Audit Fees.....	22.06	17.92
Tax Audit Fees	1.52	1.38
Tax matters	5.79	7.16
Certification and Other Services.....	3.87	2.79
Total	33.24	29.25

26) Earnings in Foreign Currency:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Consideration received on sale of residential units	38.57	87.00
Total	38.57	87.00

27) Expenditure in Foreign Currency:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
a) Other expenditure		
Travelling	7.31	8.20
Marketing expenses	4.84	13.29
Others.....	28.90	19.65
Total	41.05	41.14
b) Value of Imported and Indigenous Consumption		
a. Imported.....	--	--
b. Indigenously obtained	6,068.53	910.09
Total	6,068.53	910.09
% Imported.....	--	--
% Indigenously obtained	100%	100%
	100%	100%

28) Commitments

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Capital commitment: Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	31.37	7.24

The disclosure of commitment is given only to the extent of capital commitment and other disclosure relating to commitment has not been given in order to avoid providing excessive details that may not assist users of Financial Statements.

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

30) Leases:

The Company's significant leasing arrangements are in respect of operating leases for Commercial & Residential premises.

- a) Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Gross Carrying Amount of premises	2,604.37	2,604.37
Accumulated Depreciation.....	764.58	722.13
Depreciation for the year	42.46	42.45
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	641.45	721.30
➤ Later than 1 year and not later than 5 years	1.98	5.28
➤ Later than 5 years	-	-

- b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	163.75	159.31
➤ Later than 1 year and not later than 5 years	18.63	86.59
➤ Later than 5 years	-	-

31) Contingent Liabilities

Matter	Current Year ₹ in lakh	Previous Year ₹ in lakh
a) Claims against the Company not acknowledged as debts represent :		
i) A suit filed by a party in the Delhi High Court, and disputed by the Company, for recovery of brokerage in respect of a transaction relating to operating of commercial complexes. In the opinion of the management the above claim is not sustainable.....	42.67	42.67
ii) Claims awarded by the Arbitrator to a civil contractor in respect of a project at Mumbai and the Company's appeal against the award has been admitted by the Mumbai High Court.....	88.44	88.44
iii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company	123.99	123.99
iv) Demand from a local authority for energy dues disputed by the company.....	2,164.04	2,164.04
b) Income tax matters under appeal		
In respect of certain business incomes reclassified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities.....	1,321.80	1,218.65
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 846.49 lakh (previous year ₹ 743.34 lakh)		

32) Managerial Remuneration

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Salaries and Allowances	133.85	99.71
Contribution to Provident, Gratuity and Superannuation Funds	15.27	11.78
Perquisites (estimated monetary value)	3.17	3.35
Total	152.29	114.84

33) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

	₹ in lakh	Current Year ₹ in lakh	Previous Year ₹ in lakh
Profit before Tax		16,755.23	14,936.61
Add :			
Depreciation as per accounts	268.02		250.47
Managerial remuneration	152.29		114.84
Director's fees	10.20		7.95
Commission to Directors (non executive Director)	130.00		130.00
		560.51	
		17,315.74	15,439.87
Less :			
Depreciation under Section 350	211.22		206.82
Profit on sale of fixed assets not allowable as per proviso to Section 349	283.32		0.33
		494.55	207.15
Net Profit as per Section 349 of the Companies Act, 1956		16,821.20	15,232.72
5% of Net Profit as computed above		841.06	761.64

34) Segmental Reporting

₹ in lakh

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,445.69	45,449.55	-	46,895.24
<i>Previous Year</i>	<i>1,228.52</i>	<i>46,165.40</i>	<i>262.25</i>	<i>47,656.17</i>
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
TOTAL REVENUE	1,445.69	45,449.55	-	46,895.24
<i>Previous Year</i>	<i>1,228.52</i>	<i>46,165.40</i>	<i>262.25</i>	<i>47,656.17</i>
SEGMENT RESULT	1,259.54	15,662.12	-	16,921.66
<i>Previous Year</i>	<i>1,030.70</i>	<i>14,937.97</i>	<i>(7.79)</i>	<i>15,968.88</i>
Unallocated Corporate Expenses (net)	-	-	-	(2,125.38)
<i>Previous Year</i>	-	-	-	<i>(2,324.88)</i>
Operating profit	-	-	-	14,798.27
<i>Previous Year</i>	-	-	-	<i>13,643.49</i>
Interest expense	-	-	-	(297.47)
<i>Previous Year</i>	-	-	-	<i>(115.85)</i>
Interest income	-	-	-	2,255.43
<i>Previous Year</i>	-	-	-	<i>1,408.95</i>
Income taxes	-	-	-	(4,739.15)
<i>Previous Year</i>	-	-	-	<i>(4,632.00)</i>
Net Profit	-	-	-	12,016.08
<i>Previous Year</i>	-	-	-	<i>10,304.62</i>
OTHER INFORMATION				
Segment Assets	2,331.43	93,386.95	24.35	95,742.73
<i>Previous Year</i>	<i>2,472.19</i>	<i>83,713.92</i>	<i>25.42</i>	<i>86,211.53</i>
Unallocated Corporate Assets				53,083.64
<i>Previous Year</i>				<i>45,529.74</i>

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
TOTAL ASSETS				148,826.37
<i>Previous Year</i>				131,740.77
Segment Liabilities	589.91	31,066.05	49.19	31,705.15
<i>Previous Year</i>	621.03	23,571.30	41.91	24,234.24
Unallocated Corporate Liabilities				5,106.49
<i>Previous Year</i>				4,678.95
TOTAL LIABILITIES				36,811.64
<i>Previous Year</i>				28,913.19
Capital Expenditure	-	0.08	-	121.36
<i>Previous Year</i>	-	1.58	-	219.17
Depreciation	51.11	4.24	-	268.02
<i>Previous Year</i>	51.43	5.79	1.31	250.47

Notes:

1. The segment result for Projects, Project Management and Development activity is arrived at after considering an interest expense of ₹ 1,381.03 lakh (Previous year ₹ 187.36 lakh), as it formed part of the cost of projects according to the method of accounting followed by the Company.
2. The Company has discontinued the Operations of its segment - Business Centre during the quarter ended 31st December, 2010.

35) Related Party Transactions**List of related parties****Enterprises Controlling the Company**

Mahindra & Mahindra Limited:

Holding Company

Enterprises under the control of the Company

Mahindra Infrastructure Developers Limited

Mahindra Integrated Township Limited.

Mahindra World City Developers Limited

Mahindra Residential Developers Limited

Mahindra World City (Jaipur) Limited

Industrial Township (Maharashtra) Limited

Knowledge Township Limited

Mahindra Bebanco Developers Limited

Mahindra World City (Maharashtra) Limited

Raigad Industrial & Business Park Limited

Watsonia Developers Limited

Anthurium Developers Limited

Fellow Subsidiaries

Bristlecone India Limited

Mahindra Holidays & Resorts India Limited

Mahindra Consulting Engineers Limited

Mahindra & Mahindra Financial Services Limited

Mahindra Engineering & Chemical Product Limited

Mahindra Construction Company Limited

Mahindra BPO Services Private Limited

Key Management Personnel

Managing Director & Chief Executive Officer of the Company - Ms. Anita Arjundas

Director of the Promoter Company - Mr. Anand Mahindra

Enterprises over which key management personnel are able to exercise significant influence: Nil

Transactions with related parties during the year and balance as on 31st March 2012:

(₹ in lakh)

Nature of Transactions	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Individual	Key Management Personnel
Rendering of Services	1,109.44	815.42	25.00	-	-
<i>Previous Year</i>	<i>1,101.95</i>	<i>437.43</i>	<i>-</i>	<i>-</i>	<i>-</i>
Receiving of services	534.90	93.86	39.40	-	-
<i>Previous Year</i>	<i>373.33</i>	<i>92.79</i>	<i>3.10</i>	<i>-</i>	<i>-</i>
Sales	-	-	-	1,150.00	-
<i>Previous Year</i>	<i>11.55</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Remuneration	-	-	-	-	152.29
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>114.84</i>
Expense Reimbursement	24.26	1.13	-	-	-
<i>Previous Year</i>	<i>133.84</i>	<i>(4.12)</i>	<i>0.21</i>	<i>-</i>	<i>-</i>
Redemption of Preference Shares	-	-	-	-	-
<i>Previous Year</i>	<i>1,000.00</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Deposit paid	-	-	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>7.01</i>	<i>-</i>	<i>-</i>	<i>-</i>
Finance given during the year	-	25,769.50	1,000.00	-	-
<i>Previous Year</i>	<i>2,700.00</i>	<i>8,089.03</i>	<i>11,500.00</i>	<i>-</i>	<i>-</i>
Purchase of Equity Shares	-	375.04	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>10.00</i>	<i>-</i>	<i>-</i>	<i>-</i>
Purchase of Preference Shares	-	1,850.00	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Purchase of Land	1,467.11	-	9,720.03	-	-
<i>Previous Year</i>	<i>1,700.00</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
ICD refunded	-	18,000.00	1,000.00	-	-
<i>Previous Year</i>	<i>-</i>	<i>2,122.50</i>	<i>7,000.00</i>	<i>-</i>	<i>-</i>
Interest received	-	1,662.93	10.71	-	-
<i>Previous Year</i>	<i>-</i>	<i>816.04</i>	<i>156.78</i>	<i>-</i>	<i>-</i>
Dividend Paid	1,042.31	-	-	-	-
<i>Previous Year</i>	<i>937.03</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Dividend Income	-	555.25	-	-	-
<i>Previous Year</i>	<i>-</i>	<i>677.29</i>	<i>-</i>	<i>-</i>	<i>-</i>
Receivables	2,000.00	20,835.87	0.97	-	-
<i>Previous Year</i>	<i>2,017.49</i>	<i>12,606.09</i>	<i>5,502.46</i>	<i>-</i>	<i>-</i>
Payables	593.23	0.86	9.78	-	-
<i>Previous Year</i>	<i>621.40</i>	<i>-</i>	<i>7.66</i>	<i>-</i>	<i>-</i>

The significant related party transactions are as under:

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakh)	Enterprises under the Control of the Company	Amount (₹ in lakh)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakh)	Individual	Amount (₹ in lakh)	Key Management Personnel	Amount (₹ in lakh)
Rendering of services	Mahindra & Mahindra Limited	1,109.44	Mahindra Residential Development Limited	426.51	Mahindra Construction Company Limited	25.00			-	-
			Mahindra Bebanco Developers Limited	162.00						
			Mahindra Integrated Township Limited	220.73						

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakh)	Enterprises under the Control of the Company	Amount (₹ in lakh)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakh)	Individual	Amount (₹ in lakh)	Key Management Personnel	Amount (₹ in lakh)
Receiving of services	Mahindra & Mahindra Limited	534.90	Mahindra World City Developers Limited	93.86	Bristle Cone India Limited	22.78				
					Mahindra Holidays & Resorts India Limited	11.73				
Sales							Relative of Individual	1,150.00		
Remuneration									Anita Arjundas	152.29
Purchase of Land	Mahindra & Mahindra Limited	1,467.11			Mahindra Engineering & Chemical Product Limited	9,720.03				
Expense Reimbursement	Mahindra & Mahindra Limited	24.26	Mahindra World City (Jaipur) Limited	0.35						
Finance given during the year			Mahindra World City Developers Limited	14,500.00	Mahindra & Mahindra Financial Services Limited	1,000.00				
			Mahindra World City (Jaipur) Limited	9,300.00						
Purchase of Equity shares			Mahindra World City (Jaipur) Limited	370.00						
Purchase of Preference shares			Mahindra World City (Jaipur) Limited	1,850.00						
ICD refunded			Mahindra World City (Jaipur) Limited	6,500.00	Mahindra Financial Services Limited	1,000.00				
			Mahindra World City Developers Limited	11,500.00						
Interest received			Knowledge Township Limited	206.68	Mahindra Financial Services Limited	10.71				
			Mahindra World City (Jaipur) Limited	327.49						
			Mahindra Bebanco Developers Limited	276.06						
			Mahindra Integrated Township Limited	407.89						
			Mahindra World City Developers Limited	355.77						
Dividend paid during the year	Mahindra & Mahindra Limited	1,042.31								
Dividend received during the year			Mahindra World City Developers Limited	555.25						

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakh)	Enterprises under the Control of the Company	Amount (₹ in lakh)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakh)	Individual	Amount (₹ in lakh)	Key Management Personnel	Amount (₹ in lakh)
Receivables	Mahindra & Mahindra Limited	2,000.00	Knowledge Township Limited	2,114.40	Mahindra Consulting Engineers Limited	0.97				
			Mahindra World City Developers Limited	5,032.82						
			Mahindra World City (Jaipur) Limited	5,800.00						
			Mahindra Bebanco Developers Limited	3,339.54						
			Mahindra Integrated Township Limited	3,443.77						
Payables	Mahindra & Mahindra Limited	593.23	Mahindra World City (Jaipur) Limited	0.86	Mahindra Holidays & Resorts India Limited	6.35				
					Bristle Cone India Limited	3.23				

36) Information in respect of Jointly Controlled Operations

- Development of the following residential projects:
G.E. Gardens, Mumbai
Kukatpally, Hyderabad
- Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

37) Earnings per share

Calculation of Net Profit available for Equity Shareholders:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
A. Net Profit After Tax	12,016.08	10,304.62
B. Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	-	119.42
C. Profit available for Equity Shareholders.....	12,016.08	10,185.20
D. Weighted Average number of Equity Shares of ₹ 10/- each.....	408.35	408.32
E. Basic Earnings per Share (₹)	29.43	24.94
F. Diluted Earnings per Share (₹)	29.43	24.94

As per our Report attached hereto

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

Padmini Khare Kaicker
Partner

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director

Managing Director & CEO

Suhas Kulkarni
Company Secretary

Mumbai : 27th April, 2012

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies :

₹ in lakh

Particulars	Name of the Subsidiary Company											
	Mahindra Infrastructure Developers Limited	Mahindra World City Developers Limited	Mahindra World City (Jaipur) Limited	Mahindra World City (Maharashtra) Limited	Mahindra Integrated Township Limited	Knowledge Township Limited	Mahindra Residential Developers Limited	Mahindra Bebenco Developers Limited	Industrial Township (Maharashtra) Limited	Raigad Industrial & Business Park Limited	Anthurium Developers Limited	Watsonia Developers Limited
The Financial Year of the Subsidiary Company ended on	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012	31 st March, 2012
Number of Shares in the Subsidiary Company held by Mahindra Lifespace Developers Limited at the above date :												
Equity	18,000,000	16,524,993	111,000,000	1,170,400	37,000,000	21,000,000	250,000	35,000	5,000,000	50,000	50,000	50,000
Extent of holding	100%	82.62%	74.00%	100%	94.79%	100%	48.34%	70.00%	100.00%	100.00%	100.00%	100.00%
The net aggregate of profits/(losses) of the Subsidiary Company for its financial year so far as they concern the members of Mahindra Lifespace Developers Limited:												
1. Dealt with in the Accounts of Mahindra Lifespace Developers Ltd. for the year ended 31 st March, 2012.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Not dealt with in the Accounts of Mahindra Lifespace Developers Limited for the year ended 31 st March, 2012.	(56.61)	855.96	644.55	(0.85)	(284.49)	(1.64)	526.35	(129.13)	(1.31)	(1.04)	(0.34)	(0.34)
The net aggregate of profits/(losses) of the Subsidiary Company for its previous financial years so far as they concern the members of Mahindra Lifespace Developers Limited:												
1. Dealt with in the Accounts of Mahindra Lifespace Developers Ltd. for the year ended 31 st March, 2011.	Nil	3,718.20	188.14	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Not dealt with in the Accounts of Mahindra Lifespace Developers Limited for the year ended 31 st March, 2011.	77.73	5,619.56	579.13	(111.84)	(980.00)	(38.88)	(122.33)	(26.75)	(10.70)	(7.28)	(1.15)	(1.15)

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Suhas Kulkarni
 Company Secretary

Mumbai : 27th April, 2012

Summary of financial performance of the subsidiaries for the year April 2011- March 2012

SUBSIDIARY	Mahindra Infrastructure Developers Limited	Mahindra World City Developers Limited	Mahindra World City (Jaipur) Limited	Mahindra World City (Maharashtra) Limited	Mahindra Integrated Township Limited	Knowledge Township Limited	Mahindra Residential Developers Limited	Mahindra Bebenco Developers Limited	Industrial Township (Maharashtra) Limited	Raigad Industrial & Business Park Limited	Anthurium Developers Limited	Watsonia Developers Limited
	MIDL	MWCDL	MWCJL	MWCML	MITL	CTL	MRDL	MBDL	ITML	RIBP	ADL	WDL
Particulars	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh	₹ lakh
Capital	1,800.00	8,500.00	20,000.00	117.04	5,036.50	2,100.00	26.00	5.00	500.00	5.00	5.00	5.00
Reserves/(Debit balance as per Profit & Loss A/c).....	41.54	4,229.63	1,689.28	(112.80)	(1,336.18)	(42.00)	5,922.49	(222.92)	(12.02)	(8.32)	(1.49)	(1.47)
Total Assets	2,045.70	40,991.55	62,342.10	5.07	10,006.75	4,177.42	8,363.21	5,296.46	1,446.26	2.10	3.84	3.86
Total Liabilities	2,045.70	40,991.55	62,342.10	5.07	10,006.75	4,177.42	8,363.21	5,296.46	1,446.26	2.10	3.84	3.86
Investments (except in case of investment in subsidiaries)	1,507.50	-	2,767.49	-	-	-	-	28.08	-	-	-	-
Turnover.....	8.95	6,042.42	9,119.87	0.23	2,910.94	0.01	5,501.04	-	0.04	-	-	-
Profit before Taxation.....	(55.48)	1,538.97	1,298.81	(0.85)	(300.13)	(1.64)	1,361.22	(291.53)	(1.31)	(1.04)	(0.34)	(0.34)
Provision for Taxation.....	1.13	502.95	427.79	-	-	-	272.38	(107.06)	-	-	-	-
Profit after Taxation.....	(56.61)	1,036.02	871.02	(0.85)	(300.13)	(1.64)	1,088.84	(184.47)	(1.31)	(1.04)	(0.34)	(0.34)
Proposed Dividend		590.00	481.42				300.00					

FINANCIAL HIGHLIGHTS-CONSOLIDATED

₹ in lakh

	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005	F - 2004	F - 2003
Net Worth	115,499	106,515	98,876	93,491	85,574	76,566	18,043	17,687	19,812	19,809
Borrowings	66,663	54,413	42,071	33,210	28,552	4,813	18,079	16,628	9,691	15,502
Net Fixed Assets	23,203	22,517	20,481	22,484	13,681	8,980	6,542	6,592	4,492	9,442
Investments	17,479	8,743	14,812	10,831	33,043	17,582	1,848	1,848	6,352	456
Book Value per Equity Share (₹)	283	261	240	227	207	188	37	36	40	40
Operating Income	70,127	61,193	41,787	34,178	23,108	21,635	21,626	12,335	7,169	5,928
Other Income	2,714	1,508	2,209	2,940	3,352	764	448	365	2,802	2,801
Operating Expenses	42,717	36,577	25,315	22,897	13,121	16,150	15,966	8,926	6,463	2,833
Other Expenses	11,318	8,919	6,793	4,012	4,074	3,527	3,614	3,153	3,390	5,766
Profit Before Tax	18,806	17,205	11,888	10,209	9,265	2,723	2,494	621	118	299
Profit After Tax (after minority interest)	11,908	10,817	7,849	6,564	6,641	1,790	1,650	35	(15)	(19)
Basic Earning per Share (₹)	29.16	26.20	18.93	15.79	16.26	4.92	2.29	0.11	(0.27)	(0.34)
Diluted Earning per Share (₹)	29.16	26.20	18.93	15.79	16.26	4.91	2.29	0.11	(0.27)	(0.34)
Equity Dividend per Share (₹)	6.00	5.00	3.50	2.50	2.50	1.50	1.00	-	-	-

REPORT OF THE AUDITORS TO THE BOARD OF DIRECTORS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of Mahindra Lifespace Developers Limited, its subsidiaries & joint ventures as at March 31, 2012 and also the Consolidated Statement of Profit & Loss and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of Mahindra Lifespace Developers Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the subsidiaries, joint ventures and associates, whose financial statements reflect the Group's share of total assets of Rs. 77,076.83 lakh as at March 31, 2012 and the Group's share of total revenues of Rs. 20,728.39 lakh and net cash outflow amounting to Rs. 1,296.16 lakh for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, joint ventures and associates is based solely on the report of the other auditors.
4. We report that consolidated financial statements have been prepared by the management of Mahindra Lifespace Developers Limited in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27- Financial Reporting of Interests in Joint Ventures, issued by the Institute of Chartered Accountants of India.
5. Without qualifying our opinion, we draw attention to :
 - i. Note No. 14 wherein by relying on the management representation no provision on investment has been made for investment of Rs 15,00,00,000 in New Tirupur Area Development Corporation Limited (NTADCL).
 - ii. Note No. 18(#), 21(*), 22(#) of the accounts, we have relied on management representation, due to the resolution of matter being dependent on future events whose outcome is not known, regarding realisability of construction work in progress, project advances and interest accrued thereon of Rs. 7146.11 lakhs on account of a project, where commencement of construction has been delayed on account of a dispute between the land owner and the Company, which is referred to arbitration.
 - iii. Note No. 30 of the accounts regarding reliance on management owing to the technical nature of estimates of the percentage of completion, costs to completion and the projections of revenues expected from projects and realisability of Construction work in progress.
 - iv. Note 1(b)(ii) of the accounts which states that the accounts of associate Company have been prepared on the basis that the current activities no longer qualify it to be regarded as a going concern.
6. Based on our audit and on the consideration of the separate audit reports of the other auditors on separate financial statements and on the other financial information of the components and to the best of our information and the explanations given to us, we are of the opinion that the attached consolidated financial statements, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates as at March 31, 2012,
 - ii) in case of the Consolidated Statement of Profit and Loss, of the consolidated results of operations of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates for the year ended on that date, and
 - iii) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Mahindra Lifespace Developers Limited, its subsidiaries, and its interests in joint ventures and associates for the year ended on that date.

For and on behalf of

B. K. Khare and Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

M. No. 44784

Firm Registration No. 105102W

Mumbai

Dated: April 27, 2012

Consolidated Balance Sheet as at 31st March, 2012

	Notes	Current Year ₹ in lakh	Previous Year ₹ in lakh
EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	2	4,083.52	4,083.52
Reserves & Surplus	3	111,415.84	102,431.69
		115,499.36	106,515.21
Share Application Monies		7.00	3.25
Non Current Liabilities			
Long Term Borrowings	4	49,162.00	50,698.00
Deferred Tax Liability (Net)	5	2,149.81	1,530.05
Other Long Term Liabilities	6	305.41	343.36
Long Term Provisions	7	102.62	82.00
Minority Interest	8	10,021.46	8,301.49
		61,741.30	60,954.90
Current Liabilities			
Short Term Borrowings	9	1,357.41	1,114.88
Trade Payables	10	13,693.49	7,492.54
Other Current Liabilities	11	29,345.01	21,895.78
Short Term Provisions	12	4,267.67	3,834.23
		48,663.58	34,337.43
TOTAL		225,911.24	201,810.79
ASSETS			
Non Current Assets			
Fixed Assets :	13		
Tangible Assets		19,493.75	17,811.63
Intangible Assets		2,900.95	3,034.24
Capital Work in Progress		808.41	1,670.68
		23,203.11	22,516.55
Non Current Investments	14	1,835.24	1,835.24
Long Term Loans & Advances	15	306.19	455.46
Other Non Current Assets	16	275.20	204.06
		25,619.74	25,011.31
Current Assets			
Current Investments	17	15,643.49	6,907.76
Inventories	18	104,911.91	93,643.61
Trade Receivables	19	19,750.51	17,330.90
Cash & Cash Equivalents	20	15,020.03	23,773.54
Short Term Loans & Advances	21	36,381.51	28,869.97
Other Current Assets	22	8,584.05	6,273.70
		200,291.50	176,799.48
TOTAL		225,911.24	201,810.79
Notes on Financial Statements	1 to 40		

As per our Report attached hereto

For and on behalf of the Board

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

	Note	Current Year ₹ in lakh	Previous Year ₹ in lakh
INCOME			
Operating Income	23	70,126.56	61,193.39
Other Income	24	2,714.49	1,508.11
		72,841.05	62,701.50
EXPENDITURE			
Operating Expenses	25	42,716.80	36,577.49
Employee Benefits	26	2,938.48	2,260.54
Administration & Other Expenses	27	5,337.02	4,713.39
Finance Cost	28	2,108.64	1,132.45
Depreciation & Amortization Expenses		933.87	812.21
		54,034.81	45,496.08
Profit before Tax		18,806.24	17,205.42
Less : Provision for Current Tax		(5,308.06)	(5,309.75)
Less : Provision for Deferred Tax		(621.02)	(559.17)
Profit after tax		12,877.16	11,336.50
Less: Minority Interest		(969.14)	(519.23)
Consolidated Net Profit		11,908.02	10,817.27
Basic Earnings per Share		29.16	26.20
Diluted Earnings per Share		29.16	26.20
Notes on Financial Statements	1 to 40		

As per our Report attached hereto

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2012

	Current Year ₹ in lakh	Previous Year ₹ in lakh
A. Cash flow from operating activities		
Net Profit Before Tax	18,806.24	17,205.42
Adjustments for :		
Depreciation & Amortisation Expenses	933.87	812.21
Amortisation of Esop Expenses	19.40	19.46
Considered separately		
Interest Income.....	(1,138.43)	(929.39)
Finance Cost	2,108.64	1,132.45
Profit on Sale of Investments.....	(54.90)	(96.54)
Provision for Doubtful debts	-	111.16
Dividend Income.....	(1,093.96)	(396.20)
Provision Written Back (Net)	-	(0.19)
Loss/(Profit) on sale of Fixed assets (Net)	(283.32)	6.32
Operating Profit Before Working Capital Changes	19,297.54	17,864.70
Adjustments for :		
Trade and Other Receivables	(12,837.97)	(17,601.68)
Inventories.....	(4,825.31)	857.82
Trade Payables and Other Liabilities	(1,249.18)	5,865.94
Cash Generated from Operations	385.08	6,986.78
Income taxes received / (paid)	(5,552.98)	(5,188.88)
Net Cash from / (used in) operating activities	(5,167.90)	1,797.90
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(676.98)	(2,811.63)
Proceeds from Sale of Fixed Assets	610.81	18.02
Proceeds / (Investments) in Others (Net)	(8,680.84)	6,165.25
Minority interest.....	783.25	(335.28)
Interest received.....	1,125.58	639.21
Dividend received.....	1,093.96	396.20
Net Cash from / (used in) investing activities.....	(5,744.22)	4,071.77

Consolidated Cash Flow Statement for the year ended 31st March 2012 (Contd.)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
C. Cash flow from financing activities		
Increase in borrowings	11,950.53	12,341.89
Share Application money	3.75	3.25
Finance Cost paid	(8,223.33)	(4,937.02)
Dividend Paid	(2,372.98)	(1,908.43)
Redemption of Preference Shares	-	(1,000.00)
Issue of Equity Share Capital	-	2.60
Share Premium Proceeds	-	108.68
Net Cash from / (used in) financing activities	1,357.97	4,610.97
Net increase/(decrease) in cash and cash equivalents	(9,554.15)	10,480.64
Cash and Cash Equivalents (Opening)	22,765.83	12,285.32
Cash and Cash Equivalents (Closing).....	13,211.68	22,765.83

As per our Report attached hereto

For and on behalf of the Board

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

Arun Nanda
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Sanjiv Kapoor
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Prakash Hebalkar
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Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

Notes annexed to and forming part of Consolidated Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended 31st March, 2012.

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Presentation and Disclosure of Financial Statements

During the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statement. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statement. However it has significant impact on presentation and disclosures made in the financial statements. Assets & Liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. In case of projects - Residential units, based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of current – non current classification of assets & liabilities. In case of projects - Commercial units, the operating cycle is 3 years. Similarly, in case of projects - for large format developments/Integrated Business cities, the said period is 20 years.

The Company has also reclassified / regrouped the previous year figures in accordance with the requirements applicable in the current year.

b) Accounting Convention :

- i. The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii. The accounts of associate company have been prepared on the basis that the company is not regarded as a going concern.

c) Use of Estimates:

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

d) Basis of consolidation :

The Consolidated Financial Statements relate to Mahindra Lifespace Developers Limited (the Company), its subsidiary companies and the interest of the Company in joint ventures and associates.

A. Basis of accounting :

- (i) The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31st March, 2012. The accounts of the all the subsidiaries, the Joint Ventures and Associates are audited.
- (ii) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, and generally accepted accounting principles.

B. Principles of Consolidation :

The Consolidated Financial Statements have been prepared on the following basis :-

- (i) The Financial Statements of the Company and its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.
- (ii) The Consolidated Financial Statements include the interest of the Company in JVCs, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line items in the Consolidated Financial Statements.

- (iii) The share of equity in the subsidiary companies as on the date of investment, being in excess of the cost of investment of the Company, the difference is recognised as “Capital Reserve on Acquisition of Subsidiaries” and shown under the head “Reserves and Surplus” in the Consolidated Financial Statements.
- (iv) Minority interest in the Net Asset of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments as stated above.

The consolidation of accounts is done for Mahindra Lifespace Developers Limited, the parent company, with its subsidiaries incorporated in India in accordance with the requirements of Accounting Standard (AS)21- ‘Consolidated Financial Statements’ notified by the Central Government.

Name of Subsidiary

	Proportion of Ownership Interest	
	Current Year	Previous Year
Mahindra Infrastructure Developers Limited.....	100.00%	100.00%
Mahindra World City Developers Limited.....	82.62%	82.62%
Mahindra World City (Jaipur) Limited	74.00%	74.00%
Mahindra World City (Maharashtra) Limited	100.00%	100.00%
Mahindra Integrated Township Limited.	94.79%	95.48%
Knowledge Township Limited	100.00%	100.00%
Mahindra Residential Developers Limited	48.34%	48.70%
Mahindra Bebanco Developers Limited.....	70.00%	70.00%
Industrial Township Maharashtra Limited	100.00%	100.00%
Raigad Industrial Business Park Ltd.....	100.00%	100.00%
Anthurium Developers Limited.....	100.00%	100.00%
Watsonia Developers Limited	100.00%	100.00%

Investments in Joint Ventures are dealt with in accordance with the Accounting Standard (AS) 27 - “Financial Reporting of Interests in Joint Ventures” notified by the Central Government.

Name of Joint Ventures

	Proportion of Ownership Interest	
	Current Year	Previous Year
Mahindra Water Utilities Limited	50.00%	50.00%
Mahindra Inframan Water Utilities Private Limited.....	50.00%	50.00%

Investments in the following Associates have been dealt with in accordance with the Accounting Standard (AS) 23 - “Accounting for Investments in Associates in Consolidated Financial Statements” notified by the Central Government.. Effect has been given to the carrying amount of investments in the associates using the “Equity Method”. The Company’s share of the post acquisition profits/ (losses) is included in the carrying cost of investments (Refer Note 39).

Name of Associates

	Proportion of Ownership Interest	
	Current Year	Previous Year
Rathna Bhoomi Enterprises Private Limited	50.00%	

e) Fixed Assets :

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

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

Depreciation in the Company and the subsidiaries is provided, on prorata basis, on the straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except in the Holding Company where in respect of certain assets, the following rates have been provided for :

- 1) Furniture & Fixtures, Plant & Machinery and Computers, individually costing more than ₹ 5,000, which are depreciated over their estimated useful lives of 5 years,
- 2) Vehicles at 15 % per annum of cost, and

3) Leasehold improvements are amortised over the period of lease.

f) Intangible Assets:

All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed. Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months

g) Fixed Assets held for disposal:

Fixed Assets held for disposal are valued at estimated net realizable value.

h) Investments :

Investments are classified into Non Current and Current Investments.

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

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

i) Inventories :

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

j) Revenue Recognition:

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

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which is generally with the firmity of the sale contracts/agreements.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

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

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

Property lease rentals, income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

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

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

k) Employee benefits:

(i) Defined Contribution Plans

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund are recognised in the statement of Profit and Loss.

(ii) **Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straightline basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

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

l) Borrowing Costs:

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

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

m) Foreign Currency Transactions:

Foreign Currency assets and liabilities are translated at the relevant rates of exchange prevailing at the year end and the translation differences are recognised in the statement of Profit and Loss. The exchange gain or loss on settlement is also recognised in the statement of Profit and Loss.

n) Provision for taxation:

Tax expense comprises both current and deferred tax.

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

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

o) Segment Information:

The Company operates in three main segments; namely, Projects, Project Management and Development activities, Operating of commercial complexes and Business Centers. The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

p) Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

q) Employee stock compensation costs

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Sharebased Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis

2) Share Capital and Warrants:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Authorised		
50,000,000 (Previous year 50,000,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
6,500,000 (Previous year 6,500,000) Preference Shares of ₹ 100 each	6,500.00	6,500.00
6,000,000 (Previous year 6,000,000) Unclassified Shares of ₹ 10 each	600.00	600.00
	12,100.00	12,100.00
Issued		
40,880,501 (Previous year 40,880,501) Equity Shares of ₹ 10 each	4,088.05	4,088.05
1,000,000 (Previous year 1,000,000) 10.50 % Non Cumulative Redeemable Preference shares of ₹ 100 each	1,000.00	1,000.00
	5,088.05	5,088.05
Subscribed and Paid-up		
40,835,150 (Previous year 40,835,150) Equity Shares of ₹ 10 each fully paid up	4,083.52	4,083.52
	4,083.52	4,083.52

a) Reconciliation of number of shares

	Current Year		Previous Year	
	No of Shares	₹ in lakh	No of Shares	₹ in lakh
Equity Shares				
Balance as at the beginning of the year	40,835,150	4,083.52	40,809,150	4,080.92
Addition due to exercise of ESOP	-	-	26,000	2.60
Balance as at the end of the year	40,835,150	4,083.52	40,835,150	4,083.52
Preference Shares				
Balance as at the beginning of the year	-	-	1,000,000	1,000.00
Redemption of Preference share	-	-	(1,000,000)	(1,000.00)
Balance as at the end of the year	-	-	-	-

b) Shares held by holding company

	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
Equity Shares				
20,846,126 shares (Previous Year- 20,846,126 shares held by Mahindra & Mahindra Limited	20,846,126	51.05%	20,846,126	51.05%

c) Details of shares held by shareholders including Holding Company, holding more than 5% of the aggregate shares in the Company

	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
Equity Shares				
Mahindra & Mahindra Limited (Holding Company)	20,846,126	51.05%	20,846,126	51.05%
Amansa Investments Limited	2,434,599	5.96%	-	-
Small Cap World Fund, INC	2,157,380	5.28%	2,157,380	5.28%

d) Shares reserved for issue under options

Refer note 26(#) for details of shares to be issued under the Employee Stock Option Plan

e) The allotment of 45,351 (Previous Year 45,351) Equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

3) Reserves & Surplus**Capital Redemption Reserve**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Balance as at the beginning of the year	7,353.58	6,353.58
Transfer from General Reserve	-	1,000.00
Balance as at the end of the year	7,353.58	7,353.58

Share Premium Account

Balance as at the beginning of the year	70,311.54	70,202.86
Add: Premium on shares issued during the year	-	108.68
Balance as at the end of the year	70,311.54	70,311.54

General Reserve

Balance as at the beginning of the year	2,013.77	1,983.30
Add: Transfer from Profit & Loss Account	1,201.71	1,030.47
Less: Transfer to Capital Redemption Reserve	-	(1,000.00)
Balance as at the end of the year	3,215.48	2,013.77

Employee Stock Option Outstanding

Opening Balance	107.11	107.11
Add: Fresh grant of options	-	-
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing Balance	107.11	107.11

Less:

Deferred Employee Compensation Expenses :		
Opening Balance	46.62	66.94
Add: Fresh grant of options	-	-
Less: Transfer to Employee Compensation / Options Lapsed	(19.40)	(20.32)
Closing Balance	27.22	46.62
Balance as at the end of the year	79.89	60.49

Surplus in the Statement of Profit & Loss

Balance as at the beginning of the year	22,692.31	15,215.12
Consolidated Net Profit for the year	11,908.02	10,817.27
Add/(Less): Adjustment on account of Increase/Decrease in Joint Venture interest	-	262.59

Less : APPROPRIATIONS

Proposed Dividend:

On Equity Shares	2,450.11	2,042.63
Income Tax on Proposed Dividend	397.45	331.37
Excess Tax on distributed profit of previous year written back	-	(5.92)
Interim Preference Dividend	-	102.41
Income Tax on Interim Dividend	-	17.01
Income Tax on Dividend	95.71	84.70
Transfer to General Reserve	1,201.71	1,030.47
Balance as at the end of the year	30,455.35	22,692.31

111,415.84**102,431.69****4) Long Term Borrowings****Secured Loans**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Term Loan from Bank	49,162.00	50,698.00
	49,162.00	50,698.00

Mahindra Lifespace Developers Limited**a) Nature of Security**

Secured borrowings are secured by a pari-passu charge on immovable properties of the company and are also secured by pari-passu charge on specified movable and current assets of the company, both present and future.

b) Terms of Repayment

₹ 10,983 lakh is repayable quarterly on prorated basis after one year starting from June, 30, 2013.

Subsidiaries**Mahindra World City Developers Limited****a) Nature of Security**

Term loans are secured by equitable Mortgage of specified lands.

b) Terms of Repayment

Tranche I - Principal of ₹ 12,225 lakh to be repaid in 15 equal quarterly installments of ₹ 1,075 lakh, each commencing from April 2013.

Tranche - II - Principal of ₹ 2,600 lakh to be repaid in 2 installments of ₹ 1,300 lakh each, commencing from August 2013.

Mahindra Integrated Township Limited**a) Nature of Security**

This loan is secured by a simple mortgage over the leasehold rights on the land and the proposed residential complex thereon.

b) Terms of Repayment

₹ 575 lakh is repayable in 3 instalments from September 2013.

Mahindra World City Jaipur Limited**a) Nature of Security**

The loans are secured by pari passu first charge by way of equitable mortgage on the immovable properties and specified movable and current assets of the company, both present and future.

b) Terms of Repayment

i) ₹ 17,190 lakh is repayable from June 2013 in 12 equal quarterly installments.

ii) ₹ 4,789 lakh is repayable in 100 monthly installments.

iii) ₹ 800 lakh is repayable in 69 monthly installments.

5) Deferred Tax Liability/Asset (Net)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Deferred Tax Liability		
Relating to :		
Difference between book and tax depreciation.....	2,057.57	2,477.24
Interest inventorised but claimed as allowable for tax purposes.....	1,312.04	-
Income accrued based on lease equalisation	-	9.76
	3,369.61	2,487.00
Add: Share in Jointly controlled entities.....	1.30	1.96
	3,370.91	2,488.96
Deferred Tax Asset		
Relating to :		
Provision for impairment in asset value	502.95	514.96
Business loss carried forward.....	377.74	164.31
Expenses allowable on actual payment.....	329.73	269.40
	1,210.42	948.67
Add: Share in Jointly controlled entities.....	10.68	10.24
	1,221.10	958.91
	2,149.81	1,530.05

6) Other Long Term Liabilities

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Trade payable	13.94	-
Others:		
Deposits.....	291.47	343.36
	<u>305.41</u>	<u>343.36</u>

7) Long Term Provisions

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee Benefits		
-Compensated absences.....	61.12	58.13
-Gratuity.....	28.00	11.01
	<u>89.12</u>	<u>69.14</u>
Add: Share in Jointly controlled entities.....	13.50	12.86
	<u>102.62</u>	<u>82.00</u>

8) Minority Interest

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Shares held by Minorities in Subsidiaries.....	10,021.46	8,301.49
	<u>10,021.46</u>	<u>8,301.49</u>

9) Short Term Borrowings

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Secured Loans		
Overdrafts from Banks*	266.05	289.02
Unsecured Loans		
Intercompany Deposits#	1,091.36	825.86
	<u>1,357.41</u>	<u>1,114.88</u>

* Overdraft from banks is secured against Fixed deposits. The overdraft is repayable on demand.

Inter corporate deposit is repayable on demand.

10) Trade Payables

	Current Year ₹ in lakh	Previous Year ₹ in lakh
-Total outstanding dues of micro enterprises & small enterprises*	-	-
-Others.....	13,479.19	7,252.35
	<u>13,479.19</u>	<u>7,252.35</u>
Add: Share in Jointly controlled entities.....	214.30	240.19
	<u>13,693.49</u>	<u>7,492.54</u>

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

11) Other Current Liabilities

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Advances and Deposits.....	4,933.20	12,278.38
Unclaimed Dividends*	47.44	33.08
Current maturities of long-term loan from Banks#	16,144.00	2,600.00
Other Liabilities.....	7,383.65	6,516.85
Interest accrued but not due on loans	618.32	289.38
	29,126.61	21,717.69
Add: Share in Jointly controlled entities.....	218.40	178.09
	29,345.01	21,895.78

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

The current maturity of long term borrowings is repayable during the next financial year.

12) Short Term Provisions

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Proposed Dividend	2,450.11	2,042.63
Provision for tax on Proposed Dividend.....	397.45	331.37
Provision for losses to project completion*	1,023.00	1,023.00
Provision for Leave Encashment Benefits	120.19	83.13
Provision for Defect Liabilities / Warranties.....	148.79	243.62
Provision for Gratuity	59.37	53.49
	4,198.91	3,777.24
Add: Share in Jointly controlled entities.....	68.76	56.99
	4,267.67	3,834.23

* The Company has, in case of certain projects, provided for ₹ 1,023.00 lakh (previous year ₹ 1,023.00 lakh) as provision for losses to project completion. The amount has been determined using best estimates with regard to percentage of completion, foreseeable costs to completion and revenues from the project activity. However, considering future business scenario, inflation in construction costs and market movement causing changes in realisations, which cannot be presently quantified, the final outcome may differ from that presently estimated. The probability and the timing of the outflow with regard to this matter depends on the completion of the project and conclusion of the arbitration proceedings.

13) Fixed Assets

₹ in lakh

Particulars	COST				DEPRECIATION				NET BLOCK			
	As at March 31, 2011	Adjustments (*)	Additions	Deductions	As at March 31, 2012	Up to March 31, 2011	Adjustments (*)	Deductions	For the year	Up to March, 31 2012	As at March, 31 2012	As at March, 2011
Tangible Assets												
Land	715.07	-	-	55.70	659.37	19.14	-	-	4.21	23.35	636.02	695.92
Building	14,195.42	-	1,859.93	99.37	15,955.98	1,544.52	-	24.53	313.21	1,833.20	14,122.78	12,650.90
Furniture & Fixtures	1,530.16	-	20.62	-	1,550.78	386.46	-	-	156.30	542.76	1,008.02	1,143.71
Plant & Machinery	3,377.99	-	610.54	6.45	3,982.08	478.12	-	4.70	199.55	672.97	3,309.11	2,899.87
Computers	378.76	-	47.28	0.84	425.20	266.33	-	0.36	47.85	313.82	111.38	112.43
Vehicles	277.94	-	76.22	26.78	327.38	87.98	-	19.55	36.96	105.39	221.99	189.95
Leasehold Improvement	101.35	-	7.62	-	108.97	21.75	-	-	35.75	57.50	51.47	79.60
Sub Total	20,576.69	-	2,622.21	189.14	23,009.76	2,804.30	-	49.14	793.83	3,548.99	19,460.77	17,772.38
<i>Previous Year</i>	18,453.58	-	2,466.39	43.29	20,876.68	2,152.67	-	18.94	670.57	2,804.30	18,072.38	17,772.38
Intangible Assets												
Software Expenditure	397.14	-	-	-	397.14	263.85	--	-	133.29	397.14	0.00	133.29
Goodwill	2,900.95	-	-	-	2,900.95	-	-	-	-	-	2,900.95	2,900.95
Sub Total	3,298.09	-	-	-	3,298.09	263.85	-	-	133.29	397.14	2,900.95	3,034.24
<i>Previous Year</i>	3,298.09	-	-	-	3,298.09	130.57	-	-	133.29	263.86	3,034.24	3,034.24
Total	23,874.78	-	2,622.21	189.14	26,307.85	3,068.15	-	49.14	927.12	3,946.13	22,361.72	20,806.62
Share in Jointly Controlled Entities	87.30	-	0.66	0.25	87.71	48.05	-	0.07	6.75	54.73	32.98	39.25
Grand Total	23,962.08	-	2,622.87	189.39	26,395.56	3,116.20	-	49.21	933.87	4,000.86	22,394.70	20,845.87
<i>Previous year total</i>	21,521.76	17.52	2,466.88	44.09	23,962.08	2,315.34	8.02	19.36	812.21	3,116.19	20,845.89	1,670.68
Capital Work In Progress											808.41	22,516.55
											<u>23,203.11</u>	<u>22,516.55</u>

(*) Indicates Addition/(reversal) due to increase/decrease of stake in the Joint Venture/Associate Company.

14) Non-Current Investments

Long Term Investments (At Cost, Unquoted, Trade)	Face Value ₹	Number of shares/units	Current Year ₹ in lakh	Previous Year ₹ in lakh
Equity Shares				
In Others				
Deepmangal Developers Private Limited	100	177	284.61	284.61
Mahindra Knowledge Park (Mohali) Limited	10	6	-	-
New Tirupur Area Development Corporation Limited	10	15,500,000	1,550.63	1,550.63
Preference Shares				
Rathna Bhoomi Enterprises Private Limited..... (10% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares)	10	238,500	23.85	23.85
Mahindra Knowledge Park (Mohali) Limited	10	50,000	5.00	5.00
(7% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares)				
			1,864.09	1,864.09
Less : Provision for Diminution in Value of Investments.....			(28.85)	(28.85)
			1,835.24	1,835.24

In the opinion of the Management, no loss is expected to arise in respect of Investments for which an additional provision is required to be made in the accounts.

The Company has made investment in equity shares of ₹ 180,000,000 in the wholly owned subsidiary Mahindra Infrastructure Developers Limited ("MIDL"). MIDL has further invested ₹ 150,000,000 in the equity shares of New Tirupur Area Development Corporation Limited (NTADCL). Due to adverse business conditions, NTADCL has been making losses and there has been an erosion in the net worth of NTADCL. The various steps taken by the stakeholders such as infusion of equity capital, debt restructuring, increase in tariff rates of water etc and various other concessions from Tamil Nadu Government will lead to a turnaround in the operations of NTADCL and improve its financial position. Thus in view of the management there is no permanent diminution in the value of the investments in NTADCL and in the value of the investments in MIDL.

15) Long Term Loans & Advances

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Other Loans & Advances		
Considered good	14.14	16.50
Deposits.....	291.29	438.20
	305.43	454.70
Add: Share in Jointly controlled entities.....	0.76	0.76
	306.19	455.46

16) Other Non Current Assets

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Bank Balances		
Long Term Deposits with maturity more than 12 months	275.20	204.06
(Fixed deposit of ₹ 43.68 lakh (Previous year - ₹ 204.06 lakh) is against Margin Monies with banks for Bank Guarantee)		
	275.20	204.06

17) Current Investments**Unquoted, Non Trade (At lower of cost and fair value)****In Units of Mutual Fund****Redeemed during the year**

	Number of shares/units	Current Year ₹ in lakh	Previous Year ₹ in lakh
DWS Treasury fund - Growth.....	19,795		2.00
BSL Savings Fund - Institutional - Daily Dividend Reinvestment.....	26,147,866		2,616.56
SBI-Magnum Insta Cash Fund - Cash Option.....	345,876		75.12
Kotak Floater Long Term - Growth.....	1,522,164		210.00
HDFC CMF Treasury Advantage Growth	1,090,899		170.00
JP Morgan India Treasury Fund - Institutional Plan.....	19,010,913		1,902.78
JM High Liquidity Fund.....	14,036,030		1,405.93
DSP Blackrock Liquidity Fund	50,078		500.94
Religare Ultra Short Term	2,335		23.38

Acquired during the year

JP Morgan India Treasury Fund - Super Institutional Plan Daily Dividend.....	43,313,047	4,335.16	
L&T Ultra Short Term Fund- Daily Dividend	34,865,596	3,540.67	
JM Money Manager Super Plus - Institutional - Daily Dividend	35,642,955	3,566.18	
Religare Liquid Fund Super Institutional - Daily Dividend	140,368	1,404.78	
DSP BlackRock Liquidity Fund - Institutional Plan - Growth.....	14,744	225.14	
HDFC Cash Management Fund Treasury Advantage Plan.....	2,137,351	500.00	
Religare Liquid Fund	13,641	200.00	
SBI - Premier Liquid Plan - Institutional Growth	17,707	300.00	
Kotak Flexi Debt Scheme - Growth	911,509	119.69	
JM High Liquidity Fund - Institutional Plan - Growth.....	8,231,615	1,381.17	
JM Money Manager Fund Super Plus Plan - Growth.....	278,884	41.50	
JP Morgan India Treasury Fund	280,509	28.08	
		15,642.37	6,906.71
Add:Share of jointly controlled entites		1.12	1.05
		15,643.49	6,907.76

b) Mutual Fund Units purchased and sold during the year are as under:

	Current Year		Previous Year	
	No of Units	(₹ in lakh)	No of Units	(₹ in lakh)
Birla Sun Life Cash Plus – Institutional – Growth	-	-	499,497.00	125.00
Birla Sun Life Savings Fund -Institutional - Dividend	41,915,207.00	4,194.37	41,971,459.41	4,200.00
BNP Paribas Overnight Fund – Dividend	-	-	10,010,730.48	1,001.37
DSP Blackrock Floating Rate Fund-Dividend	-	-	144,502.82	1,445.82
DSP Blackrock Liquidity Fund - Dividend	106,751.24	1,067.85	102,622.90	1,026.55
DSP BlackRock Liquidity Fund - Institutional Plan – Growth	38,377.68	574.86	-	-
DWS Insta Cash Plus - Super Institutional - Dividend Reinvestment	-	-	10,903,779.52	1,093.69
DWS Treasury Fund Cash - Regular Plan Growth	19,795.43	2.31	-	-
DWS Ultra Short Term Fund - Institutional - Dividend Reinvestment	21,016,870.31	2,105.45	20,717,443.18	2,075.45
HDFC Cash Management Fund – Treasury Advantage – Growth	-	-	490,029.00	99.00
HDFC- Floating Rate Income Fund- Short Term Plan	-	-	609,502.00	95.00
ICICI Prudential Flexible Income Plan Premium – Dividend	1,457,270.62	1,540.85	1,488,646.02	1,574.02
ICICI Prudential Flexible Income Plan – Growth	-	-	138,197.00	189.00
ICICI Prudential Flexible Income Plan – Premium Growth	-	-	198,817.00	348.00
ICICI Prudential Liquid Plan – Growth	-	-	42,745.00	99.92
ICICI Prudential Liquid Plan – Institutional – Growth	-	-	72,326.00	165.54
ICICI Prudential Liquid Plan – Institutional – Plus Plan –Growth	-	-	107,858.00	250.00
ICICI Prudential Liquid Plan - Super Institutional – Dividend	-	-	2,632,358.29	2,632.95
IDFC Cash Fund - Super Institutional Plan	5,806,405.67	700.00	-	-
IDFC Money Manager Fund - Treasury Plan	5,041,862.23	595.10	-	-
JM - Floater Fund - Long Term - Premium Growth – Option	613,576.18	95.00	-	-
JM - High Liquidity Fund – Institutional Growth Option	1,392,557.72	231.34	-	-
JM - Money Manager fund - Super Plus Plan Growth Option	5,536,546.00	798.66	-	-
JM High Liquidity Fund - Institutional Plan – Growth	589,594.83	100.00	-	-
JM High Liquidity Fund - Super Institutional Plan – Growth	62,679,191.37	10,398.82	-	-
JM High Liquidity Fund - Super Institutional – Dividend	39,029,883.82	3,909.43	30,097,251.82	3,014.69
JM HLF – Institutional – Growth	-	-	4,344,278.00	675.96
JM HLF - Super Institutional- Growth	-	-	5,970,732.00	880.00
JM MMF – Super Plus – Growth	-	-	11,002,119.00	1,466.09
JM Money Manager Fund - Super Plus – Dividend	14,533,197.31	1,454.09	30,858,206.75	3,087.46
JM Money Manager Fund Super Plus Plan – Growth	10,197,258.68	1,447.00	-	-
JM MMF Super Plus Plan - Dividend	-	-	26,014.00	2.60

b) Mutual Fund Units purchased and sold during the year are as under: (Contd.)

	Current Year		Previous Year	
	No of Units	(₹ in lakh)	No of Units	(₹ in lakh)
JP Morgan India Treasury Fund - Super Institutional – Dividend	32,773,098.73	3,280.23	-	-
Kotak Floater Long Term Fund - Dividend	-	-	12,332,717.27	1,243.11
Kotak Flexi Debt Fund - Dividend	2,003,969.75	201.35	-	-
Kotak Flexi Debt Scheme – Institutional – Growth	-	-	7,842,882.00	916.05
Kotak Flexi Debt Scheme - Institutional – Growth	6,213,391.59	779.00	-	-
Kotak Flexi Debt Scheme Institutional Growth	3,892,294.03	489.31	-	-
Kotak Floater Long Term – Growth	1,973,902.40	310.00	-	-
Kotak Floater Long Term Growth	-	-	646,505.00	99.00
Kotak Liquid – Institutional – Growth	-	-	431,430.00	80.00
Kotak Liquid – Institutional Premium – Growth	-	-	2,037,151.00	397.13
Kotak Liquid (Institutional Premium) – Growth	15,577,455.81	3,345.13	-	-
L&T Ultra Short Term Fund - Dividend	41,079,158.80	4,171.67	-	-
SBI - Magnum Insta Cash Fund - Cash Option	345,876.04	75.12	-	-
SBI - Ultra Short Term Fund - Institutional Plan – Growth	708,014.73	95.00	-	-
SBI Magnum Insta Cash Fund – Cash Option – Growth	-	-	1,533,014.00	329.67
SBI Ultra Short Term Fund – Institutional – Growth	-	-	787,101.00	99.00
Sundaram Ultra Short Term Fund - Super Institutional – Dividend	128,525,194.54	12,900.07	-	-
TATA Floater Fund – Dividend	-	-	23,408,959.22	2,349.23
TATA Floater Fund - Growth	4,536,941.72	690.00	-	-
TATA Floater Fund – Growth	-	-	4,965,816.00	700.00
TATA Liquid Super High Investment Fund – Growth	24,853.10	460.00	-	-
TATA Liquid Super High Investment Fund – Growth	-	-	21,476.00	380.00
TATA Treasury Manager High Investment Plan- Growth	-	-	7,737.00	99.00
UTI - Liquid Cash Plan - Institutional – Dividend	-	-	138,474.05	1,411.67
UTI - Treasury Advantage Fund - Institutional - Dividend	902,430.75	9,026.24	158,624.52	1,586.58
	448,530,928.07	65,038.24	226,741,002.24	35,238.56

18) Inventories

(At lower of cost and net realisable values)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Raw Material.....	995.13	785.67
Stock-in-trade	163.69	427.41
Construction Work in Progress*#	103,753.09	92,430.53
	<u>104,911.91</u>	<u>93,643.61</u>

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

Construction Work-in-Progress above include ₹ 765.87 lakh (Previous year ₹ 765.87 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company, which is in the process of being referred to arbitration.

19) Trade Receivables

(Unsecured, Considered Good)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Outstanding over six months		
Considered Good	2,985.94	1,309.66
Considered doubtful	111.16	111.16
	<u>3,097.10</u>	<u>1,420.82</u>
Other debts		
Considered Good	14,684.94	14,304.51
Considered doubtful	-	-
	<u>14,684.94</u>	<u>14,304.51</u>
Less: Provision for doubtful debts.....	(111.16)	(111.16)
	<u>17,670.88</u>	<u>15,614.17</u>
Add:Share of jointly controlled entites	2,079.63	1,716.73
	<u>19,750.51</u>	<u>17,330.90</u>

20) Cash & Cash Equivalents

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Cash on hand	1.15	4.13
Balances with Scheduled Banks -		
- On Current Accounts*	6,684.03	13,527.50
- In Deposit Accounts (less than 3 months maturity)	6,526.50	9,234.21
(Fixed deposit of ₹ 286.92 lakh (Previous year - ₹ 276.49 lakh) is against Margin Monies with banks for Bank Guarantee)		
In Deposit Accounts (more than 3 months maturity but less than 12 months)	1,791.38	905.61
(Fixed deposit of ₹ 801.74 lakh (Previous year- ₹ 696.07 lakh) is against Margin Monies with banks for Bank Guarantee, Over Draft facilities and interest coverage on term loans)		
	<u>15,003.06</u>	<u>23,671.45</u>
Share in Jointly controlled entities	16.97	102.09
	<u>15,020.03</u>	<u>23,773.54</u>

* Balance with Banks includes unclaimed dividend of ₹ 47.44 lakh (Previous year - ₹ 33.08 lakh)

21) Short Term Loans & Advances

(Unsecured, Considered Good, unless otherwise stated)

Loans and advances to related parties

	Current Year ₹ in lakh	Previous Year ₹ in lakh
- Considered good.....	2,062.13	7,519.95
- Considered doubtful	-	-
Less: Allowance for doubtful loans and advances	-	-
	2,062.13	7,519.95

Other Loans and Advances -

- Considered good*#	29,050.32	17,070.54
- Considered doubtful	121.25	121.25
Less: Allowance for doubtful loans and advances	(121.25)	(121.25)
	29,050.32	17,070.54

Intercompany Deposits	174.04	174.04
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Advance payment of Income tax (net of Provision for tax ₹ 20,318.66 lakh, Previous year ₹ 15,010.60 lakh)	2,425.60	2,180.68
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Staff Loans and Advances.....	10.91	8.97
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Deposits.....	2,642.43	1,857.20
	36,365.43	28,811.38

Add:Share of jointly controlled entities	16.08	58.59
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	36,381.51	28,869.97
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* Other Loans & Advances include ₹ 4,205.26 lakh (previous year ₹ 4,205.26 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

Other Loans & Advances thereon represent the amounts recoverable from the proceeds of projects undertaken/financed by the Company as per the contracted terms. The advances as well as the interest thereon are considered good and fully recoverable based on inter-alia the estimates and projections by the Company of the project costs and revenues.

22) Other Current Assets

(Unsecured, Considered Good, unless otherwise stated)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest accrued on Project advances*#	4,070.32	4,070.32
Less :-Provision for impairment in asset value	(1,550.15)	(1,550.15)
	2,520.17	2,520.17

Interest accrued on deposits	423.06	409.22
	2,943.23	2,929.39

Unbilled Revenue	5,640.42	3,340.36
	8,583.65	6,269.75

Add:Share of jointly controlled entities	0.40	3.95
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	8,584.05	6,273.70
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* Interest accrued thereon represent the amounts recoverable from the proceeds of projects undertaken/financed by the Company as per the contracted terms. The advances as well as the interest thereon are considered good and fully recoverable based on inter-alia the estimates and projections by the Company of the project costs and revenues.

Interest accrued include ₹ 2,174.98 lakh (previous year ₹ 2,174.98 lakh) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and the Company. The dispute has been referred to arbitration.

23) Operating Income

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Income from Projects.....	67,786.89	59,089.05
Project Management Fees	95.80	-
Income from Operation of Commercial Complexes.....	1,445.69	1,228.52
Business Centre Revenues	-	262.25
Profit on sale of properties	189.60	-
	69,517.98	60,579.82
Add: Share in Jointly controlled entities.....	608.58	613.57
	70,126.56	61,193.39

24) Other Income

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest Earned		
- On InterCorporate Deposits	10.71	156.78
- On Bank Deposits	599.63	603.21
- Others.....	528.08	169.39
Dividend - On Current Investments-Non Trade.....	1,093.96	396.20
Profit on Sale of Current Investments-Non Trade	54.90	47.90
Profit on Sale of Long Term investments- Non Trade.....	-	48.64
Profit on Sale of Fixed Assets	283.32	0.39
Write-back of provisions for losses to completion.....	-	0.19
Miscellaneous Income	135.80	74.68
	2,706.40	1,497.38
Add: Share in Jointly controlled entities.....	8.09	10.73
	2,714.49	1,508.11

25) Operating Expenses

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Opening Stock in trade	427.41	751.34
Opening Work-in-progress.....	92,430.53	89,462.09
Opening Raw Material	785.67	415.69
	93,643.61	90,629.12

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<u>Add: Expenses incurred during the year :</u>		
Land Cost / Premium for Development Rights	18,474.42	16,615.99
Architect Fees.....	1,224.46	673.34
Preliminaries & Site Expenses	466.85	464.17
Civil, Electrical, Contracting etc.	25,115.59	14,748.79
Interest (net)	5,858.69	3,960.63
Overheads allocated.....	1,424.89	1,208.12
Payment to Local Agencies	87.98	492.82
Insurance	13.26	8.95
Legal & Professional Fees.....	481.39	401.71
Other Expenses.....	203.54	62.93
	53,351.07	38,637.45
	1,46,994.68	1,29,266.57
Less :-Closing Work-in-progress	(1,03,753.09)	(92,430.53)
Closing Raw Material.....	(995.13)	(785.67)
Closing Stock in trade.....	(163.69)	(427.41)
Capital Work in Progress	(272.61)	(198.41)
	(1,05,184.52)	(93,842.02)
	41,810.16	35,424.55
Rent, Rates & Taxes	38.76	268.37
Insurance.....	5.17	0.13
Repairs & Maintenance - Commercial Properties	104.69	163.66
Professional Fees	124.05	219.49
Brokerage	325.69	258.13
Advertisement, Marketing & Business Development.....	198.89	130.28
Electricity	1.71	26.92
Other Operating Expenses	107.68	80.04
	42,716.80	36,571.57
Add: Share in Jointly controlled entities.....	-	5.92
	42,716.80	36,577.49

26) Employee Benefits

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Salaries, Allowances & Bonus [#]	3,477.59	2,799.60
Contribution to Provident & Other Funds*	159.29	153.35
Staff Welfare Expenses	341.61	153.14
	3,978.49	3,106.09
Less :- Allocated to projects	(1,226.22)	(1,019.56)
	2,752.27	2,086.53
Add: Share in Jointly controlled entities	186.21	174.01
	2,938.48	2,260.54

*** Gratuity****(1) Principal actuarial assumptions:**

	Current Year	Previous Year
Discount rate	8.50%-8.65%	7.50%-8.17%
Rate of Return on Plan Assets	8.00%- 9.50%	8.00%- 9.25%

(2) Reconciliation of Benefit Obligation:

	Funded		Unfunded	
	Current Year ₹ lakh	Previous Year ₹ lakh	Current Year ₹ lakh	Previous Year ₹ lakh
Liability at the beginning of the year	135.96	86.91	18.09	14.73
Interest Cost	10.76	6.72	1.43	1.18
Current Service Cost	36.05	32.39	7.41	7.53
Past Service Cost	-	11.04	0.08	4.82
Benefit Paid	(8.44)	(4.01)	(0.69)	-
Actuarial (Gain) / Loss on Obligations	(14.87)	2.52	(1.04)	(10.17)
Liability at the end of the year	159.45	135.56	25.28	18.09
Fair Value of Plan Assets at the end of the year.	97.36	89.14	-	-
Amount recognised and disclosed under the head "Provisions for Gratuity"	62.09	46.42	25.28	18.09
Current	50.66	46.42	8.71	7.08
Non - Current	11.43	-	16.57	11.01

(3) Reconciliation of Fair value of Plan Assets:

	Funded		Unfunded	
	Current Year ₹ lakh	Previous Year ₹ lakh	Current Year ₹ lakh	Previous Year ₹ lakh
Fair Value of Plan Assets at the beginning of the year	89.14	58.55	-	-
Adjustment to the opening balance	-	5.27	-	-
Expected Return on Plan Assets	7.84	6.68	-	-
Contributions	(8.45)	23.41	-	-
Benefit Paid	16.67	(4.01)	-	-
Actuarial Gain /(Loss) on Obligations	(7.84)	(0.77)	-	-
Fair Value of Plan Assets at the end of the year.	97.36	89.14	-	-

(4) Expenses recognised in the Statement of Profit and Loss under the head "Employee Benefits":

	Funded		Unfunded	
	Current Year ₹ in lakh	Previous Year ₹ in lakh	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Service Cost	36.05	32.39	7.41	7.53
Interest Cost	10.77	6.72	1.43	1.18
Unrecognised Past Service Cost	0.40	11.03	0.08	4.82
Expected Return on Plan Assets	(7.84)	(6.68)	-	-
Net Actuarial (Gain) / Loss recognised	(7.04)	3.28	(1.04)	(10.17)
Expenses recognised in Statement of Profit and Loss	32.33	46.74	7.88	3.36

(5) Experience Adjustments

(₹ in lakh)

Gratuity (Funded)	2012	2011	2010	2009	2008
Defined benefit obligation	159.45	135.96	72.73	74.12	59.68
Fair value of plan assets	97.36	89.14	58.55	45.98	42.35
Surplus / (Deficit)	(62.09)	(46.82)	(14.18)	(28.14)	(17.33)
Experience adjustment on plan liability [(Gain) / Loss]	22.03	(13.24)	25.06	11.94	8.89
Experience adjustment on plan assets [Gain / (Loss)]	(4.55)	(0.77)	(5.17)	(4.27)	(3.60)

(₹ in lakh)

Gratuity (Unfunded)	2012	2011	2010	2009	2008
Defined benefit obligation	25.28	18.17	28.91	21.99	19.17
Fair value of plan assets	-	-	-	-	-
Surplus / (Deficit)	(25.28)	(18.17)	(28.91)	(21.99)	(19.17)
Experience adjustment on plan liability [(Gain) / Loss]	(1.04)	(10.17)	(3.93)	2.43	0.02
Experience adjustment on plan assets [Gain / (Loss)]	-	-	-	-	-

Employee Stock Option Scheme

The Company had granted 678,359 Equity shares on 25th April, 2008 to the eligible employees under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 25 th April, 2008
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	678,359
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 428/- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	25 % On expiry of 12 months from the date of grant ;
	25 % On expiry of 24 months from the date of grant ;
	25 % On expiry of 36 months from the date of grant ;
	25 % On expiry of 48 months from the date of grant ;

The company has adopted intrinsic value method for computing the compensation cost for the Options granted. The exercise price of the shares is based on the average of the daily high and low of the prices for the Company's Equity Shares quoted on the Bombay Stock Exchange Limited, during the 15 days preceding the grant of the Options. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period. The details of the same are given here under:

Particulars	Grant dated 25 th April, 2008
Intrinsic Value of shares based on latest available closing market price	₹ 15.79
Total Amount to be amortized over the vesting period	₹ 98.79 lakh
Charge to Statement of Profit & Loss for the year	₹ 19.40 lakh
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹ 19.76 lakh

The Fair Value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows:

Particulars	Grant dated 25th April ,2008
Risk free interest rate	7.79% -8.15%
Expected life	3.5 -6.5 Years
Expected volatility	66.76%- 70.65%
Expected dividend yield	0.33%
Exercise price	₹ 428.00
Stock price	₹ 443.79

Earnings Per Share as required by Accounting Standard 20 read with the Guidance Note on "Accounting for Employee share-based Payments" is as follows.

	Particulars	Intrinsic Value Method		Fair Value Method	
		March 2012	March 2011	March 2012	March 2011
A	Net Profit After Tax (₹ in lakh)	12,016.08	10,304.62	11,770.30	10,033.90
	Less Preference dividend	-	119.42	-	119.42
B	Weighted Average number of Equity Shares of ₹ 10/- each (Basic)	40,835,150	40,832,246	40,835,150	40,832,246
C	Weighted Average number of Equity Shares of ₹ 10/- each (Diluted)	40,835,150	40,832,246	40,835,150	40,832,246
D	Basic Earning per Share (₹)	29.43	24.94	28.82	24.28
E	Diluted Earning per Share (₹)	29.43	24.94	28.82	24.28

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1 st April	592,551	635,989
Options granted during the year	-	-
Options lapsed during the year	-	-
Options cancelled during the year	3,772	17,438
Options exercised during the year	-	26,000
Options outstanding on 31 st March	588,779	592,551
Options vested but not exercised on 31 st March	439,816	291,534

Information in respect of options outstanding as at 31st March, 2012:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	588,779	42 months

27) Administration & Other Expenses

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Rent, Rates and Taxes	566.73	519.04
Insurance	43.28	29.46
Repairs and Maintenance		
- Buildings	18.78	13.55
- Others	198.40	117.37
Electricity Charges	291.44	236.19
Travelling & Conveyance	429.61	359.46
Legal & Professional Fees	900.44	468.05
Printing & Stationery	86.67	59.51
Communication	159.97	114.63
Advertisement, Marketing & Business Development	1,047.44	1,108.98
Auditors Remuneration	62.69	43.52
Loss on sale of Fixed assets	1.54	6.72
Doubtful Debts Provided	-	111.16
Miscellaneous Expenses	1,409.36	1,399.95
	5,216.35	4,587.59
Add: Share in Jointly controlled entities	120.67	125.80
	5,337.02	4,713.39

28) Finance Cost

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest on Loans	8,552.27	5,004.53
Less : Allocated to projects	(6,443.63)	(3,872.08)
	2,108.64	1,132.45

29) The estimated amount of the contracts entered into and remaining to be executed on Capital account and not provided for (net of advances) as at 31st March 2012 is ₹ 1,218.41 lakhs (*Previous year: ₹ 1,026.81 lakh*).

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

31) The Company has subsidiaries which are engaged in the business of land development for industrial, commercial and residential use. Few companies are in the initial phase of development and have conducted preliminary studies and surveys for the project.

32) Leases:

The Company's significant leasing arrangements are in respect of operating leases for Commercial & Residential premises.

a) Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Gross Carrying Amount of premises	1,433,385	12,647.05
Accumulated Depreciation.....	1,856.75	1,357.09
Depreciation for the year	439.86	323.38
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	1,088.40	1,199.42
➤ Later than 1 year and not later than 5 years	1,279.19	1,025.82
➤ Later than 5 years	1,005.48	988.73
b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:		
	Current Year ₹ in lakh	Previous Year ₹ in lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	163.58	159.31
➤ Later than 1 year and not later than 5 years	18.63	86.59
➤ Later than 5 years	-	-

33) Contingent Liabilities

Matter	Current Year ₹ in lakh	Previous Year ₹ in lakh
a) Claims against the Company not acknowledged as debts represent :		
i) A Revision First appeal filed by a party in the Delhi High Court, and disputed by the Company, for recovery of brokerage in respect of a transaction relating to operating of commercial complexes. In the opinion of the management the above claim is not sustainable.	42.67	42.67
ii) Claims raised by a civil contractor in respect of a project at Mumbai.....	88.44	88.44
iii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.....	123.99	123.99
iv) Demand from a local authority for energy dues disputed by the company.	2,164.04	2,164.04
b) Tax matters under appeal		
➤ Income Tax		
The Income tax Department has sought to re-classify certain business income as income from house property, in respect of which the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities	1,321.80	1,218.55
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 846.49 lakh (<i>previous year ₹ 743.43 lakh</i>)		
Other demand, for which the Subsidiary Companies are contesting with the Appellate Authorities.....	76.34	114.61
c) Guarantee/ Counter guarantee given by Mahindra Infrastructure Developers Limited for its joint ventures.....	900.00	900.00

34) Segmental Reporting

(₹ in lakh)

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,445.69	68,680.88	-	70,126.57
<i>Previous Year</i>	1,228.52	59,702.62	262.25	61,193.39
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
TOTAL REVENUE	1,445.69	68,680.88	-	70,126.57
<i>Previous Year</i>	1,228.52	59,702.62	262.25	61,193.39
SEGMENT RESULT	1,259.54	22,028.25	-	23,287.78
<i>Previous Year</i>	1,038.70	19,924.73	(7.79)	20,955.64
Unallocated Corporate Expenses (net)	-	-	-	(3,250.24)
<i>Previous Year</i>	-	-	-	(3,224.75)
Operating profit	-	-	-	20,037.54
<i>Previous Year</i>	-	-	-	17,730.89
Interest expense	-	-	-	(2,108.65)
<i>Previous Year</i>	-	-	-	(1,132.45)
Interest income	-	-	-	877.36
<i>Previous Year</i>	-	-	-	871.81
Income taxes	-	-	-	(5,929.08)
<i>Previous Year</i>	-	-	-	(5,868.92)
Net Profit	-	-	-	12,877.16
<i>Previous Year</i>	-	-	-	11,336.50
OTHER INFORMATION				
Segment Assets	2,331.43	191,331.45	24.35	193,687.23
<i>Previous Year</i>	2,472.19	165,823.68	25.42	168,321.30
Unallocated Corporate Assets				32,220.83
<i>Previous Year</i>				33,467.86
TOTAL ASSETS				225,911.24
<i>Previous Year</i>				201,789.16
Segment Liabilities	589.91	104,689.99	49.19	105,329.10
<i>Previous Year</i>	621.03	89,931.30	41.91	90,594.24
Unallocated Corporate				5,075.78
<i>Previous Year</i>	-	-	-	4,676.46
TOTAL LIABILITIES				110,404.88
<i>Previous Year</i>	-	-	-	95,270.70
Capital Expenditure	-	2,500.94	-	2,622.21
<i>Previous Year</i>	-	2,249.29	-	2,466.88
Depreciation	51.11	670.10	-	933.87
<i>Previous Year</i>	51.43	567.54	1.31	811.84

Notes:

- The segment result for Projects, Project Management and Development activity is arrived at after considering an interest of ₹ 1,578.73 lakh (*Previous year ₹ 282.16 lakh*), as it formed part of the cost of projects according to the method of accounting followed by the Company.
- The Company has discontinued the Operations of its segment- Business Centre during the quarter ended 31st December, 2010.

35) Related Parties

List of related parties: Enterprises Controlling the Company Mahindra & Mahindra Limited	Holding Company
Fellow Subsidiaries Bristlecone India Limited. Mahindra Holidays & Resorts India Limited. Mahindra Consulting Engineers Limited Mahindra Construction Company Limited Mahindra EPC Services Private Limited	Mahindra Engineering & Chemical Products Limited Mahindra & Mahindra Financial Services Limited Tech Mahindra Limited Mahindra BPO Services Limited
Joint Ventures & Associates of the Company Mahindra Water Utilities Limited (Joint Venture) Mahindra Inframan Water Utilities Pvt Limited (Joint Venture) Rathna Bhoomi Enterprises Pvt. Limited (Associate)	

Key Management Personnel

Managing Director and Chief Executive Officer of the Company - Ms. Anita Arjundas

Mr. B K Subbaiah,

Ms. Sangeeta Prasad.

Director of the Promoter Company - Mr. Anand Mahindra

Enterprises over which key management personnel are able to exercise significant influence: Nil

Transactions with related parties during the year and balance as on 31st March, 2012

(₹ in lakh)

Nature of Transactions	Enterprise controlling the Company	Companies under common control	Individual	Key Management Personnel
Rendering of Services	1,254.71	25.12	-	-
<i>Previous Year</i>	<i>1,225.09</i>	<i>(252.89)</i>	-	-
Receiving of Services	541.58	119.28	-	-
<i>Previous Year</i>	<i>376.58</i>	<i>74.62</i>	-	-
Sales	-	130.82	1,150.00	-
<i>Previous Year</i>	<i>11.55</i>	-	-	-
Remuneration	-	-	-	288.93
<i>Previous Year</i>	-	-	-	<i>237.84</i>
Expenses Reimbursement	24.26	9.18	-	-
<i>Previous Year</i>	<i>153.44</i>	<i>1.76</i>	-	-
Finance Given during the year	-	1,000.00	-	-
<i>Previous Year</i>	<i>2,700.00</i>	<i>11,500.00</i>	-	-
Interest Received	-	10.71	-	-
<i>Previous Year</i>	-	<i>156.78</i>	-	-
Purchase of Land	1,467.11	9,720.03	-	-
<i>Previous Year</i>	<i>1,700.00</i>	-	-	-
Purchase of Goods	-	2.52	-	-
<i>Previous Year</i>	<i>39.07</i>	-	-	-
Redemption of Shares	-	-	-	-
<i>Previous Year</i>	<i>1,000.00</i>	-	-	-
Dividend Paid	1,042.31	-	-	-
<i>Previous Year</i>	<i>937.03</i>	-	-	-
ICD Repaid		1,000.00	-	-
<i>Previous Year</i>		<i>6,000.00</i>	-	-
Receivables	2,008.02	0.97	-	-
<i>Previous Year</i>	<i>2,017.49</i>	<i>5,502.46</i>	-	-
Payables	1,170.63	602.64	-	-
<i>Previous Year</i>	<i>1,207.23</i>	<i>577.66</i>	-	-

The significant related party transactions are as under:

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakh)	Enterprises under the Common Control of the Company / Fellow subsidiaries	Amount (₹ in lakh)	Individual	Amount (₹ in lakh)	Key Management of Personnel	Amount (₹ in lakh)
Rendering of Services	Mahindra & Mahindra Limited	1,254.71	Mahindra Construction Company Limited	25.00				
Receiving of Services	Mahindra & Mahindra Limited	541.58	Mahindra Consulting Engineers Limited	80.90				
			Bristle Cone India Limited	22.78				
			Tech Mahindra Limited	11.73				
Sales					Relative of Individual	1,150.00		
Remuneration							Ms. Anita Arjundas	152.29
							Mr. B.K. Subbaiah	60.98
							Ms. Sangeeta Prasad	75.66
Expenses Reimbursement	Mahindra & Mahindra Limited	24.26	Mahindra Consulting Engineers Limited	9.18				
Finance Given during the year			Mahindra & Mahindra Financial Services Limited	1,000.00				
Interest Received			Mahindra & Mahindra Financial Services Limited	10.71				
Purchase of goods			Mahindra Consulting Engineers Limited	2.52				
Purchase of Land	Mahindra & Mahindra Limited	1,467.11	Mahindra Engineering & Chemical Products Limited	10,206.03				
Purchase of Assets			Mahindra EPC Services Pvt. Limited	130.82				
Dividend Paid	Mahindra & Mahindra Limited	1,042.31						
ICD Repaid			Mahindra & Mahindra Financial Services Limited	1,000.00				
Receivables	Mahindra & Mahindra Limited	2,008.02	Mahindra Consulting Engineers Limited	0.97				
Payables	Mahindra & Mahindra Limited	1,170.63	Tec Mahindra Limited	570.00				

- 36) The Subsidiary Company, Mahindra Infrastructure Developers Ltd, has entered into a Solid Waste Treatment Agreement on 17th January, 2003 ("the Agreement") executed with Tirupati Temple Devasthanam (TTD) for operating a solid waste treatment plant ("the project") at Tirupati, the Company has terminated the Agreement with effect from 19th June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the agreement. The project has not been operating since the termination. Accordingly no depreciation on the facilities has been provided since 20th June, 2009. The particulars of the facilities as on 20th June, 2009 to be transferred to TTD on acceptance of the termination by them are given below:

(₹ in lakh)

Description of Assets	Written Down Value of the Assets
Building	28.45
Plant & Machinery and Office Equipment	168.81
Computer	0.05
Furniture & Fixtures	0.10
Vehicle	0.48
Total	197.89

The carrying amount of current assets pertaining to the above discontinuing operation is ₹ 19.75 lakh (*Previous year ₹ 22.57 lakh*) and its current liabilities is ₹ 28.33 lakh (*Previous year ₹ 20.28 lakh*).

The following statement shows the revenue and expenses of the continuing and the above discontinuing operation of the Company:

₹ in lakh

Particulars	Continuing Operation		Discontinuing Operation		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income	8.95	39.90	2.52	0.75	11.47	40.65
Raw Materials & Finished Products	—	—	(1.76)	(0.93)	(1.76)	(0.93)
Personnel Expenses	(6.40)	(9.76)	(2.42)	(3.62)	(8.83)	(13.38)
Other Expenses	(6.87)	(2.56)	(8.80)	(3.25)	(15.67)	(5.81)
Depreciation	(0.12)	(0.13)	-	—	(0.12)	(0.13)
Diminution in the value of business unit	-	—	(40.57)	—	(40.57)	—
Profit/(Loss) for the year before tax	(4.45)	27.45	(51.03)	(7.05)	(55.48)	20.40

- Expenses are within brackets

37) Information in respect of Joint Ventures and Jointly Controlled Operations

a) Jointly Controlled operations

- i) Development of the following residential projects:
 - G.E. Gardens, Mumbai
 - Kukatapally, Hyderabad
- ii) Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

b) Jointly controlled entities

Name	Country of Incorporation	Business Activity	Proportion of Ownership Interest
Mahindra Water Utilities Limited	India	O&M of water & sewerage facilities at Tirupur	50.00%
Mahindra Inframan Water Utilities Pvt. Limited	India	O&M of water & sewerage facilities at Navi Mumbai	50.00%

c) Interest in the Assets, Liabilities, Income and Expenses with respect to jointly controlled entities

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current assets	2,156.32	1,882.44
Non-current assets	42.45	48.28
Total	2,198.76	1,930.71
Current liabilities	543.58	475.27
Non-current liabilities	13.50	12.86
Total	557.09	488.13
Income	616.66	624.30
Expenses	313.65	314.08

38) Details of Associates

Name of Associate	Country of Incorporation	% Holding
Rathna Bhoomi Enterprises Private Limited	India	50.00%

39) Goodwill/ Capital Reserve arising out of Investment in Associates

The share of losses in Rathna Bhoomi Enterprises Pvt. Limited., exceeds the carrying cost of the investments. As per the requirements of the Accounting Standard (AS) – 23, the Company has not recognised its shares in further losses and accordingly, the investments are carried at Nil value.

40) Earnings per share

Calculation of Net Profit (including extraordinary item) available for Equity Shareholders:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
A Net Profit After Tax	11,908.02	10,817.27
Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	—	119.42
Profit available for Equity Shareholders	11,908.02	10,697.85
B Weighted Average number of Equity Shares of ₹ 10/- each	408.35	408.32
C Basic and Diluted Earnings per Share (₹)	29.16	26.20

As per our Report attached hereto

For and on behalf of the Board

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

Padmini Khare Kaicker
Partner

Mumbai : 27th April, 2012

Suhas Kulkarni
Company Secretary

Arun Nanda
Uday Y. Phadke
Sanjiv Kapoor
Shailesh Haribhakti
Anil Harish
Prakash Hebalkar
Anita Arjundas

Chairman
Director
Director
Director
Director
Director
Managing Director & CEO

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**ATTENDANCE SLIP****MAHINDRA LIFESPACE DEVELOPERS LIMITED**Registered Office: 5th Floor, Mahindra Towers, Worli, Mumbai – 400 018.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slip on request.

DP Id*

Registered Folio No.

Client Id*

No. of Shares

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **Thirteenth Annual General Meeting** of the Company held on Tuesday, 24th day of July, 2012 at 3.00 p.m. at Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021.

Signature of the shareholder or proxy _____

* Applicable for investors holding shares in electronic form.

----- TEAR HERE -----

**PROXY FORM****MAHINDRA LIFESPACE DEVELOPERS LIMITED**Registered Office: 5th Floor, Mahindra Towers, Worli, Mumbai – 400 018.

DP Id*

Registered Folio No.

Client Id*

No. of Shares

I/We _____

of _____ being a member / members of MAHINDRA LIFESPACE DEVELOPERS LIMITED hereby appoint _____

_____ of _____ or failing him/her _____

of _____ as my/our proxy to vote for me/us and on my/our behalf at the **Thirteenth Annual General Meeting** to be held on Tuesday, 24th July, 2012 at 3.00 p.m. or at any adjournments thereof.

Signed this _____ day of _____ 2012

Place : _____

Signature**Affix a
30 paise
Revenue
Stamp**

* Applicable for investors holding shares in electronic form.

Note: The proxy in order to be effective, should be duly completed, stamped, signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

