



Shaping
a greener future

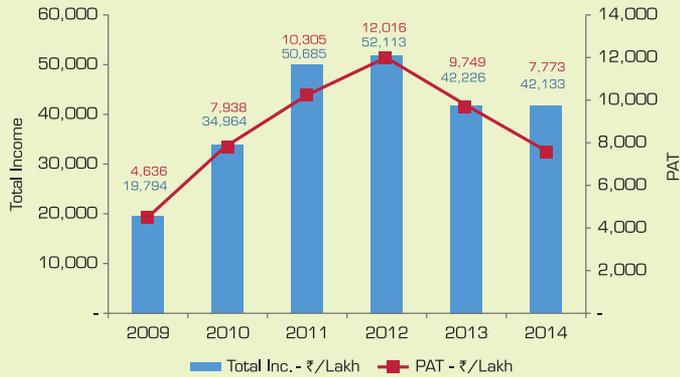


FINANCIAL HIGHLIGHTS

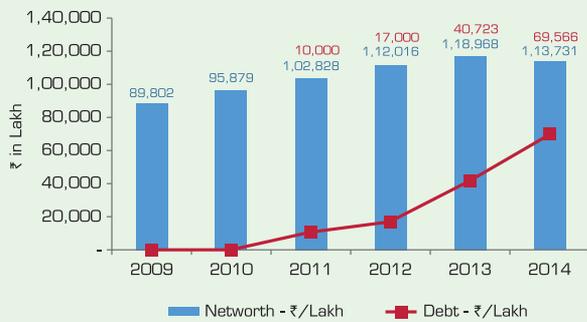
STANDALONE

CONSOLIDATED

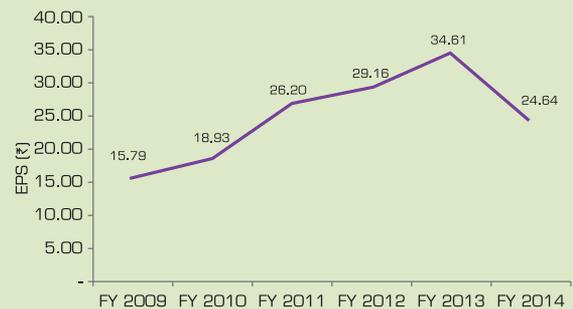
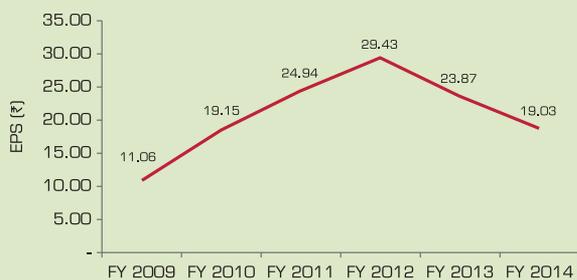
Total Income & PAT



Debt & Networth



EPS



FINANCIAL HIGHLIGHTS - STANDALONE

₹ In lakhs

	F - 2014	F - 2013	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005
Net Worth	113,731	118,968	112,016	102,828	95,879	89,802	86,375	77,077	19,279	19,474
Borrowings	69,566	40,723	17,000	10,000	-	-	-	89	12,729	5,303
Net Fixed Assets	2,857	2,557	2,907	3,192	3,237	3,482	2,688	3,282	3,427	3,758
Investments	75,027	43,114	44,860	36,214	40,955	36,153	50,291	32,578	9,577	9,364
Book Value Per Equity Share (₹)	278	291	274	252	232	218	209	190	41	42
Operating Income	30,707	35,152	46,895	47,656	32,065	16,540	17,212	15,552	12,113	9,146
Other Income	11,426	7,073	5,217	3,029	2,899	3,254	4,784	773	300	349
Operating Expenses	21,879	22,577	30,199	31,367	21,267	12,433	11,181	11,981	8,660	6,212
Other expenses	10,114	6,060	5,159	4,381	2,947	1,585	2,437	2,239	2,005	1,949
Profit Before Tax	10,139	13,588	16,755	14,937	10,750	5,777	8,378	2,105	1,748	1,334
Profit After Tax	7,773	9,749	12,016	10,305	7,938	4,636	6,539	1,417	1,099	786
Basic Earning per Share (₹)	19.03	23.87	29.43	24.94	19.15	11.06	16.00	3.82	0.51	2.53
Diluted Earning per Share (₹)	19.03	23.87	29.43	24.94	19.15	11.06	16.00	3.81	0.51	-
Equity Dividend per share (₹)	6.00	6.00	6.00	5.00	3.50	2.50	2.50	1.50	1.00	-

Contents

Notice	1
Directors' Report	11
Management Discussion and Analysis	20
Report on Corporate Governance	29
Auditors' Report	44
Accounts	47
Statement Pursuant to Section 212	78
Consolidated Audit Report and Accounts	80

Board of Directors

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

Chairman

Managing Director & Chief Executive Officer

Leadership Team

Ms. Anita Arjundas
 Ms. Sangeeta Prasad
 Mr. Rajendra Joshi
 Mr. Lokesh Kumar Gupta
 Mr. Deepak Porayath
 Mr. S. Chandru
 Mr. Sanjay Srivastava
 Mr. Sriram S. Mahadevan
 Mr. Ramesh Ranganathan
 Mr. Suhas Kulkarni
 Mr. Eric Hauptstein
 Ms. Smeeta Neogi
 Mr. Jayantt Manmadkar
 Mr. Lancelot Cutinha
 Mr. Siddharth Bafna

Managing Director & Chief Executive Officer, MLDL and CEO - Real Estate Sector
 CEO - Integrated cities and Industrial clusters Business & Business Head - South
 Business Head - West
 Vice President – Operations, North
 Vice President – Operations, Bangalore
 COO, Mahindra World City, Chennai
 COO, Mahindra World City, Jaipur
 Business Head – Special Projects
 Head – Business Development
 Sr. Vice President – Legal & Company Secretary
 Chief Project Officer
 Vice President - Marketing
 Chief Financial Officer
 Head – Human Resources
 General Manager – Strategy & Investor Relations

Company Secretary

Mr. Suhas Kulkarni

Auditors

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

Chartered Accountants

Bankers

Central Bank of India
 HDFC Bank Limited

Legal Advisors

Khaitan & Co.
 Little & Co.

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 Offices

- **Delhi Office**
 Mahindra Towers, 2A,
 Bhikaji Cama Place,
 New Delhi 110 066
- **Chennai Office**
 The Canopy, II Floor, Unit No. II,
 Mahindra World City, Special Economic Zone,
 Natham Sub P.O., Near Paranur Railway Station,
 Chengelpet 603 002, Tamil Nadu
- **Hyderabad Office**
 Survey No. 78/2, & 78/3,
 Next to Indu Fortune Fields,
 Kukatpally, Hyderabad – 500 072
- **Mumbai Office**
 Chemtex House, Ground Floor,
 Main Street Road, Hiranandani Gardens,
 Powai, Mumbai 400 076
- **Pune Office**
 CTS 6017, Pimpri - Nehru Nagar Road,
 Next to Dr. Beck Company, Pimpri,
 Pune 411 018. Maharashtra

NOTICE

The Fifteenth Annual General Meeting of **MAHINDRA LIFESPACE DEVELOPERS LIMITED** (CIN: L45200MH1999PLC118949) will be held on Thursday, 7th day of August, 2014 at 3.00 p.m. at Y. B. Chavan Centre, General Jagannathrao Bhonsle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021, to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including the Statement of Profit & Loss for the year ended on that date, audited Balance Sheet as at 31st March, 2014 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 Mr. Arun Nanda (DIN 00010029), who retires by rotation and being eligible, offers himself for re-appointment.

4. Appointment of and fixing of remuneration of Auditors

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 139, 141 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, 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:

5. Appointment of Mr. Shailesh Haribhakti as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shailesh Haribhakti (DIN 00007347), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, and who meets the criteria of the independence as provided under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as

an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company”.

6. Appointment of Mr. Sanjiv Kapoor as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Sanjiv Kapoor (DIN 00004005), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, and who meets the criteria of the independence as provided under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company”.

7. Appointment of Mr. Anil Harish as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anil Harish (DIN 00001685), Director of the Company in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, and who meets the criteria of the independence as provided under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company.”

8. Appointment of Dr. Prakash Hebalkar as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Prakash Hebalkar (DIN 00370499), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, and who meets the criteria of the independence as provided under Section 149(6) of the Companies Act, 2013 be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company”.

9. Appointment and Remuneration of Managing Director & CEO

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 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company 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 including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the re-appointment and remuneration of Ms. Anita Arjundas, (DIN 00243215) as the Managing Director of the Company under the Companies Act, 2013 to be designated as Managing Director & Chief Executive Officer (MD & CEO) for a period of five years with effect from 23rd June, 2014 to 22nd June, 2019 (both days inclusive), on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Ms. Anita Arjundas, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company may subject to receipt

of the requisite approvals including approval of Central Government, if any, pay to the MD & CEO the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the explanatory statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.”

10. Borrowing Limits under Section 180(1)(c) of the Companies Act, 2013

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

“RESOLVED THAT in supersession of Resolution No.7 passed at the 12th Annual General Meeting held on 21st July, 2011 under Section 293(1)(d) of the Companies Act, 1956, the consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c), 180(2) and other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the Company, the Board of Directors of the Company (which term shall be deemed to include any duly authorized committee(s) thereof, for the time being exercising the powers conferred by the Board by this resolution) for borrowing from time to time, any sum or sums of money for the business of the Company upon such terms and conditions and with or without security as the Board of Directors may in its absolute discretion think fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company will exceed aggregate of its paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from Company’s Bankers in the ordinary course of business, provided however that the sums so borrowed and remaining outstanding on account of principal amount shall not, at any time, exceed ₹ 15,000,000,000 (Rupees One Thousand Five Hundred Crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide all terms and conditions in relation to such borrowing at their absolute discretion and to do all such acts, deeds and things, to execute all such documents, instruments in writing as may be required to give effect to this resolution.”

11. Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company

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

“RESOLVED THAT in supersession of the Special Resolution No. 10 passed at the Annual General Meeting of the Company held on 24th July, 2009, and pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves that the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books be kept at the registered office of the Company’s Registrar and Transfer Agents viz. Sharepro Services (India) Private Limited, situated at, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 and also at its office at 912, Raheja Center, Free Press Journal Road, Nariman Point, Mumbai – 400 021.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, documents etc. as aforesaid be kept open for inspection between the hours of 2.00 p.m. and 4.00 p.m. on any working day of the Registrars except when the Registers and Books are closed.”

12. Private Placement of Non-Convertible Debentures and/ or other Debt Securities

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 Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, as may be amended / enacted / re-enacted from time to time, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“SEBI (ICDR) Regulations”) and subject to other required Rules, Regulations, Guidelines, Notifications and Circulars issued by the SEBI, the Reserve Bank of India (“RBI”), the Government of India (“GOI”), Ministry of Corporate Affairs (“MCA”), Registrar of Companies (“ROC”), the Stock Exchanges, Articles of Association of the Company and subject to receipt of necessary approvals as may be applicable and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals which may be agreed to by the Board of Directors of the Company (“the Board”, which term shall be deemed to include any Committee thereof which

the Board may have constituted or herein after constitute to exercise its powers including the powers conferred by this resolution), the approval of the Company, be and is hereby accorded to the Board for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures including but not limited to Bonds, and/or other Debt Securities, on Private Placement basis, in one or more tranches, to such person(s) / Financial Institution(s) / Bank(s) / Mutual Fund(s) / Body Corporate(s) / Company(ies) / any other entities on such terms and conditions as the Board may deem fit during a period of one year from the date of passing of this resolution upto an aggregate amount of ₹ 7,500,000,000 (Rupees Seven Hundred Fifty Crore Only) within the overall borrowing limits of the Company, as approved by the members, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle or vary / modify the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, repayment, pre-payment, security or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deems fit, without being required to seek any further consent for approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or any regulatory bodies and to delegate all or any of the powers conferred herein to any Committee of Directors, or officers of the Company and/or in such manner as it may deem fit.”

NOTES:

A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

B) A form of proxy is enclosed to this notice. No instrument of proxy shall be valid unless:

i) it is signed by the member or by his/her attorney duly authorised in writing or, in the case of joint holders, it

is signed by the member first named in the register of members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank.

- ii) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent.
- C. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- D. Members / proxies are requested to bring duly filled attendance slips sent herewith to attend the Meeting.
- E. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intension to inspect the proxies lodged shall be required to be provided to the Company.
- F. As the number of members as on the date of meeting exceeds five thousand the quorum for the meeting as provided in Section 103 of the Companies Act, 2013 shall be thirty members personally present.
- G. As of 31st March, 2014:

Mr. Arun Nanda, Director holds 60,114 equity shares of the Company and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company. Mr. Uday Nanda, son of Mr. Arun Nanda holds 350 equity shares. Mr. Shailesh Haribhakti and Mr. Sanjiv Kapoor do not hold any 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. Dr. Prakash Hebalkar holds 2,500 equity shares in the Company. Ms. Anita Arjundas holds 3,000 equity shares in the Company.

Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional

areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. None of the Directors of the Company are inter-se related to each other.

- H. Explanatory Statement as required under Section 102 of Companies Act, 2013 is annexed hereto.
- I. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 1st August, 2014 to Thursday, 7th August, 2014 (both days inclusive).
- J. Dividend, if declared, will be credited / dispatched between 8th August, 2014 to 12th August, 2014 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 Thursday, 31st July, 2014.
- K. 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.
- L. Pursuant to erstwhile Section 205C (2) of the Companies Act, 1956, (corresponding to Section 125 of the Companies Act, 2013) unpaid / unclaimed dividends for the financial year ended on 31st March, 2000, 2001, 2002 and 2006 have been transferred to the Investor Education & Protection Fund (IE & PF) on 19th September, 2007, 24th October, 2008, 20th November, 2009 and 23rd September, 2013 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 IE & PF.

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
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
2011- 2012	24 th July, 2012	28 th August, 2019	29 th August, 2019 to 28 th September, 2019
2012 - 2013	24 th July, 2013	29 th August, 2020	30 th August, 2020 to 29 th September, 2020

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.

In terms of the relevant Rules for the said IE&PF, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial year from 2006-07 to 2011-12, as on the date of the 14th Annual General Meeting held on 24th July, 2013, on the website of the Company www.mahindralifespaces.com and website of the IE&PF www.iepf.gov.in

- M. 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 72 of the Companies Act, 2013 (erstwhile section 109A of the Companies Act, 1956). Members desiring to avail of this facility may send their nomination in the prescribed Form SH - 13 duly filled in to Sharepro Services (I) Pvt. Limited.
- N. 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.
- O. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- P. Members are requested to note that the Company's shares are under compulsory Demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience and eliminate risks associated with physical shares and for ease of portfolio management.
- Q. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agents, Sharepro Services (I) Pvt. Limited.
- R. Non-Resident Indian members are requested to inform Registrar & Share Transfer Agents, Sharepro Services (I) Pvt. Limited, immediately of:
- Change in their residential status on return to India for permanent settlement.
 - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- S. As per the circular dated 21st March, 2013 issued by Securities and Exchange Board of India (SEBI), Companies whose securities are listed on the stock exchanges shall use approved electronic mode of payment for making cash payments (such as dividend) to the investors. We would therefore request you to do the following:
- In case of holding of shares in demat form, update your bank account details with your Depository Participant (DP) immediately.
 - In case of physical shareholding, submit bank details alongwith photocopy of the cancelled cheque of your account 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.
- T. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Companies Act, 2013 read with Rules thereunder, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his/her Depository Participant / the Company's Registrar & Share Transfer Agents from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting. 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 20 of the Companies Act, 2013 read with the relevant Rules thereunder. 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.
- U. Printed copies of the Notice of the 15th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode. In addition, Notice of the 15th Annual General Meeting of the Company in electronic form *inter alia* indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is also being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes.
- V. Members may also note that the Notice of the 15th Annual General Meeting and the Annual Report for the year 2013 - 2014 will also be available on the Company's website www.mahindralifespaces.com for their download. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id: investor@mahindralifespaces.com

W. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting except Saturdays, Sundays and Public Holidays.

X. Voting through electronic means

- I. In terms of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), the items of Business given in AGM Notice may be transacted through electronic voting system and the Company is providing e-voting facility to the members who are the members as on Friday, 27th June, 2014 (End of Day) being the "Record Date" fixed for the purpose, to exercise their right to vote at the 15th AGM by electronic means through the e-voting platform provided by National Securities Depository Ltd. (NSDL).
- II. The e-voting period commences on 1st August, 2014 (9:00 am) and ends on 2nd August, 2014 (5:30 pm). During the e-voting period, members' of the Company, holding shares either in physical form or in dematerialized form, may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for e-voting are as under:

A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- a) Open email and open PDF file viz; "MLDL AGM e-Voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- c) Click on Shareholder - Login
- d) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
- e) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f) Please note that login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forget Password' option available on the site to re-set the same.
- g) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- h) Select "EVEN" of Mahindra Lifespace Developers Limited.
- i) Now you are ready for e-voting as Cast Vote page opens.

- j) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- k) Upon confirmation, the message "Vote cast successfully" will be displayed.
- l) Once you have voted on the resolution, you will not be allowed to modify your vote
- m) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to mferraocs@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a member uses a printed copy of the Notice of AGM:

- i) Initial password is provided as below/at the bottom of the Ballot Paper being sent in terms of Clause 35B of the Listing Agreement:

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN

- ii) Please follow all steps from Sl. No. (a) to Sl. No. (m) above, to cast vote.
- III. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the record date of Friday, 27th June, 2014.
- VII. Mr. Martinho Ferrao, Practising Company Secretary (Membership No. FCS 6221) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director & CEO of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.mahindralifespaces.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM

of the Company and shall be communicated to the Stock Exchanges.

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

Suhas Kulkarni

Sr. Vice President - Legal & Company Secretary

FCS - 2427

Registered Office

5th Floor, Mahindra Towers,
Worli, Mumbai 400 018
Date: 16th June, 2014

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item Nos. 5, 6, 7 & 8

Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Shailesh Haribhakti retires by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment as an Independent Director. It is proposed that Mr. Shailesh Haribhakti existing Director who meets the criteria of Independence, be appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company.

Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed that Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar existing Directors who meet the criteria of Independence, be appointed as Independent Directors of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company.

All the above Directors are not disqualified from being re-appointed as Directors by virtue of the provisions of section 164 of the Companies Act, 2013 (erstwhile Section 274(1)(g) of the Companies Act, 1956). They have also given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

A notice has been received from a member of the Company along with requisite deposit signifying his intention to propose Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar as candidates for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Shailesh Haribhakti, Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management of the Company. Having regard to the qualifications, knowledge and

experience, their appointment as an Independent Directors will be in the interest of the Company. Copy of the draft letter of appointment for Independent Director(s) setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday. The Board recommends their appointment as Independent Directors in the interest of the Company.

The Directors recommend the passing of the Resolutions at Item No.5 to 8 as Ordinary Resolutions.

Except Mr. Shailesh Haribhakti, Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar who are interested in their respective re-appointment, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, deemed to be concerned or interested in these items of business.

Item No. 9

The members at the 10th Annual General Meeting held on 24th July, 2009 had approved the appointment of Ms. Anita Arjundas as Managing Director of the Company designated as "Managing Director & Chief Executive Officer", for a period of 5 years from 23rd June, 2009 to 22nd June, 2014 and remuneration in the scale of ₹ 100,000 to ₹ 400,000 of basic salary for a period of 3 years (i.e. upto 22nd June, 2012). The members at the 13th Annual General Meeting held on 24th July, 2012 approved the revision in the remuneration payable to Ms. Anita Arjundas in the scale of ₹ 400,000 to ₹ 800,000 of basic salary for remainder of term i.e. from 1st April, 2012 to 22nd June, 2014.

The term of 5 years of Ms. Anita Arjundas is expiring on 22nd June, 2014.

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 22nd April, 2014 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, approved re-appointment and remuneration of Ms. Anita Arjundas, as the Managing Director under the Companies Act, 2013 to be designated as Managing Director & Chief Executive Officer (MD & CEO) for a term of 5 years w.e.f. 23rd June, 2014 to 22nd June, 2019 (both days inclusive). The Managing Director shall also be a Key Managerial Personnel under Section 203 of the Companies Act, 2013.

The other terms of remuneration payable to Ms. Anita Arjundas, Managing Director & Chief Executive Officer are set out below :

1.	Monthly basic salary	:	As may be decided by Nomination and Remuneration Committee from time to time in the scale of ₹ 600,000 (Rupees Six lakhs Only) per month to ₹ 1,000,000 (Rupees Ten lakhs Only) per month.
----	----------------------	---	--

2.	Housing	:	Furnished / unfurnished accommodation or House Rent Allowance in lieu thereof not exceeding 60 per cent of the basic salary
3.	Special / Other Allowances	:	Not exceeding 25 per cent of the basic salary
4.	Performance Pay	:	Such amount as may be determined by the Nomination and Remuneration Committee for each year, not exceeding 1.3 times of the basic salary per annum
5.	Medical Expenses	:	Medical Expenses incurred for self and family as per the Company's rules.
6.	Personal Accident Insurance	:	Premium as per the Company's rules
7.	The MD & CEO shall also be eligible and entitled for the following perquisites :		
	(a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;		
	(b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and		
	(c) encashment of leave at the end of the tenure.		
8.	Leave Travel Allowance for self and family not exceeding ₹ 220,000/- per annum.		
9.	Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.		
10.	Provision of car for use on Company's business, mobile phone and telephone at residence would not be considered as perquisites.		
11.	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.		
12.	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 under the Employee Stock Options Scheme-2006 (ESOS-2006) granted to her on 25 th April, 2008 of which she has exercised 1,000 Options. In her capacity as MD & CEO, she is in receipt of 10,000 Stock Options under the Employee Stock Options Scheme-2012 (ESOS-2012) granted on 4 th August, 2012 of which she has exercised 2,000 Options and will continue to hold balance Options in terms of the Grant. She shall be eligible for additional Stock Options / Grants, as and when the event happens.		
13.	The nature of employment of the MD & CEO with the Company shall be contractual and can be terminated by giving three months' notice from either party.		

Pursuant to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the

Act"), including Schedule V to the Act, the remuneration payable to the Managing Director & Chief Executive Officer is now being placed before the members in the 15th Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend Resolution at Item No.9 as a Special Resolution for approval of the members.

Apart from Ms. Anita Arjundas, MD & CEO who would be interested in her appointment and remuneration, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

Although the remuneration proposed to the MD & CEO by way of salary, allowances, perquisites and benefits is within the limit prescribed under Section I of Part II of Schedule V to the Companies Act, 2013 i.e. within 5 per cent of the net profit of the Company, the following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below by way of abundant caution:

I. General Information:

(i) Nature of Industry:

The Company is directly engaged in the business of construction development projects, townships, housing, real estate development including industrial parks and Special Economic Zone and commercial complexes.

(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 2014:

Particulars	₹ in lakhs
Turnover & Other Income	42,133
Net profit as per Profit & Loss Account (after tax)	7,773
Profit as computed under Section 309 (5) read with Section 198 of the Companies Act, 1956	10,583
Net worth	113,731

(v) Foreign Investment or collaborations, if any: The Company has not entered into any foreign collaborations. The Company has not made any foreign investments. The Foreign Institutional Investors are holding shares in the Company within the permitted limits. The Company in joint venture with SCM Real Estate (Singapore) Private Limited (SCM) has undertaken development of residential projects through Mahindra Homes Private Limited wherein the Company and SCM hold equal stake.

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. Anita 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. She is also a member of the Mahindra Group Executive Board from April, 2010.

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

Ms. Anita Arjundas has a bachelor's degree in science from the University of Madras and a master's degree in business administration from Bharathidasan University. She is a Wharton AMP Alumnus and has a masters' degree in business administration from BIM, India.

(ii) Past remuneration:

Remuneration drawn by Ms. Anita Arjundas for the period 1st April, 2013 to 31st March, 2014 is ₹ 202.56 lakhs.

(iii) Recognition or awards :

Ms. Anita Arjundas has been ranked amongst the 50 "Most Powerful Women in Business" by Fortune India for the years 2011, 2012 and 2013. In addition, she has recently been awarded the 'Outstanding Women CEO of the Year' by NDTV Profit at its Property Awards, for her valuable contribution towards the real estate industry.

(iv) 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.

(v) Remuneration proposed :

Basic salary as may be determined by Nomination and Remuneration Committee of the Board from time to time in the scale of ₹ 6 (six) lakhs per month to ₹ 10 (ten) lakhs per month and other perquisites and allowances as fully set above.

(vi) 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.

(vii) 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 or any of her relatives do 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, 2013, when calculated w.r.t. the last audited balance sheet i.e. as of 31st March, 2014, the information w.r.t. :

- i) Reasons of loss or inadequate profits,
- ii) Steps taken or proposed to be taken for improvement,
- iii) 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 ₹ 7,773 lakhs for the year ended 31st March, 2014.

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, 2014.

Item No. 10

The members at the 12th Annual General Meeting held on 21st July, 2011 had approved under Section 293(1)(d) of the Companies Act, 1956 the Borrowing limit upto ₹ 1,500 Crores.

General Circular No.4 dated 25th March, 2014 issued by MCA has clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12th September, 2013 with reference to borrowings (subject to the limits prescribed) and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from the date of notification of Section 180 of the Act i.e. upto 31st March, 2015.

The Company is in the business of construction development projects, townships, housing, real estate development including industrial parks and Special Economic Zone and commercial complexes. In its quest for expanding its business operations and maximizing the returns for its shareholders, the Company is examining various options and alternatives to fulfill its ambitious growth plans. The Company may have to leverage its resources

and assets to obtain maximum benefits and raise funds to meet its long term strategic plans. The Company might have to consider raising funds, presently estimated at not more than ₹ 1500 Crores, at competitive rates of interest, either as non-encumbered loans and / or by creating charge over its assets. As the proposed borrowings may exceed the limits laid down under Section 180(1)(c) of the Companies Act, 2013, the approval of the members would be required for the proposed borrowings.

Since, in view of General Circular No.4 dated 25th March, 2014 issued by MCA, the validity of the resolution passed by the members at 12th AGM approving the borrowing limit upto ₹ 1,500 Crores is upto 31st March, 2015, it is proposed to recommend passing of the similar resolution in supersession of the earlier resolution, pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 for borrowing limit upto ₹ 1,500 Crores.

Your Directors recommend Resolution at Item No.10 as a Special Resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

Item No. 11

Under the provisions of the Companies Act, 2013, (the "Act") certain documents such as the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and Duplicate Shares / Debentures / Securities Certificates, Register of Sweat Equity Shares, Register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorising the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

M/s. Sharepro Services (I) Private Limited, Mumbai is Company's Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares / debentures / securities held in demat mode and also acting as the Share Transfer Agent for the shares / debentures / securities held in physical segment.

The members at the Annual General Meeting of the Company held on 24th July, 2009, had passed a Special Resolution under Section 163 of the Companies Act, 1956 approving keeping of the aforesaid Registers and copies of Annual Return and other related books at the office of the Registrars & Transfer Agents (R & T Agents) M/s. Sharepro Services (I) Private Limited situated at its registered office at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Andheri (East), Mumbai – 400 072 and also at its office at 912, Raheja Center, Free Press Journal Road, Nariman Point, Mumbai – 400 021.

In view of the enabling provisions of Companies Act, 2013 as explained above, it is proposed to keep the aforementioned Registers and documents at the premises of the R & T Agents as stated in the resolution.

Your Directors recommend Resolution at Item No.11 as a Special Resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

Item No. 12

As per Section 42 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014 a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution. Such an approval by way of special resolution may be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs issued on private placement basis are a significant source of borrowings for the Company. The borrowings of the Company presently consists of NCDs aggregating ₹ 500 Crores.

The Company seeks to pass an enabling resolution to borrow funds in addition to the existing borrowing to meet its requirement of funds for acquisition of land parcels for Housing, Townships, Industrial parks, commercial complexes and other real estate development activities at various cities / towns, capital expenditure for the Company's Businesses, to provide financial support to Subsidiaries / Joint Ventures by way of loans / investments, repayment / reduction of high cost borrowings, working capital requirement, augment long term resources, and to meet the general business requirements, in line with the growth strategy of the Company and general corporate purposes.

The approval of the members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 12, within the overall borrowing limits of the Company, as approved by the members from time to time.

Your Directors recommend Resolution at Item No.12 as a Special Resolution for approval of the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

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

Suhas Kulkarni
Sr. Vice President - Legal & Company Secretary
FCS - 2427

Registered Office

5th Floor, Mahindra Towers,
Worli, Mumbai 400 018
Date: 16th June, 2014

Directors' Report to the Members

Your Directors present their Fifteenth report together with the audited accounts of your Company for the year ended 31st March, 2014.

Financial Highlights (Stand-alone)

	(₹ lakh)	
	2014	2013
Operating Income	30,707	35,152
Other Income	11,426	7,073
Total Income	42,133	42,225
Profit Before Depreciation, Interest and Taxation	14,306	14,383
Less : Depreciation	232	177
Profit Before Interest and Taxation	14,074	14,206
Less : Interest & Finance charges	3,935	618
Profit Before Taxation	10,139	13,588
Less : Provision for Taxation		
Current Tax	2,467	3,965
Deferred Tax (including MAT Credit)	(101)	(126)
Profit After Tax	7,773	9,749
Add : Balance of Profit for earlier years	35,527	29,620
Amount available for appropriation	43,300	39,369
Proposed Dividend on Equity Shares (including tax on distributed profits)	2,867	2,867
Less : Transfer to General Reserve	777	975
Less: Transfer to Debenture Redemption Reserve	3,136	-
Balance carried forward	36,520	35,527

Dividend

Your Directors have recommended a dividend of ₹ 6 per equity share of the Company, i.e. 60 per cent of the face value of ₹ 10 for each share, for the year 2013-14.

The equity dividend (including tax on distributed profits) amounts to ₹ 2,867 lakhs (previous year ₹ 2,867 lakhs), and shall be paid out of profits for the current year.

Operations

Economic performance in India continued to be subdued during 2013-14. According to the advance estimates released by the Central Statistical Organisation (CSO), India's GDP growth is pegged at 4.9 per cent in 2013-14, similar to 4.5 per cent during the previous year. This could have been worse had the Agriculture sector not registered a significant uptick in performance.

In contrast, both the Industry and Services sectors recorded a deceleration in growth during the year. In fact, the manufacturing sector, which is the largest segment of Industry, witnessed a contraction for the first time since 1991-92. The construction sector remained flat-growing at a marginally higher 1.7 per cent during 2013-14 as compared to 1.1 per cent during 2012-13.

Even as the real estate industry operated in a difficult economic environment, both operational segments of your Company - residential and integrated developments - showed progress during the year.

In the residential segment, the Company launched two new projects, in Pune and Mahindra World City, Chennai. In addition, fresh inventory in three of its existing project was also launched during the year. During 2013-14, the Company sold over 700 residential units across its ongoing and newly launched projects, including projects of its subsidiary companies in the residential space. Your Company is currently developing 4.68 million square feet of residential projects. Besides, 6.59 million square feet are available in the form of new phases of ongoing projects or new projects that are at different stages of planning. These are expected to be launched in the near future.

In the large format developments, there was improvement in demand from businesses aimed at the domestic market, but the Special Economic Zone (SEZ) demand remained subdued. Mahindra World City, Jaipur, saw a considerable increase in activity during the year with closure of several lease agreements. During 2013-14, the Company leased out around 52 acres, most of which were in the Domestic Tariff Area (DTA).

On account of the challenging environment faced by the industry, the financial performance of Mahindra Lifespaces was impacted. Even though the Total Income of the Company remained stable, the profitability witnessed a decline during the year due to product-mix changes and increased interest outflows.

The consolidated total income of your Company came down marginally from ₹ 77,249 lakhs in 2012-13 to ₹ 75,620 lakhs in 2013-14. The consolidated PBT stood at ₹ 16,094 lakhs in 2013-14 as compared to ₹ 23,607 lakhs in 2012-13, whereas the consolidated PAT after minority interest was ₹ 10,063 lakhs as compared to ₹ 14,137 lakhs during 2012-13.

Total income of your Company as a standalone entity was ₹ 42,133 lakhs as compared to ₹ 42,225 lakhs in 2012-13. Profit before tax (PBT) was ₹ 10,139 lakhs as compared to ₹ 13,588 lakhs in 2012-13, whereas profit after tax (PAT) was ₹ 7,773 lakhs as compared to ₹ 9,749 lakhs in 2012-13. Total income includes a dividend income of ₹ 953 lakhs received from its subsidiary Mahindra World City Developers Limited and ₹ 518 lakhs received from its subsidiary Mahindra World City (Jaipur) Limited, during the year as compared to ₹ 473 lakhs and ₹ 356 lakhs from Mahindra World City Developers Limited and Mahindra World City (Jaipur) Limited respectively in 2012 -13 .

Awards and Recognition

Your Company and its subsidiaries received several awards and recognitions during 2013-14. Some of the prestigious awards are:

- Mahindra Lifespaces was recognised as one of the “Top 10 Builders” in India by the Construction World Architect and Builder Awards 2013
- Mahindra Lifespaces strong commitment to sustainable development was recognised with the award for “Outstanding Contribution in Real estate” in Green Building project category at the EPC World awards. It was also felicitated for its “Contribution to Green Building Movement” by CII-IGBC
- Mahindra Lifespaces won the “Emerging Markets — Most Improved in Adoption of Best Practices” merit award at the annual Asia Pacific Real Estate Association (APREA) Best Practices Awards. The award recognises those listed real estate companies who perform best in the area of governance and disclosure.

Capital

During the year, the Company allotted 8,700 equity shares of ₹ 10 each to the eligible grantees pursuant to exercise of Stock options granted under Employee Stock Option Scheme - 2006 (ESOS - 2006) and Employee Stock Option Scheme - 2012 (ESOS - 2012). Accordingly, issued equity share capital has increased from ₹ 408,805,010 to ₹ 408,892,010 and the subscribed and paid up equity share capital of the Company has increased from ₹ 408,396,500 to ₹ 408,483,500.

The allotment of 40,851 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).

Issue & allotment of Non- convertible Debentures

On 4th April, 2013, the Company issued and allotted 5,000 – Secured Listed Rated Redeemable 10.78 per cent YTM, Non-Convertible Debentures (NCDs) with a face value of ₹ 1,000,000 (Rupees Ten lakhs Only) each for cash at par, aggregating ₹ 500 crores vide Series I, Series II, and Series III on Private Placement basis.

The funds are being utilised to part finance any of the following or any combination thereof : (a) General Corporate purposes (b) Working Capital requirements (c) Real Estate Development (d) Land Acquisitions (e) Cost of Construction, (f) to invest into any existing / to be incorporated subsidiary company being Special Purpose Vehicle (SPV) company, to enable it to part finance the cost of land acquisition and preliminary development expenditure for the residential projects proposed to be undertaken in the SPV and (g) pending full utilization of issue proceeds to invest the temporary surplus of the issue proceeds in money market instruments, mutual funds and deposits with banks.

Employee Stock Options Scheme

In accordance with the Employee Stock Option Scheme – 2006 (ESOS – 2006), the Remuneration Committee (now Nomination and Remuneration Committee) has on 25th April, 2008, approved grant of 678,359 Stock Options to the employees at an exercise price of ₹ 428 per share. In accordance with ESOS – 2006, the Remuneration Committee, on 4th August, 2012, approved grant of 10,000 Stock Options to Dr. Prakash Hebalkar, a Non-executive Independent Director of the Company at an exercise price of ₹ 325 per share.

As of 31st March, 2014, 28,500 Stock Options were exercised under ESOS - 2006.

In accordance with the Employee Stock Option Scheme (ESOS–2012), the Remuneration Committee (now Nomination and Remuneration Committee) has on 4th August, 2012 and on 24th July, 2013, approved grant of 101,000 and 26,500 Stock Options, respectively, at an exercise price of ₹ 10 each which is equal to the face value of the equity share of the Company.

As of 31st March, 2014, 6,200 Stock Options were exercised under ESOS - 2012.

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 51.03 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) a 89:11 SPV between your Company and Tamil Nadu Industrial Development Corporation (TIDCO), has developed India’s first integrated business city and 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 1,524 acres. MWCDL for its second project in Tamil Nadu, is in the process of procuring the land. **It is the first township in India to receive Green Township Certification (Stage I Gold certification) from IGBC.**

Mahindra Integrated Township Limited (MITL) is engaged as a co-developer in developing the residential township area at Mahindra World City. Its current developments include 'Iris Court' and 'Nova'. MITL has a balance of approximately 140 acres to be developed in phases for offering products in different formats and segments. MITL is 74 per cent owned by your Company and 26 per cent by MWCDL.

Mahindra Residential Developers Limited (MRDL), which is wholly owned subsidiary of Mahindra Integrated Township Limited (MITL), is developing a gated residential community in approximately 55 acres within Mahindra World City, New Chennai under the name, "Aqually".

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 approximately 25 acres at Multi-modal International Hub Airport at Nagpur (MIHAN).

Mahindra World City (Jaipur) Limited (MWCJL) is a 74:26 SPV between your Company and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) and is developing an integrated business city near Jaipur spread over approximately 3,000 acres of land. Currently, the project has five zones, IT/ITES SEZ, Handicrafts SEZ, Engineering & Related Industries SEZ, Gems & Jewellery SEZ and a Domestic Tariff Area.

Joint Venture Company

Mahindra Homes Private Limited, a 50:50 joint venture between your company and SCM Real Estate (Singapore) Private Limited, is developing a group housing project at NCR on approximately 6.79 acres and a residential project at Bangalore on approximately 5.85 acres.

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 Mahindra Housing Private 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 Statement of Profit & Loss 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 Statement of Profit & Loss 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, 2014.

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 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

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.

Your Company has followed the Global Reporting Initiative (GRI) Sustainability Reporting G3.1 Guidelines which is the most widely adopted non-financial reporting framework in the world and used to help communicate sustainability performance while encouraging transparency and accountability.

Your Company's 'Sustainability Report' has achieved an A+ rating for meeting the requirements of GRI G3.1 guidelines. Besides this, the Company continues to report its triple bottom-line performance as a part of the Mahindra Group's sustainability report.

Corporate Social Responsibility (CSR)

Your Company's CSR strategy is to contribute to the local communities that it operates in by focusing on three key areas of intervention: education, skill development, health and environment.

Your Company has been investing 1 per cent of its profits after tax every year into CSR activities. The Company in every financial year commencing from 1st April, 2014, in line with the new Companies Act 2013, pledges to spend, atleast 2 per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

Directors

Pursuant to Section 152 of the Companies Act, 2013, Mr. Arun Nanda (DIN : 00010029), Non-executive and Non-independent Director retires by rotation at the 15th Annual General Meeting of the Company and is eligible for re-appointment.

Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Shailesh Haribhakti (DIN : 0007347), retires by rotation at the forthcoming Annual General Meeting of the Company. He is eligible for re-appointment as an Independent Director not liable to retire by rotation. It is proposed that he be appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of 15th Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company. Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed that Mr. Sanjiv Kapoor (DIN : 00004005), Mr. Anil Harish (DIN : 00001685), and Dr. Prakash Hebalkar (DIN : 00370499), existing Directors who meet the criteria of Independence, be appointed as Independent Directors of the Company, not liable to retire by rotation, from the date of 15th Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company.

All the above Directors i.e. Mr. Arun Nanda, Mr. Shailesh Haribhakti, Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar are not disqualified from being re-appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013 (erstwhile section 274(1)(g) of the Companies Act, 1956).

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 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, 2014 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 in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 16th Annual General Meeting of the Company, 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 13 (Thirteen) employees who were in receipt of remuneration of not less than ₹ 6,000,000 per annum during the year ended 31st March, 2014 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, joint venture partners 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

DIN : 00010029

Mumbai, 22nd April, 2014

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

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	ESOS 2012
(a) Total Number of Options granted	678,359 + 10,000*	1,01,000 + 26,500
(b) The Pricing formula	Average price preceding the specified date — 25 th April, 2008	Face Value – ₹ 10
	*Average Price preceding the specified date – 4 th August, 2012	
	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.	----
	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.	----
(c) Number of Options vested	6,80,859	20,200
(d) Number of Options exercised	28,500	6,200
(e) Total No. of Shares arising as a result of exercise of Options	28,500	6,200
(f) Number of Options lapsed/ cancelled	156,003	12,500
(g) Variation of terms of Options	The terms of the exercise of Options were revised, 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) subject to other terms in this regard, retired/resigned employees are allowed 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. (iii) on 22 nd April, 2014, the terms for exercise of options were further revised by having a uniform last date for exercise of vested Options as 24 th April, 2017.	NIL
(h) Money realized by exercise of Options during the year	812,500	62,000
(i) Total Number of Options in force	503,856	108,800

* Refers to Stock Options granted to Dr. Prakash Hebalkar on 4th August 2012.

Description	ESOS 2006		ESOS 2012	
	Name of the Senior managerial personnel to whom Stock Options have been granted	Options granted in April, 2008	Name of the Senior managerial personnel to whom Stock Options have been granted	Options granted in August, 2012
(j) Employee-wise details of Options granted to:				
(i) Senior managerial personnel and Directors	Mr. Arun Nanda	200,000	Ms. Anita Arjundas	10,000
	Mr. Hemant Luthra (Resigned as Director w.e.f. 30 th Jan 2009)	10,000	Ms. Sangeeta Prasad	6,000
	Mr. Uday Y. Phadke	10,000		
	Mr. Anil Harish	10,000		
	Mr. Sanjiv Kapoor	10,000		
	Mr. Shailesh Haribhakti	10,000		
	Dr. Prakash Hebalkar (Grant Date 4 th August, 2012)	10,000		
	Mr. Pawan Malhotra (Resigned as MD and Director w.e.f. 23 rd June 2009 as his services were then transferred to the holding company Mahindra & Mahindra Limited)	50,000		
	Ms. Anita Arjundas	50,000		
(ii) Any other employee who receives a grant in any one year of Option amounting to 5 per cent or more of Option granted during that year	Nil		<p>101,000 Options were granted on 4th August, 2012</p> <p>Employees receiving grant of 5 per cent or more of the above :</p> <p>1) Ms. Anita Arjundas 10,000</p> <p>2) Ms. Sangeeta Prasad 6,000</p> <p>26,500 Options were granted on 24th July, 2013</p> <p>Employees receiving grant of 5 per cent or more of the above :</p> <p>1) Mr. Deepak Ahluwalia 1,500</p> <p>2) Mr. Kamal Sharma 1,500</p> <p>3) Mr. Sanjay Bhagat 1,500</p> <p>4) Mr. Sundaresan Vaidyanathan 2,500</p> <p>5) Ms. Smeeta Neogi 4,000</p> <p>6) Mr. Riyaz Bhada 2,500</p> <p>7) Mr. Tirthankar Chatterjee 4,000</p> <p>8) Mr. Rajesh Sriramshetty 1,500</p> <p>9) Mr. Parcha Radha Kishan 1,500</p> <p>10) Mr. Akhilesh Ayyappan 1,500</p> <p>11) Ms. Arti Shinde 1,500</p> <p>12) Mr. R. Guru Shankar 1,500</p> <p>13) Mr. Rajendra Gadekar 1,500</p>	
(iii) Identified employees who were granted Option, during any one year, equal to or exceeding 1 per cent of the issued capital (excluding outstanding warrants and conversions, if any) of the company at the time of grant	Nil		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			NA		
(l) Where the company has calculated the employee compensation cost using the intrinsic value of the Stock Options, 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 .	<p>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 lower by ₹18.66 lakhs.</p> <p>Had the fair value method been used the profit after tax would have been higher by ₹ 14.28 lakhs.</p> <p>Had the fair value method been used the basic and diluted earnings per share would have been higher by ₹ 0.04</p>					
(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	Exercise price	Fair value	Option Grant	Exercise price	Fair value
	25 th April, 2008	₹ 428.00	₹ 291.04	4 th August, 2012	₹ 10.00	₹ 294.06
(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.	4 th August, 2012	₹ 325.00	₹ 294.06	24 th July, 2013	₹ 10.00	₹ 409.27
	N.A.			<p>(i) 8.31 per cent - 8.39 per cent</p> <p>(ii) 6 - 9 years</p> <p>(iii) 47.63 per cent</p> <p>(iv) 1.31 per cent</p> <p>(v) ₹ 454.09</p>		

The Company has adopted intrinsic value method on ESOS 2006 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 Company has granted ESOS 2012 at an exercise price of ₹ 10 each, which is equal to the face value of the equity share of the Company.

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

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, 2014.

A. CONSERVATION OF ENERGY

- a. Energy Conservation measures taken : As a part of sustainable development adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Buildings.
Green building increases the resource efficiency (energy, water, and materials), while reducing impact on human health and the environment, through better selection of sites, design, construction, operation, maintenance, i.e. the complete building life cycle.
- b. Additional investments and proposals, if any, are being implemented for reduction of consumption of energy : Nil
Energy consumption is being minimized through the following in green buildings:
- Energy efficient building envelopes for walls and roofs including Low E glass in selective areas
 - Energy efficient electronic ballast & all lighting system
 - Heat Reflective paint
 - Artificial lighting control via daylight sensor
 - Adoption of high efficiency light fittings
 - Adoption of high efficiency pumps, motors
 - Group control mechanism for lifts
 - LED lamps for common areas & pathways
 - Solar thermal water heaters for hot water generation in selective areas
 - Solar street lighting
- 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 had carried out one laboratory based R&D activity during the year on a Nano-Technology based 360 degree curing and waterproofing system. However in the second stage of trial, it was observed the results are not meeting the requirements hence could not be continued further. The company is in talks with various technical institutes and waterproofing manufacturers to develop or alter the product which will actually lead to a '360 degree curing cum waterproofing system'. The Company has also carried out various field research and testing for innovative building materials and methods which includes 'Ground Granulated Blast Furnace Slag(GGBS) based concrete replacing 55 per cent cement', 'Floor tile using tile adhesives', 'Readymade cut & bend steels', 'Stamp concrete', 'Stain concrete', 'Pervious concrete for hardscapes' etc.
- 2 Benefits derived as a result of the above efforts : The Major benefits of all innovative / alternate material, methods, processes trials at site is to get a good quality product and reducing time, cost. The major benefit of the R&D efforts done in '360 degree curing cum waterproofing system' would be to completely eliminate the water curing process (i.e. water conservation) and create leak proof structures in a cost effective manner.

- 3 Future plan of action : The Company is studying various construction technologies and methods that will lead to improvement in Quality, cost, Time and safety. These technologies or methods or processes will be implemented in upcoming developments after evaluations.
- 4 Expenditure on R&D : Nil
- 5 Technology absorption, adaptation and innovation : Various construction technologies have been evaluated during the year including Pre-cast construction, Composite construction. The Company has decided to use Pre-cast construction technology for one of its upcoming project in Alibaug.
The major benefit of choosing Pre-cast construction technology is 'Enhancement of Quality of constructions in terms of superior concrete finishes' & 'reduction in manpower requirement' & 'reduction of time-cycle of construction to a great extent' as most of the components are made in a controlled factory environment and erected at site with few skilled labours with cranes.
- 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 – Aluminium form work system
(b) Year of import – FY13
(c) Has technology been fully absorbed ? - Yes
(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
DIN : 00010029

Mumbai, 22nd April, 2014

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 lakhs)

Name of the Company	Balance as on 31 st March, 2014	Maximum outstanding during the year
Mahindra Integrated Township Limited	8,370.00	9,487.00
Mahindra Bebanco Developers Limited	2,054.17	2,054.17
Knowledge Township Limited	2,413.25	2,413.25
Mahindra World City Developers Limited	9,200.00	9,900.00
Industrial Township (Maharashtra) Limited	0.00	1,074.27
Mahindra Homes Private Ltd (formerly known as Watsonia Developers Private Ltd and before that as Watsonia Developers Limited)	0.00	44,666.00

Management Discussion and Analysis

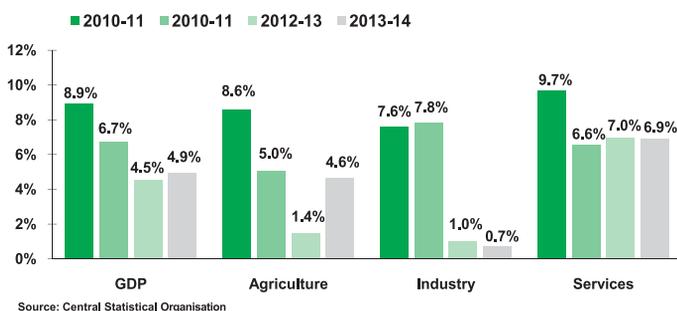
Mahindra Lifespace Developers Limited ('Mahindra Lifespaces' or 'the Company') is one of the leading real estate development companies in India. Over the years, the Company has created a respected name for itself by delivering an array of highly successful projects and establishing industry benchmarks 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. This chapter presents an overview of the operational and financial performance of the Company during 2013-14 and its strategy for future growth.

Introduction

Economic performance in India continued to be subdued during 2013-14, with the slowdown getting increasingly worrisome as the year progressed. According to the advance estimates released by the Central Statistical Organisation (CSO), India's GDP growth is pegged at 4.9 per cent in 2013-14, similar to 4.5 per cent during the previous year. This could have been worse had the Agriculture sector not registered a significant uptick in performance (See Chart A).

Chart A: Economic Growth In India



In contrast, both the Industry and Services sectors recorded a deceleration of growth during the year. In fact, the manufacturing sector, which is the largest segment of Industry, witnessed a contraction during the year- growing at -0.2 per cent for the first time since 1991-92. The construction sector remained flat - growing at a marginally higher 1.7 per cent during 2013-14 as compared to 1.1 per cent during 2012-13.

In spite of poor growth, the easing of monetary policy at the beginning of the year was reversed in May 2013, owing to persistent high inflation in India and to counter the effects of tapering of quantitative easing programme of the US Federal Reserve. Even as the risks on the external front have come down with the narrowing on the current account deficit and a lower trade deficit as the year progressed, the focus of the RBI continues to be managing the high inflationary expectations. As a result, the monetary policy continues to be tight, putting further pressure on output growth.

The real estate sector came under significant pressure during 2013-14 due to this decline in the growth momentum, high interest rate on home loans as well as accompanying fall in consumer sentiment. According to a research report by property consultants Knight Frank India Pvt. Limited in March 2014, the sales volume of 15 listed real estate companies out of the top-25 that they track, declined by 43 per cent during the third quarter of 2013-14, and almost halved over the past eight quarters. Besides, delays in approvals and high cost of funds have increased the project execution cost and log jammed construction activity across the country.

Reversing this bleak outlook for the real estate sector will depend on the pace of progress on several fronts. First, easier monetary conditions and a softer interest rate regime — which will make investment in property more affordable for the end user as well as de-risk balance sheets of the sector and bring down project execution costs. Second, there is a need for a more responsive regulatory framework, faster approval cycles and removing uncertainty resulting from impending legislations. Finally, it is essential to revitalise economic growth so as to restore business and consumer confidence.

Performance Highlights

In an industry which is largely unorganised in India, Mahindra Lifespaces is one of the few companies with the experience of successfully serving consumers as well as businesses through its two segments of operations - residential projects and large format integrated developments. This continues to be the strategic direction in which the Company is moving, even as it looks to expand its presence in newer segments in residential market or augment the product offering in the integrated development space with a design and planning paradigm that shapes communities of the future. These have been discussed in greater detail in the section on Markets and Opportunities.

Mahindra Lifespaces has a reputation for building and executing high quality and value added projects, with an uncompromising focus on sustainable development and environment friendly practices. These have been well recognised. **During the year, the Company won the “Outstanding Contribution in Real estate” in Green Building project category at the EPC World awards. It also received a “Certificate of Commendation” at the CII-ITC Sustainability Award 2013 and was felicitated for its “Contribution to Green Building Movement” by CII-IGBC.** The Company benefits from the 'Mahindra' brand - a name associated with honesty, transparency and fairness, which enhances its reputation as a professionally managed real estate player.

The Company's strategy of being present in two segments and its core values of being a responsible corporate citizen have been a significant source of comfort in the challenging economic environment that the real estate industry faced during the year.

During the year, it was recognised as one of the “Top 10 Builders” in India by the Construction World Architect and Builder Awards. Both the business segments made progress during the year.

In the residential segment, the Company launched two new projects - L’artista and Nova — in the luxury and budget home segments respectively. In addition, fresh inventory in three of its existing projects were also launched during the year. **During 2013-14, the Company sold over 700 residential units across its ongoing and newly launched projects, including projects of its subsidiary companies in the residential space.**

In the large format developments, there was improvement in demand from businesses aimed at the domestic market, even as the SEZ demand remained subdued. Mahindra World City, Jaipur, saw a considerable increase in activity during the year with closure of several lease agreements. The Company’s mature project in the segment, Mahindra World City, Chennai, where most of the development is currently in residential and social infrastructure, also saw closure of a few industrial land leases in the Domestic Tariff Area.

Although, this enabled the Company to contain the impact of the adverse macro economic environment faced by the Industry and the economy as a whole, the financial performance did witness a decline. Consolidated Income of the Company was ₹ 756 crores in 2013-14 as compared ₹ 772 crores in 2012-13. Profit after taxes (PAT) came down from ₹ 156 crores in 2012-13 to ₹ 110 crores in 2013-14. After accounting for minority interest, the consolidated net profit (PAT) of the Company came down from ₹ 141 crores to ₹ 101 crores during 2013-14. Diluted earnings per share (EPS) of the Company stood at ₹ 24.64 in 2013-14 as compared to ₹ 34.61 in the previous year.

The drop in profitability was driven by product mix changes with higher margin projects in Mumbai being completed in the previous year. Increased interest outflows also impacted profits. The Company has focused in the last year on augmenting its portfolio of residential projects for the future, thereby requiring the capital for the same purpose. Also Mahindra World City Chennai, which was a significant contributor to projects in the previous year through industrial land leases, saw a drop in revenue and profits due to non availability of approved industrial land for leasing.

The Company has taken several steps during the year in the area of sales and marketing as well as project management and delivery to improve its efficiencies and counter the difficult macro economic environment facing the industry. These have been discussed in greater detail in subsequent sections on Operations, Quality and Safety. The report also presents initiatives taken in the area of Sustainability and Human Resources. We close the report with a discussion on financial performance, risks and concerns and the outlook for the future.

Markets and Opportunities

Residential

The market for the residential segment witnessed mixed trends during the year. Among the important geographies in which the Company traditionally has a strong presence, while the Mumbai and Delhi NCR market had a dip in absorption, the demand situation was stable in Pune. However, none of these markets witnessed a significant correction in prices, even as there were instances where developers offered additional benefits and services to close sales. The demand situation was also stable in Bangalore, where the Company, through its joint venture company Mahindra Homes Private Limited, is coming up with its first project. In Hyderabad, where the Company launched its first project in 2012-13, the offtake was satisfactory although the market slowed down towards the second half of the year.

As far as growth opportunities for the immediate future are concerned, the Company will continue to focus on the top six cities of Mumbai, Pune, NCR, Chennai, Hyderabad and Bangalore. In terms of market segments, even as mid and premium will continue to drive the volumes, the Company is actively looking at other opportunities. It has made significant progress in this regard during the year with the launch of a project in the luxury home segment in Pune and a budget home segment in Mahindra World City, Chennai.

Subject to receiving necessary approvals, 2014-15 will see launches in other differentiated segments such as weekend homes and affordable housing. The affordable housing segment, in particular, will offer the Company an opportunity to address a large, underserved market with a carefully crafted strategy and product, details of which are presented in Box 1. The Company’s pilot projects in the segment will be launched under a new brand endorsed by Mahindra Lifespaces.

Box 1: Mahindra Lifespaces Affordable Housing Product

- **Rationale:** There is a large demand for appropriately designed low-cost housing solutions from consumers who cannot afford the lowest price homes currently on offer, but at the same time do not qualify for government-supported housing.
- **Product and Market:** Quality homes and community living to meet the needs and aspirations of households with a combined monthly family income of ₹ 20,000 to ₹ 40,000 in the top 25 cities.
- **Key Differentiators:** Focus on locations that are accessible; design principles that are customer centric and promote usability; construction technology which is both cost-effective and scalable; financial inclusions and an unmatched experience of honesty, fairness and trust as one of the few established brands in the real-estate industry in the segment.
- **Current Status:** The Company has acquired land for two pilot projects in Chennai and Mumbai Metropolitan Region and is in the process of obtaining the required approvals for the same.

Large Format Integrated Developments

The market for industrial land lease witnessed a marginal revival in demand from businesses servicing the domestic market. In contrast, the demand situation continued to be subdued for land in the Special Economic Zone (SEZ) segment. Both the integrated business cities of the Company - Mahindra World City, Chennai and Mahindra World City, Jaipur - benefited from the improvement in demand in the domestic zones.

In terms of its strategy for growth in this segment, the Company is actively considering moving to upcoming industrial destinations and diversifying its portfolio to create a network of industrial clusters. Procurement of land is in progress for a smaller industrial cluster towards the North of Chennai, which is home to large industries in the engineering and automobile sector.

Operations

Residential

Mahindra Lifespaces' residential business has its presence across the value chain of real estate development that covers identifying a suitable piece of land and conducting thorough due-diligence on its title and development potential, acquiring the land, product conceptualisation and design management, obtaining requisite statutory approvals, project management and quality assurance. The Company also undertakes the project's branding, marketing and sales while ensuring timely delivery and upkeep of the property until it is handed over to the customers fully.

The Company's model in residential business is to view land as inventory and it therefore endeavours to shorten the time period between land procurement and to launch of the project. Various process improvements have been carried out to this effect and there has been a marked improvement in the time taken for initiating the approvals submission process after purchase of land. The Company has also devised a robust 'New Product Development' framework that includes work-streams on design and product definition, market demand-supply analysis, branding, marketing and pricing strategy, contracting and sourcing, site management, sales and channel partner strategy. This approach ensures that the company is well prepared to launch the project as soon as all the required approvals and clearances have been secured.

The Company is increasing its market penetration through a greater focus on branding at the project and the company level, broadening the channel partnership platforms, and reaching out to newer customer segments such as corporates and NRI's. It has also initiated focused online activity covering various property portals and social media. The Company will continue investing in its brand and further build on the customer's trust, which is a strong differentiator for it in the industry.

The Company has been focused on putting in place systems and processes which will be scalable and instrumental in achieving

unmatched quality, safety, transparency, cost management and timely completion of its projects. Substantial progress was made on this front during the year with the successful implementation of improved processes in Project Management. These have been discussed in greater detail in the subsequent sections on Quality and Safety. This has resulted in significant improvement in timely delivery, with the Company achieving key project milestones in ten operational phases during the year.

As of 31st March 2014, the Company along with its subsidiaries has completed projects covering 7.70 million square feet of which 7.43 million square feet is in the residential segment. It is currently developing 4.68 million square feet (Ongoing). Besides, another 6.59 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 will be launched in the near future(Forthcoming).A snapshot of the Company and its subsidiaries project portfolio is presented below.

Table 1: Projects Snapshot 2013-14 (million square feet estimated saleable area)

Location	Completed [#]	Ongoing	Forthcoming
Chennai*	1.38	1.64	1.21
Mumbai	2.81	-	1.04
Pune	1.56	0.61	1.10
NCR	1.95	0.97	1.10
Nagpur	-	0.59	0.95
Hyderabad	-	0.87	0.21
Bangalore	-	-	0.98
TOTAL	7.70	4.68	6.59

Does not include selected projects that were completed by GESCO

* Includes residential developments in MWC Chennai

Completed and Ongoing Projects

During the year, the Company completed multiple phases of 'Aquality' and Phase I of Iris Court in Mahindra World City, Chennai. Two new projects and new phases of 3 existing projects were launched during the year, which are at different stages of construction. The project-wise details are provided below.

'Eminente' a premium high-rise residential complex in Goregaon, Mumbai, is spread over 5.58 acres covering 0.57 million square feet of saleable area. All units in this project have been sold and the construction of the second and third phase was completed in the previous year. During 2013-14, handover of units in Phase II was completed and was nearing completion for the final phase (Phase III).

'Splendour' in Bhandup, Mumbai, is spread over 8.46 acres and has a total saleable area of 0.78 million square feet. All units in

this project have been sold. During the year, construction of the second phase covering 0.35 million square feet was completed and the handover of the units is in progress.

'Aqualily' is a premium project within Mahindra World City, Chennai. 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. During 2013-14, the Company completed the construction of the last three phases of the villas (1B, 1C, 1D) and the first phase of apartments (2A), taking the total completed area under the project to 0.61 million square feet. Handover of units to the customers is in progress. Construction for the next two phases of apartments (2B, 2C) covering 0.78 million square feet is progressing as per schedule. 67 per cent of the total units launched in this project have been sold upto March 2014.

'Iris Court', located in Mahindra World City, Chennai, is spread over 18 acres with a total saleable area of 0.86 million square feet. This project is being implemented by Mahindra Integrated Township Limited. During 2013-14, the first phase of the project covering 0.27 million square feet was completed. The handover of units in this phase is also nearing completion and over 100 families have already moved in. Construction in the remaining two phases is underway and progressing as per schedule. 82 per cent of the total units launched in this project have been sold upto March 2014.

'Aura' in Gurgaon, National Capital Region, is spread over 17 acres and has saleable area of 1.24 million square feet. The first phase of the project is complete and the handover of the units will start once the occupancy certificate is received. Construction for the second and third phase is in advanced stages and progressing as per schedule for the remaining two phases. 98 per cent of the total units launched in this project have been sold upto March 2014.

'Bloomdale' in Nagpur, Maharashtra, is conceived as a gated community spanning over 25.2 acres and has a saleable area of 1.55 million square feet, offering a choice of low-rise apartments, row houses and duplex homes. It is being implemented by Mahindra Bebanco Developers Limited (MBDL). During the year, the second phase (2A and 2C) of the project was launched, taking the total saleable area launched to 0.59 million square feet. Construction work for the new phase also started during 2013-14 and is progressing as per schedule. While construction in phase 1 (A, B and C) is in advanced stages, 84 per cent of the total units launched in this projects have been sold upto March 2014.

'Antheia' in Pimpri, Pune, is spread over 25 acres with a saleable area of 1.60 million square feet. Phase I of the project, which was launched during 2012-13, was expanded to a total saleable area of 0.52 million square feet during the year. The project has received good response and the construction activity for the first phase is in progress. 72 per cent of the total units launched in this project have been sold upto March 2014.

'Ashvita' is Mahindra Lifespaces' first project in Hyderabad which was launched in 2012-13. The project is located at Kukatpally near Hi-tech city and is spread across 9.70 acres with a saleable area of 1.1 million square feet. The project is being developed in the joint development format with the Company's share at 80 per cent and the land owners' share at 20 per cent. Two phases of the project comprising 0.42 million square feet were launched during the year, taking the total launched area to 0.87 million square feet. The construction of both these phases also commenced during the year while construction in the other two phases is underway. 62 per cent of total units launched in this project have been sold as of March 2014.

'L'Artista' in Pune is the Company's first project in the luxury homes segment. Located in the heart of the city, it offers spacious three and four bedroom flats with ultra-modern amenities and common spaces amidst green surroundings. The project was launched during the year and will have 21 units with an estimated saleable area of around 0.09 million square feet of which the Company's share is 0.07 million square feet. The construction activity has also started and is progressing as per schedule.

'Nova' in Mahindra World City, Chennai is spread over 7.26 acres with a saleable area of 0.54 million square feet. During the year, the Company launched the first phase of the project which has 360 units. This project is being implemented by Mahindra Integrated Township Limited. The construction work also started along with the launch and is progressing as per schedule. 51 per cent of total units launched have been sold as of March 2014.

New Projects

The Company is in various stages of planning new residential developments- projects for which design development or approvals are underway:

- **Avadi, Chennai:** This will be the first pilot project in the affordable housing segment for the Company, with an estimated saleable area of 0.73 million square feet. The design development phase of the project is complete and is currently awaiting approvals.
- **Boisar, Mumbai:** This will be the Company's second pilot project in the affordable housing segment, with an estimated saleable area of 0.54 million square feet. The design development phase of the project is complete and is currently awaiting approvals.
- **Alibaug, Mumbai:** This project is conceived as a weekend home project. The project will have villas with an estimated saleable area of 0.17 million square feet. The design and development phase of the project is complete and is currently awaiting approvals.
- **Andheri, Mumbai:** This will be a premium residential project in Andheri (East) with an estimated saleable area of 0.37 million square feet. The design development phase of the project is underway.

- **Bannerghata, Bangalore:** This is the first land parcel that the Company has acquired in Bangalore for residential development. The project will have an estimated saleable area of 0.98 million square feet. The design development phase of the project is underway. The project will be implemented by a 50:50 JV company with SCM Real Estate (Singapore) Private Limited, namely Mahindra Homes Private Limited.
- **Gurgaon, NCR:** This will be a premium project of the Company spread across 6.8 acres and a saleable area of 1.10 million square feet. The project will be implemented in collaboration with the landowners by Mahindra Homes Private Limited. The design development phase of the project is complete and is currently awaiting approvals.

Large Format Integrated Developments

Mahindra Lifespaces is the first company in the private sector to have successfully developed an integrated business city in India — ‘Mahindra World City’, Chennai. This is also the first operational Special Economic Zone (SEZ) from the corporate sector. Besides this project, the Company has another project in this segment in Rajasthan — ‘Mahindra World City’, Jaipur. Built on the concept of “Livelihood, Living, Life”, these integrated developments seek to balance three key aspects: business and economic activity, housing and associated amenities as well as cultural and community development. Today, the Mahindra World City brand has become a highly successful name in the large format integrated developments segment.

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 (TIDCO). During the year, Mahindra Lifespaces increased its stake in MWCDL by 6 per cent through the purchase of stake from other shareholders, taking its total shareholding to 89 per cent.

It has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories, and Auto Ancillaries, and a Domestic Tariff Area (DTA) for businesses catering to the Indian market. Integrated to the business zone is a Residential and Social Infrastructure zone. **It is the first township in India to receive Green Township Certification (Stage I Gold certification) from IGBC.**

Mahindra World City, Chennai, completed 11 years of its operations in September 2013. At the end of 2013-14, the project had a total area of 1,524 acres. In terms of new customers, it added two MNCs to the portfolio in the DTA — Heat and Control (USA), ranked amongst the leading food processing equipment manufacturers in the world and Dorma (Germany), world leaders in door controls.

Two new companies started their operations in the DTA during the year. At the end of the year, the business zone in the project

had 63 clients of which 27 were in the SEZs and 36 in the DTA. Currently, 49 companies operate out of Mahindra World City, Chennai and 2 are expected to start functioning soon. During the year, direct employment in the business city increased from 31,000 to around 33,000. Exports also increased from ₹ 6,100 crores in 2012-13 to over ₹ 7,200 crores during 2013-14.

Even as the business zone continues to grow, most of the focus going forward will be on residential and social infrastructure. In its planning, Mahindra World City, Chennai, has allocated 285 acres for the development of residential and social infrastructure that will cater to the requirements of over 7,000 families. With handing over of units in some phases of Aqualily and Iris Court during the year, the city has three operational residential projects which together have around 300 families living there. A new residential project ‘Nova’ was launched during the year. Details of the current residential projects have already been provided in the previous section on Residential segment.

On the retail and social infrastructure front, considerable progress was made during the year. Holiday Inn Express started its 140 room business hotel with conference and banquet facilities. Construction of the hospital and the club mentioned in our previous report is in progress and is expected to be completed during 2014-15. In another important development, Mahindra World City, Chennai signed up with SSBM Realty and Hospitality to set up a Hostel for working professionals. The Hostel is planned for 500 rooms of which 200 rooms will be in Phase I. Besides these, the offerings at the commercial centre, ‘The Canopy’, were further strengthened with the addition of restaurants and financial service providers.

Mahindra World City, Chennai, continued to build on its community development and engagement initiatives during the year. This included a marathon run in aid of ‘Nanhi Kali’, an inter-company sports tournament, ‘Mindspace’-the open quiz competition and the second edition of ‘Confluence’ - a thought leadership event on ‘Planned Urbanisation: Way Ahead for India’. These were received well by the participants and residents.

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 (RIICO), a Government of Rajasthan enterprise. Mahindra World City, Jaipur is proposed to be developed as a Multi Product Special Economic Zone and a Domestic Tariff Area across 3,000 acres, of which 2,949 acres have already been acquired.

In the previous year, the Company received approval for the master plan for 500 acres of development in the Domestic Tariff Area (DTA). During 2013-14, the Company was able to leverage this by leasing around 51 acres to eight customers and building a pipeline of MoUs for future business. It has also added customers in the Handicrafts SEZ and ‘Evolve’ — the multi-tenanted IT park which will be spread over approximately 25 acres. At the end of

the year, the Company had over 50 customers in its business zone - across DTA and SEZ.

Seven companies have started their development activities during 2013-14. These are expected to become operational in the near future. Five new companies became operational in Mahindra World City Jaipur taking the total number of operational companies to 19. These companies have created direct employment for around 5,000 people, which is a growth of 42 per cent over the previous year. Exports by MWCJL clients grew by over 64 per cent to reach ₹ 1,077 crores in 2013-14.

Integrated Management System (IMS)

Mahindra Lifespaces' has embraced an Integrated Management System covering three International Standards — ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System).

The main thrust of this approach is to build and institutionalise project execution capabilities through scalable systems and processes that aid in timely delivery, quality of product and safety during construction, with the ultimate goal of adding value to our customers.

Quality

Mahindra Lifespaces has always stressed on the importance of its strong quality management system, which is set up as per the requirement of the International Standard, ISO since 1999. During 2013-14, the Company revised its quality policy, aligning it further with its business objectives to ensure its continuing suitability.

Improvement projects were systematically identified and implemented as Group Kaizens under an annual Quality Improvement Plan. During the year, the Company carried out 23 such projects through cross-functional teams. It also carried out a detailed study to benchmark international product quality assessment systems for developing and adopting a similar product quality system within the Company.

Apart from this, the Company continued to explore innovative ways to improve the quality of product and processes, bring down the construction cycle time, improve productivity and make operations more competitive. Many of these have been successfully implemented in the Company's projects. Mahindra Lifespaces regularly interacts with technical institutions such as IIT Mumbai, IIT Chennai and VJTI Mumbai for their expertise in testing of building materials and innovations in the area of construction technology.

With these initiatives, the Company has sustained its maturity level in applying the principles of 'The Mahindra Way', in the pursuit of excellence through the application of Total Quality Management.

Going forward, the Company intends to implement an in-process snagging and inspection system and a worker skill up-gradation program to take quality to the next level.

Safety

Since 2009, the Company has an established 'Safety Policy' which underscores its commitment to take measures to prevent accidental injuries and occupational ill health of all employees and associates working at the offices and project sites. During the year, the Company put in place Behaviour Based Safety (BBS) practices by establishing SOPs and providing required training.

These safety initiatives have helped the Company reduce lost time injuries and improved the overall safety performance, which is measured using an index called Frequency Severity Index (FSI). The FSI came down from 0.20 in 2012-13 to 0.17 in 2013-14, reflecting a 15 per cent improvement. The Company is taking measures to further strengthen the safety management system to bring the FSI down.

Going forward, the Company intends to establish and implement near miss reporting culture, and safety performance evaluation policy for contractors and employees to take safety to the next level.

Sustainable Development

Mahindra Lifespaces has been at the forefront of the real estate industry in India to achieve the mission of 'Transforming urban landscapes by creating sustainable communities'. The Company has done this by making its residential and large format integrated developments environment friendly and promoting sustainable construction practices while ensuring financial prudence.

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. During the year, the Company received IGBC Green pre-certification for its two new projects. With these, the Company now has a total of 2 certified projects and 11 pre-certified projects.

The Company voluntarily participated in the Climate Disclosure Leadership Index (CDLI), which involves measuring and disclosing an organisation's impact on the environment and natural resources, and actions taken to reduce them. Mahindra Lifespaces is the only real estate company in India to participate in this global initiative. It is also carrying out a "Life Cycle Assessment" of its project Antheia in Pune, which involves measuring the impact of all stages of a project on the environment and making it more environment friendly. In another initiative, it is carrying out a "Living Building Assessment" of its completed project Splendour, Mumbai, to evaluate living conditions and the factors affecting the human life within a building like air, water, lighting level and indoor environment.

In the large format integrated developments space, the Company carried out a social impact assessment study for Mahindra World City, Chennai, to capture the dynamics and nature of socio-economic transformation that has taken place in the local communities and the environment as a result of the project. This will help in identifying areas for engagement with local

communities and define the scope of involvement for replication and scalability in other similar projects.

Mahindra World City, Jaipur is a partner project of Clinton Climate Initiative (CCI), a foundation promoted by Former US President Bill Clinton for sustainable development.

The company released its second edition of sustainability report (2012-13), based on the Global Reporting Initiative (GRI) guidelines. After completion of the review process, the report has been assessed at A+ as per the GRIG3.1 guidelines, indicating the highest level of transparency and voluntary disclosure. Besides this, the company continues to report its triple bottom-line performance as a part of the Mahindra Group's sustainability report.

Corporate Social Responsibility (CSR)

Mahindra Lifespaces' CSR strategy is to contribute to the local communities that it operates in by focusing, amongst others, on key areas of intervention: education, skill development, health and environment.

In the area of education and skill development, the Company expanded its 'Gyandeeep' initiative — an informal school to provide basic education and a safe environment for the children of construction workers in and around its sites in Nagpur, Gurgaon, Pune and Jaipur. Another important initiative is a community college in Mahindra World City to provide employability training to local youth from the villages around Mahindra World City, Chennai. Around 200 people benefited from the continuing skill development programme for school dropouts and unemployed youth at Mahindra World City, Jaipur. Apart from these, the Company regularly carries out awareness programmes and supports education-related needs of the disadvantaged sections in the local communities.

In the area of environment, the Company has tree plantation initiative called "Mahindra Hariyali", which was started in 2008-09. During the year, over 22,500 trees were planted across multiple locations: Jaipur, Pune, Mumbai, Chennai and Nagpur. It also regularly promotes education on environment and sustainability at its project sites and nearby schools by carrying out awareness programmes.

As part of the focus on health, cleanliness drives, vaccination camps, blood donation drives, general health and eye-check camps as well as HIV awareness programmes are regularly conducted for construction workers and their families, and disadvantaged communities around our operational sites. Apart from these, awareness programmes on health, safety and hygiene are also carried out from time-to-time in the neighbourhood.

Mahindra Lifespaces has been investing 1 per cent of its profit after tax every year from 2005-06 in CSR activities. The Company, in every financial year commencing from 1st April, 2014, in line with the new Companies Act, 2013, pledges to spend, 2 per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

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 streamline its HR policies and processes to attract and retain the best talent in the industry.

In the previous year, the Company had integrated the performance management system with career planning to improve the efficiency of the process and introduced reverse feedback. During 2013-14, the focus was to build on these to increase the fairness and transparency of the appraisal system. An important initiative was the use of functional talent councils to review ratings and promotions. In the previous year, the Company made further grant of 26,500 Stock Options under Employee Stock Options Scheme - 2012 to thirteen Eligible Employees.

Catering to the learning and development needs of its employees continues to be a key focus area for the Company. Apart from structured training initiatives, a number of new customised programmes were carried out during the year: customer service excellence, leadership communication and executive presence, basic project management, strategic business orientation and innovation led transformation. In a new initiative to improve employee engagement, the Company organised off-sites for functional teams in the areas of Projects, Sales Marketing & CRM and HR.

Mahindra Lifespaces endeavours to keep its workplaces safe, transparent and friendly for people to work in. Understanding employees and giving them the confidence that their workplace is fair, transparent and safe has been a core philosophy and to that effect the Company has enacted many policies and established standards which are constantly reviewed and upgraded to ensure they are relevant and effective. Last year, the Company formed a Diversity Council with the objective of creating an inclusive environment to leverage the unique talents of diverse individuals in the workplace. The Company believes that this will enable greater innovation and higher productivity in the long term.

Mahindra Lifespaces has also recently made changes to its policy on Sexual Harassment, which has been in existence for several years. The new policy is aligned to the recently released Act on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees (ICCs) were set up from the senior management with women employees constituting majority and a senior level woman employee appointed as the Presiding Officer. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy. During the year ended 31st March 2014, the ICC did not receive any complaint pertaining to sexual harassment.

As of 31st March, 2014, the Company had 248 employees and its subsidiary companies had 78 employees. Employees relations during the year remained cordial.

Financials

Table 2 presents the abridged profit and loss statement of Mahindra Lifespace Developers Limited as a standalone and consolidated entity.

Table 2: Abridged Profit and Loss Statement

	Standalone		Consolidated	
	2013-14	2012-13	2013-14	2012-13
Operating Income	307.1	351.5	705.3	738.3
Other Income	114.3	70.8	50.9	34.2
Total Income	421.3	422.3	756.2	772.5
Project and Operating Expenses	218.7	225.8	425.6	397.8
Employee and Other Expenses	59.5	52.6	109.4	98.7
Financial Expenses	39.4	6.2	50.2	31.2
Depreciation	2.3	1.8	10.1	8.7
Total Expenditure	319.9	286.4	595.3	536.4
PBDIT	143.1	143.8	221.2	276.0
PBDT	103.7	137.7	171.0	244.8
PBIT	140.7	142.1	211.1	267.3
PBT	101.4	135.9	160.9	236.1
Tax	23.7	38.4	50.9	79.9
PAT	77.7	97.5	110.0	156.2
Minority Interest	-	-	9.4	14.8
PAT (After Minority Interest)	-	-	100.6	141.4
Diluted EPS (₹)	19.0	23.9	24.6	34.6

(₹ crores)

Given the challenging environment faced by the industry, the financial performance of Mahindra Lifespaces was impacted. Even as the Total Income of the Company remained stable, the profitability witnessed a decline during the year due to change in the product mix, coupled with a higher interest charge. Also, the performance at Mahindra World City, Chennai was muted as the company is awaiting some approvals to release its last tranches of industrial land inventory.

Net profit (PAT) for the standalone entity came down from ₹ 97.5 crores in 2012-13 to ₹ 77.7 crores in 2013-14. This was primarily due to the increase in finance costs during the year. Net profit (PAT) after minority interest for the consolidated entity came down from ₹141.4 crores in 2012-13 to ₹100.6 crores in 2013-14.

As of 31st March, 2014, Mahindra Lifespaces has standalone debt equity ratio of 0.61:1 and consolidated debt equity ratio of 1.11:1. 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 instruments, 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 Indian economy is going through a significant economic downturn. Even as the RBI is unlikely to raise rates further, the policy stance taken by the RBI to rein in inflation means that interest rates are unlikely to come down in the near term. This can have a direct impact on the performance of the real estate sector and the Company. Secondly, even as there are signs of revival in the advanced economies, especially in the US, it is yet to translate into investment outlays in Indian businesses, especially those in export oriented industries.

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. Besides, the Company's prudent financial management has also kept it relatively insulated from the economic downturn and the Company is well placed to raise capital at competitive interest rates.

Operational Risks

Key operational risks faced by the Company include longer gestation period for procurement of land, time taken for approvals, 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 Enterprise Resource Planning (ERP) solution and transparent customer friendly processes, which are expected to go a long way to address some of these risks. The Company also has a Code of Conduct for all its Employees. The Company's Corporate Governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances, leading to enhanced stakeholder value.

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.

The Company, with its approach towards acquisition of land based on due diligence, fairness and trust, and transparent processes in developing the projects, has effectively mitigated risks with respect to land acquisition. The focus on environment friendly and sustainable practices also help in mitigating risks associated with environmental regulations and norms. Besides, the Company's plans for innovative offerings in the affordable housing and smaller integrated developments will also go a long way in mitigating some of the risks associated with execution and cost of land acquisition.

Internal Controls

The Company has adequate internal control systems, 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 including an ERP solution, all of 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 also 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

The global economic environment witnessed a gradual recovery towards the end of 2013-14. The advanced economies, especially the US, have reported signs of revival. However, there are still considerable downside risks. On the domestic front, the situation continues to be worrisome. The monetary policy stance aimed at keeping inflation under check is hurting the investment-growth cycle. This has impacted both business and consumer sentiment.

The real estate market in India, too, has been affected by the adverse macro economic environment. In this situation, Mahindra Lifespaces has delivered a credible performance. This has been possible only because of its strategy to focus on the right market segments and geographies.

Even as the macro economic outlook for the immediate future is not very encouraging, the Company believes that the medium to longer term outlook for domestic growth remains positive. Till such time, the Company is relying on its ability to innovate and execute to tide over the impact of adverse economic and regulatory environment. However, given that there are still credible risks, the outlook for 2014-15 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 its 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 complied with since then. As a Company which believes in implementing corporate governance practices, the Company has adopted practices mandated in the revised Clause 49 and has established procedures and systems to remain compliant with it as on 31st March, 2014. 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, 2013. However, as per Section 149 (9) of the Companies Act, 2013, henceforth the Independent Directors will not be entitled to fresh grant of any Stock Options.

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, 2013, 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 judgment would affect their independence. The Directors of the Company are not *inter se* related to each other.

The Senior Management has 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

Eight Board meetings were held during the year under review, 1st April, 2013 to 31st March, 2014, on the following dates: 22nd April, 2013; 6th June, 2013; 24th July, 2013; 31st August, 2013; 22nd October, 2013, 24th January, 2014; 14th March, 2014, and 26th March, 2014. 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, 2014, 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 a 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	DIN No.	Status	No. of Board Meetings		Attendance at the last AGM
			Held	Attended	
Mr. Arun Nanda, Chairman	00010029	Non-Executive Non Independent	8	8	Yes
Mr. Uday Y Phadke	00030191	Non-Executive Non Independent	8	8	Yes
Mr. Sanjiv Kapoor	00004005	Non-Executive Independent	8	7	Yes
Mr. Shailesh Haribhakti	00007347	Non-Executive Independent	8	7	No
Mr. Anil Harish	00001685	Non-Executive Independent	8	8	No
Dr. Prakash Hebalkar	00370499	Non-Executive Independent	8	7	Yes
Ms. Anita Arjundas, Managing Director & Chief Executive Officer	00243215	Executive	8	8	Yes

c) Details of Directorships / Committee Memberships as of 31st March, 2014

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	Status	Director of Public Companies*	Membership in Committee**	Chairmanship in Committee**
Mr. Arun Nanda, Chairman	Non-Executive Non Independent	12	6	4
Mr. Uday Y. Phadke	Non-Executive Non Independent	7	8	-
Mr. Sanjiv Kapoor	Non-Executive Independent	7	7	5
Mr. Shailesh Haribhakti	Non-Executive Independent	12	7	5
Mr. Anil Harish	Non-Executive Independent	14	10	4
Dr. Prakash Hebalkar	Non-Executive Independent	2	3	—
Ms. Anita Arjundas, Managing Director & Chief Executive Officer	Executive	10	3	2

* Including Directorship / Committee Memberships in Mahindra Lifespace Developers Limited as of 31st March, 2014.

** Committees considered are Audit Committee and Stakeholders Relationship Committee (earlier known as 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, investment 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

Pursuant to Section 152 of the Companies Act, 2013, Mr. Arun Nanda retires by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment.

Pursuant to Section 149 and Section 152 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Shailesh Haribhakti retires by rotation at the forthcoming Annual General Meeting of the Company and is eligible for re-appointment from the date of the AGM as an Independent Director not liable to retire by rotation. It is proposed that he be appointed as an Independent Director of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company. Pursuant to Section 149 and Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed that Mr. Sanjiv Kapoor, Mr. Anil Harish, and Dr. Prakash Hebalkar existing Directors who meet the criteria of Independence, be appointed as Independent Directors of the Company, not liable to retire by rotation, from the date of this Annual General Meeting till the conclusion of the 16th Annual General Meeting of the Company”.

All the above Directors are not disqualified from being re-appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013 (erstwhile Section 274(1)(g) of the Companies Act, 1956).

Brief resumes of Directors seeking appointment / re-appointment are given below.

Mr. Arun Nanda

Mr. Arun Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of the Institute of Chartered Accountants of India (FCA) and a fellow member of the Institute of Company Secretaries of India (FCS). Mr. Nanda has also participated in a Senior Executive Programme at the London Business School. He joined the Mahindra Group in 1973. He has held several important positions within the Group over the 40 years he was with the company.

He was inducted to the Board of Mahindra & Mahindra Limited (M&M) in August 1992 and resigned as Executive Director in March 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was immediately re-appointed as a non-executive Director of M&M.

He is also the Chairman on the Advisory Board of 3i Investments plc, Member of the Advisory Board of TechnoServe India, and a Trustee of Integrity Action, U.K., Helpage India and The Bombay City Policy Research Foundation. He was a Member of the Task Force set up by the B20 on Anti-Corruption which presented the policy paper

to President Sarkozy at the G20 Summit held in Cannes in November 2011 and to President Putin in St. Petersburg in June 2013.

He is also Chairman Emeritus of the Indo-French Chamber of Commerce, Member of the Governing Board of the Council of EU Chambers of Commerce in India. He was the Chairman of CII Western Region for 2010-2011 and Chairman of CII National Committee on Water.

Mr. Nanda was honoured with an award of “Chevalier de la Legion d’Honneur” (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008. Mr. Nanda has received the “Real Estate Person of the Year” Award from GIREM Leadership Awards in India in 2008.

Mr. Nanda was awarded with the “CA Business Achiever Award - Corporate” at The Institute of Chartered Accountants of India Award 2009 and “Lifetime Achievement Award” for his outstanding contribution to the Hospitality Industry and the Service Sector by the Golden Star Awards 2010.

Recently, Mr. Nanda was awarded with the “Aatithya Ratna Award” by the Business Hotels Network and Horwath HTL for exemplifying the true spirit of Hospitality and contributing to the success of the Hospitality.

Mr. Nanda is also a Director on the Board of Mahindra & Mahindra Limited, Mahindra Construction Company Limited, Mahindra Holidays & Resorts (India) Limited, Mahindra Consulting Engineers Limited, Mahindra Infrastructure Developers Limited, Mumbai Mantra Media Limited, Knowledge Township Limited, Mahindra World City (Jaipur) Limited, Mahindra Water Utilities Limited, Mahindra Holdings Limited and Mahindra World City Developers Limited.

Mr. Nanda is on the Committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Stakeholders Relationship (earlier known as Shareholder & Investors Grievance Committee)	Chairman
	Nomination and Remuneration (earlier known as Remuneration Committee)	Member
	Qualified Institutions Placement	Member
	Loans & Investment	Chairman
	Share Allotment	Member
	Committee for Large Format Development	Member
	Committee for Residential Projects in Joint venture	Member
	Corporate Social Responsibility	Member

Name of Company	Name of Committee	Position Held
Mahindra & Mahindra Limited	Share transfer and Shareholder / Investors Grievance	Chairman
	Loans & Investment	Member
	Corporate Social Responsibility (CSR)	Member
Mahindra Consulting Engineers Limited	Remuneration	Member
Mahindra World City Developers Limited	Remuneration	Member
Mahindra World City (Jaipur) Ltd.	Audit	Member
	Remuneration	Member
	Loans & Investment	Member
	Capital Issue	Member
Mahindra Infrastructure Developers Ltd.	Audit	Member
Mahindra Construction Company Limited	Remuneration	Member
Mahindra Holidays & Resorts (India) Ltd.	Share Allotment / Transfer cum Investor Grievance	Chairman
	Remuneration	Member
	Loans & Investment	Chairman
	Inventory Approval	Chairman
	IPP Issue	Chairman
	Strategy and Review	Chairman
Mahindra Holdings Limited	Audit	Chairman
	Loans & Investment	Member
Mumbai Mantra Media Limited	Remuneration	Member

Mr. Arun Nanda holds 60,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company. Mr. Uday Nanda, son of Mr. Arun Nanda holds 350 equity shares.

Mr. Shailesh Haribhakti

Mr. Shailesh Haribhakti, is a Chartered and Cost Accountant, and a Certified Internal Auditor by the Institute of Internal Auditors, Inc., Financial Planner by the Financial Planning Standards Board India & Associate Member of the Association of Certified Fraud Examiners. Given a career span of four decades, he has experience in outsourcing of knowledge processes, engaged investing, and efficiency & effectiveness enhancement in social, commercial and governmental organisations.

Mr. Haribhakti lends his expertise to several professional and regulatory bodies, and has played a leadership role across several of these bodies.

Mr. Haribhakti is an active speaker at several seminars, conferences and training programs and has been associated with IIM-Ahmedabad as visiting faculty from 1981 to 1983. He frequently contributes his views on request to television channels, leading newspapers and business magazines.

Mr. Haribhakti is also a Director on the Board of Blue Star Limited, ACC Limited, Ambuja Cement Limited, J K Paper Limited, Raymond Limited, L&T Finance Holdings Limited, Torrent Pharmaceuticals Limited, NSDL E-Governance Infrastructure Limited (Formerly National Securities Depository Limited), Future Lifestyle Fashions Limited, Milestone Capital Advisors Limited, Karam Chand Thapar & Bros. (Coal Sales) Limited, Quadrum Solutions Pvt. Limited, J M Financial Asset Reconstruction Pvt. Limited, MentorCap Management Pvt. Limited, Haribhakti Moti India Pvt Limited, Planet People & Profit Consulting Pvt. Limited, AAA Infrastructure Consulting & Engineers Pvt. Limited, Reliance Enterprises & Ventures Pvt. Limited, ADA Enterprises & Ventures Pvt. Limited, AAA International Capital Pvt. Limited, AAA Industries Pvt. Limited, HB Advisory Services Pvt. Limited, DH Consultants Pvt. Limited.

Mr. Haribhakti is on the Committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Torrent Pharmaceuticals Limited	Audit	Chairman
	Nomination & Remuneration	Chairman
L&T Finance Holdings Limited	Audit	Chairman
	Nomination & Remuneration	Chairman
Raymond Limited	Audit	Chairman
	Nomination & Remuneration	Member
Future Lifestyle Fashions Limited	Audit	Chairman
	Nomination & Compensation	Chairman
Blue Star Limited	Audit	Chairman
	Business restructuring Committee	Member
Mahindra Life space Developers Limited	Audit	Member
	Nomination and Remuneration (earlier known as Remuneration Committee)	Member
	Committee for Residential Projects in Joint Venture	Member
	Qualified Institutional Placement	Member
NSDL e-Governance Infrastructure Limited	Audit	Member
	Committee to review undertaking of software development activity	Member
Ambuja Cements Limited	Nomination & Remuneration	Member
	Compliance	Member
	Share Transfer	Member
	Management	Member
ACC Limited	Compliance	Member
	Compensation	Member
	Corporate Social Responsibility	Chairman

Name of Company	Name of Committee	Position Held
J M Financial Asset Reconstruction Co. Private Limited	Audit	Chairman
	Allotment	Member

Mr. Shailesh Haribhakti does not hold any equity shares of the Company.

Mr. Sanjiv Kapoor

Mr. Sanjiv Kapoor, also is a commerce graduate and a Fellow Chartered accountant. Mr. Sanjiv Kapoor, as senior partner of M/s. S.K. Kapoor & Co, Chartered Accountants, has conducted audits of number of large organisations such as Reserve Bank of India, Life Insurance Corporation of India, N.T.P.C Ltd., Indian Oil Ltd., U.T.I., Bharat Sanchar Nigam Ltd., Bank of India, Bank of Baroda etc.

Mr. Kapoor has been a Director of Mahindra & Mahindra Limited, Ballarpur Industries Limited, Indian Bank, Corporation Bank, UPSE Securities Limited, Sahara Asset Management Company Private Limited, Sahara India Life Insurance Company Limited, U.P. Stock Exchange Limited and Ambey Valley Limited.

He was the president of Kanpur Chartered Accountants Society in the year 1988-89. He has been a member of Northern Railway Users Consultative Committee, Kanpur Telephonic Advisory Committee. He was also the Vice President of Upper India Chamber of Commerce in the year 1996-97.

Mr. Kapoor is also a Director on the Board of Mahindra World City Developers Limited, Mahindra Ugine Steel Co. Limited, Sahara India Medical Institute Limited, HLL Life care Limited, General Insurance Corporation of India, and HLL Biotech Limited.

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

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Audit	Chairman
	Nomination and Remuneration (earlier known as Remuneration Committee)	Chairman
Mahindra World City Developers Limited	Audit	Chairman
Mahindra Ugine Steel Co Limited	Audit	Chairman
	Remuneration	Chairman
Sahara India Medical Institute Limited	Audit	Chairman
	Remuneration	Member
HLL Life Care Limited	Audit	Chairman
	Remuneration	Chairman
	Strategy Formulation & Investment Committee	Member

Name of Company	Name of Committee	Position Held
General Insurance Corporation of India	Audit	Member
	Ethics Committee	Member
HLL Biotech Limited	Audit	Member

Mr. Kapoor does not hold any equity shares of the Company.

Mr. Anil Harish

Mr. Anil Harish, is a lawyer and Partner of the Law Firm, D. M. Harish & Co. which was founded by his father, late Mr. D. M. Harish. Mr. Anil Harish has expanded the scope of his practice to include many diverse areas property, domestic and international taxation, corporate law, joint ventures and mergers and acquisitions, exchange control, Wills etc. He has been an office bearer of several institutions in the legal field such as the Society of Indian Law Firms, of which he was the Executive Vice President. As a specialist in the field of real estate, Mr. Anil Harish is on the advisory board of the magazine "Property Scope" as well as the Accommodation Times Institute of Real Estate Management. Mr. Anil Harish has been ranked by the prestigious legal directory of Chambers & Partners as a leading tax lawyer having a solid clientele of both domestic and overseas organizations.

Mr. Anil Harish has authored several articles which have been published in the Times of India, Hindustan Times and several professional journals. He is a Director of several prestigious public limited companies in India. He is involved with several educational and charitable trusts and is the former President of the Hyderabad (Sind) National Collegiate Board, which runs more than 25 educational institutions and has about 50,000 students.

Mr. Anil Harish is a much sought after speaker in India and abroad and has given several professional speeches at prestigious events such as the India Calling Summit in Brussels, Belgium (2009) organized by the Indian Merchants Chamber. He has also addressed audiences in London, Dubai, Doha, Muscat and Jakarta on several occasions on topics such as FEMA, Taxation Collaborations and the legal requirements to operate a business in India, and at many Seminars in India and is a regular speaker on the Annual Budget.

Mr. Harish is also a Director on the Board of Valecha Engineering Limited, Hinduja Ventures Limited, Advani Hotels & Resorts (India) Limited, Hotel Leela Venture Limited, Mukta Arts Limited, Unitech Limited, Future Retail Limited, Ador Welding Limited, Hinduja Global Solutions Limited, Future Consumer Enterprise Limited, Ashok Leyland Limited, Obeori 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, Oasis Preprint Services Pvt. Limited, Mordril Properties (India) Pvt. Limited, Astoria Maritime Pvt. Limited

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

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Audit	Member
	Nomination and Remuneration (earlier known as Remuneration Committee)	Member
	Loans & Investment	Member
	Corporate Social Responsibility	Member
Valecha Engineering Limited	Audit	Member
Hinduja Ventures Limited	Audit	Chairman
Advani Hotels & Resorts (India) Limited	Remuneration	Member
Hotel Leelaventure Limited	Audit	Member
	Committee of Director for Issue of Shares	Member
Unitech Limited	Audit	Member
Ador Welding Limited	Audit	Chairman
Ashok Leyland Limited	Audit	Chairman
Hinduja Global Solutions Limited	Audit	Chairman
	Compensation	Chairman
Oberoi Realty Limited	Audit	Member
Future Retail Limited	Remuneration	Member
Future Consumer Enterprise 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.

Dr. Prakash Hebalkar

Dr. Prakash Hebalkar is the Founder President of the corporate strategy consulting organisation ProfiTech. ProfiTech is an International Business Consulting firm focused on providing Strategic Advice to Corporates from the US Fortune Global 1000 list and the Indian ET500 list of companies. Dr. Hebalkar brings with him over 30 years of international senior executive experience following a Doctorate in computer science and economics from Massachusetts Institute of Technology in the U.S.A.

Dr. Hebalkar pioneered software exports from India in the mid-1970s at TCS and later developed Tata Burroughs (now known as Tata Infotech) from its inception in 1978 into the nation's largest software exporter in just five years.

Dr. Hebalkar is the author of several innovative Economic and Public-policy concepts. Dr. Hebalkar's initiatives in the Infrastructure area include numerous pioneering projects done through his own erstwhile company MaxReach Consultants Private Limited.

Dr. Hebalkar's international work experience has taken him from IBM Research in the U.S.A. where he managed and participated in software research for the Research Division, to the house of Tata, the leading industrial house in India.

Dr. Hebalkar has served as international adviser on public policy to the United Nations and WIPO as well as the Government of India and has actively participated in several bilateral business councils and chambers of commerce (such as the Indo-U.S., Indo-Japan, Indo-U.K., Indo-German and Indo-EEC Business Councils) in promotion of bilateral trade and technology co-operation as well as in major national business organizations in India such as the Confederation of Indian Industry (CII), Associated Chambers of Commerce (ASSOCHAM) and the National Association of Software and Service Companies (NASSCOM). He is a former President of the Western Region of the Indo-American Chamber of Commerce.

He has pioneered several tax administration reforms as a key member of the Ministry of Finance Empowered Committee headed first by Dr. Vijay Kelkar and then by Dr. Partho Shome.

Dr. Hebalkar writes frequently on matters of economic policy and international trade for leading publications, and for some 15 years wrote a regular column entitled "Strategic Perspectives" in Business India.

Dr. Hebalkar is also a Director on the Board of Bluestar Infotech Limited.

Dr. Hebalkar is on the Committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Bluestar Infotech Limited	Audit	Member
	Shareholder Grievance	Member
	Compensation	Member
	Remuneration	Chairman
Mahindra Lifespace Developers Limited	Stakeholders Relationship Committee (earlier known as Shareholder & Investors Grievance Committee)	Member
	Committee for investment in Large Format Developments	Member

Dr. Hebalkar holds 2,500 equity shares in the Company.

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 Chairperson of the Federation of Indian Chambers of Commerce and Industry (FICCI) - Real Estate Committee. Ms.Arjundas is also a member of the Asia Society.

Ms. Anita has a bachelor's degree in science from the University of Madras and a master's degree in business administration from Bharathidasan University. She is a Wharton AMP Alumnus and has a Masters' degree in Business Administration from BIM, India.

Ms. Anita is also a Director on the Board of Mahindra Integrated Township Limited, Mahindra World City (Jaipur) Limited, Mahindra World City Developers Limited, Knowledge Township Limited, Mahindra World City (Maharashtra) Limited, Mahindra Residential Developers Limited, Industrial Township (Maharashtra) Limited, Mahindra Bebanco Developers Limited, Mahindra Infrastructure Developers Limited, Mahindra Knowledge Park (Mohali) Limited, Mahindra Homes Pvt. Limited.

Ms. Anita is on the Committees of the Board mentioned hereunder:

Name of Company	Name of Committee	Position Held
Mahindra Lifespace Developers Limited	Share Allotment	Member
	Committee for Residential Projects in Joint Venture	Member
	Committee for investment in Large Format Developments	Member
	Corporate Social Responsibility	Member
	Qualified Institutional Placement	Member
Mahindra World City Developers Limited	Remuneration	Member
	Corporate Social Responsibility	Member
Mahindra World City (Jaipur) Limited	Contract Committee	Member
Mahindra Integrated Township Limited	Remuneration	Member
	ESOP Committee	Member

Name of Company	Name of Committee	Position Held
Mahindra Holidays and Resorts Limited	ESOP Committee	Member
Knowledge Township Limited	Audit	Chairperson
Industrial Township (Maharashtra) Limited	Audit	Chairperson
Mahindra Infrastructure Developers Limited	Audit	Member
Mahindra Residential Developers Limited	Corporate Social Responsibility	Member

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.

On 22nd April, 2014, the Board adopted the Code for Independent Directors as per Schedule IV of the Companies Act, 2013.

5. CEO /CFO Certification

As required under Part V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director & Chief Executive Officer and the Chief Financial Officer 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, 2014.

6. Remuneration Paid to Directors

Remuneration Policy

While deciding on the remuneration for Directors, the Board and Nomination 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 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 22nd April, 2014 has approved payment of commission in line with revised resolution.

Detailed information of Directors' remuneration for the year 2013-14 is set forth below:

(₹ lakhs)

Name of the Director	Status	Sitting Fees (Note a)	Commission (Note f)	Salary, Performance Pay and Perquisites	Aggregate of Company's contributions to Superannuation & Provident Fund	Total
Mr. Arun Nanda, Chairman	Non-Executive Non Independent	2.05	75.00	Nil	Nil	77.05
Mr. Uday Y Phadke	Non-Executive Non Independent	Nil	Nil	Nil	Nil	Nil
Mr. Sanjiv Kapoor	Non-Executive Independent	2.70	7.50	Nil	Nil	10.20
Mr. Shailesh Haribhakti	Non-Executive Independent	3.15	7.50	Nil	Nil	10.65
Mr. Anil Harish	Non-Executive Independent	3.15	7.50	Nil	Nil	10.65
Dr. Prakash Hebalkar	Non-Executive Independent	1.50	7.50	Nil	Nil	9.00
Ms. Anita Arjundas, Managing Director & Chief Executive Officer (Note b)	Executive	N.A.	Nil	179.52	23.04	202.56

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 and Non-Executive Non-Independent Director do not receive sitting fees for attending meetings of the Board/Committees of the Board of Directors of the Company.
- (i) Ms. Arjundas prior to her appointment as Managing Director & Chief Executive Officer in the Company, is in receipt of 50,000 Stock Options under Employee Stock Options Scheme-2006 (ESOS-2006) granted to her on 25th April, 2008 of which she has exercised 1,000 Options. In her capacity as MD & CEO, she is in receipt of 10,000 Stock Options under Employee Stock Options Scheme-2012 (ESOS-2012) granted on 4th August, 2012 of which she has exercised 2,000 Options and will continue to hold balance Options in terms of the Grant. She shall be eligible

for additional Stock Options / Grants, as and when the event happens.

(ii) Salary to Ms. Anita Arjundas, MD & CEO includes:

- Salary and Allowances of ₹ 122.08 lakhs
- Perquisites of ₹ 17.50 lakhs
- Performance pay of ₹ 39.94 lakhs.

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.

- c. The Company has not advanced any loan to any Director.
- d. The Company has granted Stock Options under ESOS-2006 to the following Directors during the year 2008-09 and 2012-13:

Name of the Director	No. of Stock Options Granted on 25 th April, 2008	No. of Stock Options Granted on 4 th August, 2012	No. of Stock Options Exercised as on 31 st March, 2014*
Mr Arun Nanda, Chairman	200,000	-	--
Mr. Uday Y Phadke	10,000	-	2,500
Mr. Sanjiv Kapoor	10,000	-	--
Mr. Shailesh Haribhakti	10,000	-	5,000
Mr. Anil Harish	10,000	-	-
Dr. Prakash Hebalkar	-	10,000	2,500
Ms. Anita Arjundas	50,000	-	1,000
Total	290,000	10,000	11,000

*As of 31st March, 2014, total 28,500 Stock Options have been exercised by the grantees, out of which 11,000 Stock Options have been exercised by the above Directors and 17,500 Stock Options have been exercised by other grantees under ESOS 2006.

- e. **ESOS-2012:** As of 31st March, 2014, total 6,200 Stock Options have been exercised by the grantees, out of which 2,000 Stock Options have been exercised by Ms. Anita Arjundas, Managing Director & CEO and 4,200 Stock Options have been exercised by other grantees under ESOS 2012.
- f. Employee Stock Option and Commission are the only components of Director's remuneration that are performance-linked. All other components are fixed.

Shares and Convertible Instruments held by Directors

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

As on 31st March, 2014:

- Mr. Arun Nanda holds 60,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the

Company. Mr. Uday Nanda, son of Mr. Arun Nanda holds 350 equity shares

- 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 3,000 equity shares in the Company.
- Dr. Prakash Hebalkar holds 2500 equity shares in the Company.
- Mr. Sanjiv Kapoor and Mr. Shailesh Haribhakti 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 of 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 were enhanced in the Board meeting held on 26th March, 2014 pursuant to Section 177 of the Companies Act, 2013, which inter-alia includes:

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Monitoring the end use of funds raised through public offers and related matters.

The terms of reference of the Committee are also in accordance with the requirements of Clause 49 of the Listing Agreement. 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, 2013 to 31st March, 2014, seven meetings of the Committee were held on following dates: 22nd April, 2013; 24th July, 2013; 31st August, 2013; 22nd October, 2013; 16th January, 2014, 24th January, 2014 and 26th March, 2014. The maximum gap between any two meetings did not exceed four months. All members attended all the meetings except Mr. Sanjiv Kapoor who attended six meetings. Mr. Sanjiv Kapoor, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 24th July, 2013. The Chairman, the Managing Director & Chief Executive Officer, Chief Operating Officer(s), Chief Financial Officer, 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.

Stakeholder's Relationship Committee (earlier known as Shareholders Investor's Grievance Committee)

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors in its meeting held on 26th March, 2014 renamed the Committee as Stakeholders Relationship Committee.

The Stakeholders Relationship Committee of the Company comprises of 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 24th January, 2014. Mr. Arun Nanda and Dr. Prakash Hebalkar attended the meeting.

Nomination and Remuneration Committee (earlier known as Remuneration Committee)

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors in its meeting held on 26th March, 2014 renamed the Committee as Nomination and Remuneration Committee and enhanced the terms of reference.

The role of the Nomination and Remuneration Committee inter alia, includes:

- (i) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and
- (ii) Recommending to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee of the Company comprises of 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 etc.

During the year under review, the Committee met twice on 24th July, 2013 and 22nd October, 2013. All members of the committee attended both the meetings.

Loans & Investment Committee

The Loans & Investment Committee of the Board of the Company comprises of 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.

Share Allotment Committee

The Board of Directors at its meeting held on 24th July, 2013 enhanced the terms of reference to additionally provide for the issue, and allotment of equity shares in accordance with ESOS 2012 in addition to issue and allotment of equity shares in accordance with the ESOS-2006 and allotment of shares / securities / convertible instruments as per the terms of any other Issue of shares / securities / convertible instruments as may be approved by the Board / shareholders from time to time.

The Committee of Directors comprises of Mr. Arun Nanda, Mr. Uday Y. Phadke and Ms. Anita Arjundas.

During the year under review, the Committee met thrice on 22nd October, 2013, 24th January, 2014 and 26th March, 2014. All the members attended all the meetings.

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 the Committee met once on 31st August, 2013. All members attended the meeting.

Qualified Institutional Placement Committee

The Committee comprises of Mr. Arun Nanda, Mr. Uday Y. Phadke, Mr. Sahilesh Haribhakti and Ms. Anita Arjundas. The objective of the Committee is to finalise the terms of issue of equity shares to Qualified Institutional Buyers, and to finalise and approve the Preliminary Placement Document/Placement Document etc. During the year under review, the Committee met once on 6th September, 2013. All the members attended the meeting.

Corporate Social Responsibility Committee

The Committee comprises of Mr. Arun Nanda, Ms. Anita Arjundas and Mr. Anil Harish. The objective of the Committee is to:

- (i) To formulate and recommend a CSR policy to the Board and to recommend amount of expenditure to be incurred on CSR activities;
- (ii) To monitor the CSR policy of the Company from time to time;
- (iii) To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

During the year under review, the Committee met once on 26th March, 2014. All members attended the meeting.

8. General Shareholder Information

Fifteenth Annual General Meeting

Day / Date : Thursday 7th August, 2014
 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
2011	21 st July, 2011 12 th AGM	3.00 p.m.	Y B Chavan Centre, Mumbai
2012	24 th July, 2012 13 th AGM	3.00 p.m.	Y B Chavan Centre, Mumbai
2013	24 th July, 2013 14 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

12th AGM 21st July, 2011	<ul style="list-style-type: none"> • Increase in borrowing limits • Commission to Non-executive Directors
13th AGM 21st July, 2012	<ul style="list-style-type: none"> • Revision in Remuneration payable to Managing Director & Chief Executive Officer • New Employee Stock Option Scheme - 2012 for the benefit of the Employees / Directors of the Company. • Extending the benefit of the New Employee Stock Options Scheme-2012 to the employees of subsidiary companies. • Alteration of Articles of Association to provide for video conference facility for the Board / General meeting.
14th AGM 24th July, 2013	<ul style="list-style-type: none"> • Increase in limit for investment by FIIs from 30% to 49% of the Company's paid up equity share capital

No Extraordinary General Meeting (EGM) was held during last three years. In last year, on 22nd October, 2013, an Ordinary Resolution for Re-classification of authorized share capital and consequential amendment to Memorandum of Association and a Special Resolution under section 81(1A) and other applicable provisions of Companies Act, 1956 for issue of Equity Shares under QIP, was passed through postal ballot. A Special Resolution is proposed to be passed through Postal Ballot for fixing the limit for creation of charge over the assets of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 w.r.t. borrowing of the Company.

Dates of Book Closure

Monday, 1st August, 2014 to 7th August, 2014 (both days inclusive)

Dividend Payment Date

Dividend, if declared, will be credited / dispatched between 8th August, 2014 and 12th August, 2014.

Financial Year

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

Financial reporting for 2014-15 (Tentative)

For Quarter ending– 30 th June, 2014	By end of July, 2014
For Half Year ending – 30 th September, 2014	By end of October, 2014
For Quarter ending – 31 st December, 2014	By end of January, 2015
For year ending – 31 st March, 2015	By end of April, 2015

Listing on Stock Exchanges

A. Equity Shares

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, 2014.

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

B. Non-Convertible Debentures

The Non-Convertible Debentures (NCDs) of the Company are listed on BSE and the Company has paid the requisite listing fees in full.

Debenture Trustees for the Company's NCDs:

Axis Trustees Services Limited

Axis House, 2nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400 025

Contact details: 022 -24252525

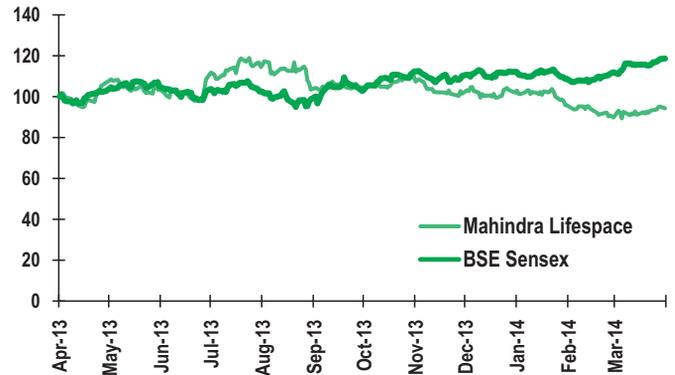
BSE and NSE – Monthly High / Low and Volumes

Year	Month	BSE			NSE		
		High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2013	April	420.90	362.70	27,377	422.00	362.25	152,408
2013	May	424.35	391.10	28,452	427.00	393.10	174,564
2013	June	424.40	372.35	73,303	422.00	380.15	277,224
2013	July	472.00	370.00	120,617	475.00	416.05	537,720
2013	August	463.90	396.05	39,900	460.00	397.55	401,543
2013	September	428.00	327.20	19,423	427.70	394.65	110,922
2013	October	454.00	402.00	228,181	439.50	404.50	506,582
2013	November	430.00	385.00	14,008	439.50	386.60	54,415
2013	December	412.00	381.00	23,917	412.00	384.00	99,023
2014	January	409.40	369.00	39,855	409.75	370.10	151,438
2014	February	392.85	347.50	17,406	384.50	321.50	127,180
2014	March	383.30	341.00	38,662	374.00	340.05	337,795

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

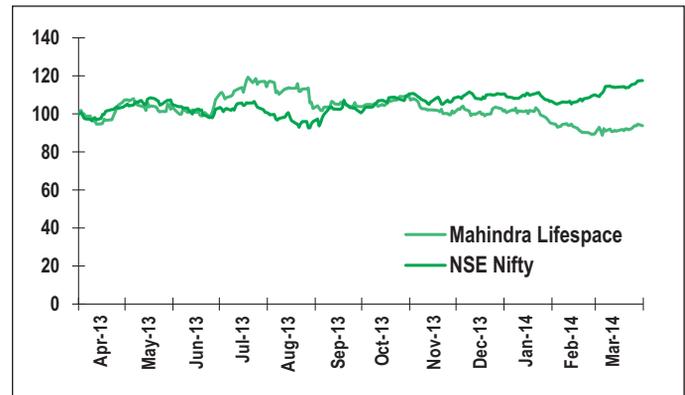
Year	Month	Closing Price on Last Trading Day of the Month				
		MLDL at BSE	BSE Sensex	NSE Nifty	BSE 500	BSE Realty
2013	April	417.00	19,504	5,930	7,385	1,901
2013	May	402.70	19,760	5,986	7,442	1,685
2013	June	421.05	19,396	5,842	7,164	1,511
2013	July	444.45	19,346	5,742	6,986	1,317
2013	August	401.60	18,620	5,472	6,674	1,174
2013	September	405.90	19,380	5,735	7,020	1,170
2013	October	427.35	21,165	6,299	7,657	1,343
2013	November	394.05	20,792	6,176	7,598	1,356
2013	December	396.05	21,171	6,304	7,828	1,433
2014	January	372.05	20,514	6,090	7,499	1,212
2014	February	348.65	21,120	6,277	7,710	1,204
2014	March	366.15	22,386	6,704	8,295	1,468

Chart A: Mahindra Lifespaces' Share Performance versus BSE Sensex



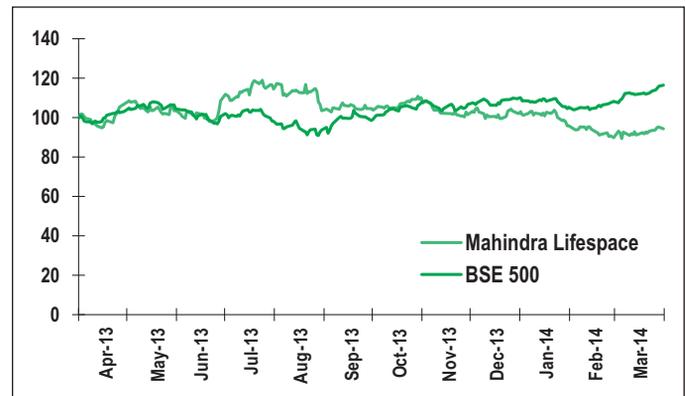
Note: Share price of Mahindra Lifespaces and BSE Sensex have been indexed to 100 on 1st April, 2013

Chart B: Mahindra Lifespaces' Share Performance versus NSE NIFTY

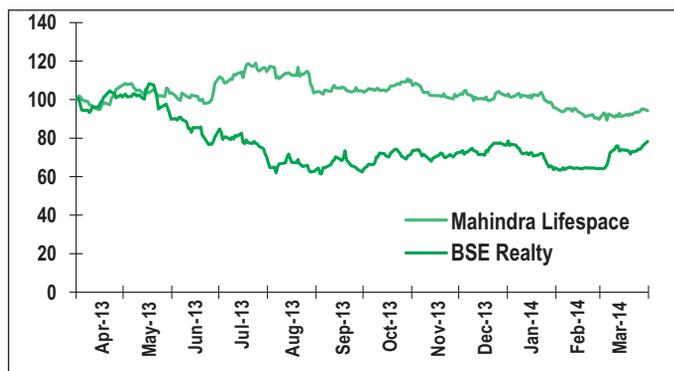


Note: Share price of Mahindra Lifespaces and NSE NIFTY have been indexed to 100 on 1st April, 2013

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, 2013

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, 2013

Registrar and Share Transfer Agents

Sharepro Services (India) Pvt. 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 fifteen 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, Sr. Vice President-Legal & Company Secretary and Ms. Arti Shinde, DGM - Secretarial & Legal 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, 2014

No. of Equity shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
1 – 100	59,755	90.96	1,308,203	3.20
101 – 200	2,944	4.48	434,868	1.07

No. of Equity shares	No. of shareholders	% of Shareholders	No. of shares held	% of shareholding
201 – 300	1,024	1.56	259,285	0.63
301 – 400	493	0.75	174,942	0.43
401 – 500	419	0.64	198,254	0.49
501 - 1,000	548	0.83	404,138	0.99
1,001 - 2,000	245	0.37	344,974	0.84
2,001 - 3,000	75	0.11	186,623	0.46
3,001 - 4,000	48	0.07	171,028	0.42
4,001 - 5,000	20	0.03	93,833	0.23
5,001- 10,000	42	0.06	300,265	0.73
10,001 & above	83	0.13	36,971,937	90.51
Total	65,696	100	40,848,350	100

Shareholding Pattern

Category	As on 31 st March, 2014		As on 31 st March, 2013	
	No. of Equity shares held	% of shareholding	No. of Equity shares held	% of shareholding
Promoter's and Promoter Group	20,846,126	51.03	20,846,126	51.04
Insurance Companies & Banks	65,881	0.16	401,544	0.98
UTI and Mutual Funds	708,233	1.73	1,011,395	2.48
FIs	12,299,068	30.11	11,514,513	28.20
NRI's/OBC	375,976	0.92	290,448	0.71
Bank of New York Mellon (for GDR Holders)	47,310	0.12	86,070	0.21
Domestic Companies	2,064,212	5.05	2,016,096	4.94
Resident Individuals	4,441,544	10.88	4,673,458	11.44
Total	40,848,350	100	40,839,650	100

Dematerialisation of Shares

As of 31st March, 2014, 40,160,388 shares (98.32%) 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, 2014 outstanding GDR's represent 47,310 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.

Mahindra Lifespace Developers Limited - Unclaimed Suspense Account

As per the provisions of clause 5A. II of the Listing Agreement (SEBI circular no. CIR/CFD/DIL/10/2010 dated December 16, 2010) the unclaimed/undelivered shares lying in the

possession of the Company are required to be dematerialized and transferred into a "Unclaimed Suspense Account" held by the Company. In compliance with the said amendment, the Company has sent three reminder letters to such shareholders whose share certificates are returned undelivered and hence remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details etc. registered with the Company in order to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account." The Company has in March 2014 transferred such 49,854 unclaimed shares to the "Mahindra Lifespace Developers Limited - Unclaimed Suspense Account". These shares are being credited to the aforesaid Suspense Account. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to such Demat Suspense Account. The Suspense Account shall be held by the Company on behalf of the allottees who are entitled for the shares and the shares held in such Suspense Account shall not be transferred in any manner whatsoever except for the purpose of allotting the shares as and when the Shareholders approach the Company. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. As and when the allottee approaches the Company, the Company shall credit the shares lying in the Suspense Account to the demat account of the allottee to the extent of the allottee's entitlement, after proper verification of the identity of the allottee.

1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (Shares being credited to the Suspense Account);	Number of shareholders : 3170 Outstanding shares : 49,854
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil
3	Number of shareholders to whom shares were transferred from suspense account during the year;	Nil
4	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (Shares being credited to the Suspense Account);	Number of shareholders : 3170 Outstanding shares : 49,854

Offices of the Company

Registered Office & Corporate Office

5th Floor, Mahindra Towers, Worli, Mumbai - 400 018
Tel: 022- 67478600 / 67478601

Mumbai Office

- Chemtex House, Ground Floor, Main Street Road, Hiranandani Gardens, Powai, Mumbai 400 076
Tel: 022- 66793191 / 66793190
- 301, 3rd Floor, Building 1, Nirmal Galaxy Avior, LBS Marg, Mulund (W), Mumbai - 400080
Tel: 022-65301520

Delhi Office

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

Chennai Office

The Canopy, II Floor, Unit.No-II
Mahindra World City, Special Economic Zone,
Natham Sub P.O., Near Paranjay Rly Station,
Chengelpet-603 002, Tamil Nadu
Tel: 044-67454060 / 47410000

Pune Office

CTS 6017, Pimpri-Nehru Nagar Road,
Next to Dr. Beck Company,
Pimpri, Pune 411 018. Maharashtra
Tel: 020-65103374

Hyderabad Office

Survey No. 78 / 2 & 78 /3,
Next to Indu Fortune Fields,
Kukatpally, Hyderabad - 500 072
Tel: 040 - 64600944

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: 022-67478600 / 67478601
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, 2013 to 31st March, 2014

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	4
2.	Number of complaints resolved	4
3.	Complaints pending as at 31 st March, 2014	Nil
4.	Number of share transfers pending for approval as at 31 st March, 2014	Nil

9. Disclosure of Accounting Treatment

The financial statements are prepared 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 2013-14, 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. 36 to Annual Accounts of the Annual Report.

11. Compliance with Clause 49

Mandatory Requirements

As of 31st March, 2014, the Company was fully compliant with all applicable mandatory requirements of the revised Clause 49.

Non-Mandatory Requirements

- The Company has set up the Nomination and Remuneration Committee of the Board of Directors, the details of which have been provided under the section "Committees of the Board".
- **Whistle Blower Policy**

On 22nd April, 2014, the Board adopted Whistle Blower Policy. The Company promotes ethical behaviour in all its business activities and has put in place a mechanism wherein the Employees are free to report illegal or unethical behaviour; actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or Chairman of the Corporate Governance Cell. The Whistle Blower Policy has been appropriately communicated within the Company.

Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel has been denied access to the Audit Committee.

- 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, 2014, 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, 2014, 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 Employees of the Company have affirmed compliance with the Codes of Conduct.

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

Anita Arjundas
Managing Director & Chief Executive Officer
DIN : 00243215

Mumbai, 22nd April, 2014

Auditors' Certificate on Corporate Governance

To
The Members of
Mahindra Lifespace Developers Limited, Mumbai

We have examined the compliance of the conditions of Corporate Governance by Mahindra Lifespace Developers Limited ('the Company') for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreements of the said Company with the National Stock Exchange Limited and BSE Limited.

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.

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 the above mentioned Listing Agreements.

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 B. K. Khare & Co.
Chartered Accountants
Firm Registration Number 105102W

Padmini Khare Kaicker
Partner
Membership Number 44784

Mumbai
Mumbai, April 22, 2014

AUDITORS' REPORT TO THE MEMBERS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

Report on the financial statements

1. We have audited the accompanying financial statements of Mahindra Lifespace Developers Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility on the financial statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to:
- Note No. 19(#) to the financial statements regarding the realisability of project advance of ₹10,000 lakhs where commencement of the

project has been delayed and which is being settled by the parties out of court. We have relied on management's representation of the realisability of the advance.

- Note No. 11 of the financial statements for the reasons detailed therein the management of the Company does not perceive any permanent diminution in the value of long term investment of ₹1,800 lakhs in its wholly owned subsidiary company and of its investment of ₹50 lakhs in New Tirpur Area Development Corporation ("NTADCL") in view of the revival of the operations being taken by the stakeholders of NTADCL.

Our opinion is not qualified in respect of the matters stated in 7(i) and (ii).

Report on other legal and regulatory requirements

- As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No. 44784

Mumbai
Dated: 22nd April, 2014

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (8) of our report of even date on the accounts of Mahindra Lifespace Developers Limited ended 31st March, 2014.

- 1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) All fixed assets have not been physical verified by the management during the year but there is a regular programme of verification which, in our opinion, 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) There was no disposal of a substantial part of fixed assets during the year.
- 2) (i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (ii) 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.
- (iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) (i) According to the information and explanations given to us the Company has granted unsecured loans, to one company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹44,666 lakhs and the year end balance of loans granted to such party was ₹Nil.
- (ii) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.
- (iii) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (v) According to the information and explanations given to us the Company has not taken any loans secured or unsecured from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) - (g) of the Order are not applicable to the Company.
- 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) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly, clause 4(v)(b) of the Order is not Applicable to the Company.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of 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. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained.
- 9) (i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, cess and other statutory dues applicable to it. The provisions of Excise Duty are not applicable to the operations of the Company.
- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty that were outstanding, at the year end for a period of more than six months from the date they became payable.

(iii) According to the information and explanations given to us, dues of income-tax outstanding on account of disputes are as follows:

Sr. No.	Assessment Year	Nature of Dues	Amount ₹ in lakhs	Forum where case is pending
1	2003-04	Income Tax	162.96	Commissioner of Income Tax (Appeals)
2	2005-06	Income Tax – Penalty	28.74	Income Tax Appellate Tribunal
3	2006-07	Income Tax	13.67	Income Tax Appellate Tribunal
4	2011-12	Income Tax	62.17	Commissioner of Income Tax (Appeals)

- 10) The Company does not have any 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 a financial institution, banks or debenture holders.
- 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 Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Accordingly

the provisions of clause 4(xiv) of the Order are not applicable to the Company.

- 15) In our opinion and 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.
- 16) In our opinion, the term loans have been applied for the purpose for which they were obtained.
- 17) According to the information and explanations given to us and 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) The Company has not made any preferential allotment of shares during the year.
- 19) According to the information and explanations given to us, during the year covered by our audit report, the Company had issued 5,000 debentures of ₹10,00,000 each. The Company has created security in respect of debentures issued.
- 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 to us by management, 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
 Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
 Membership No. 44784

Mumbai
 Dated: 22nd April, 2014

Balance Sheet as at 31st March, 2014

	Notes	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital.....	2	4,084.84	4,083.97
Reserves & Surplus.....	3	109,646.41	114,884.49
		<u>113,731.25</u>	<u>118,968.46</u>
Non Current Liabilities			
Long Term Borrowings.....	4	55,000.00	11,000.00
Long Term Provisions.....	5	10,387.36	104.13
		<u>65,387.36</u>	<u>11,104.13</u>
Current Liabilities			
Short Term Borrowings.....	6	4,565.63	19,722.59
Trade Payables.....	7	12,961.19	11,973.86
Other Current Liabilities.....	8	16,177.83	17,862.39
Short Term Provisions.....	9	4,325.86	4,409.75
		<u>38,030.51</u>	<u>53,968.59</u>
TOTAL.....		<u>217,149.12</u>	<u>184,041.18</u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets.....	10	2,856.77	2,474.69
Intangible Assets.....		0.00	0.00
Capital work-in-progress.....		-	81.87
		<u>2,856.77</u>	<u>2,556.56</u>
Non Current Investments.....	11	65,690.41	32,013.29
Deferred Tax Assets(Net).....	12	259.41	158.12
Long Term Loans & Advances.....	13	21,429.56	1,764.56
Other Non Current Assets.....	14	93.34	66.26
		<u>90,329.49</u>	<u>36,558.79</u>
Current Assets			
Current Investments.....	15	9,336.44	11,101.10
Inventories.....	16	65,490.33	58,110.83
Trade Receivables.....	17	2,630.66	2,410.34
Cash & Cash Equivalents.....	18	3,462.05	9,068.10
Short-term loans and advances.....	19	32,092.61	59,902.16
Other Current Assets.....	20	13,807.54	6,889.86
		<u>126,819.63</u>	<u>147,482.39</u>
TOTAL.....		<u>217,149.12</u>	<u>184,041.18</u>
Notes on Financial Statements	1 to 39		

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner
Membership No.: 44784

Mumbai : 22nd April, 2014

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

Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
INCOME			
Income from Operations	21	30,706.52	35,152.05
Other Income	22	11,426.25	7,073.47
		<u>42,132.77</u>	<u>42,225.52</u>
EXPENDITURE			
Operating Expenses	23	21,878.91	22,577.45
Employee Remuneration & Benefits.....	24	3,038.69	2,597.01
Administration & Other Expenses.....	25	2,908.92	2,668.13
Interest & Finance charges.....	26	3,934.88	617.71
Depreciation & Amortization Expenses		231.95	177.04
		<u>31,993.35</u>	<u>28,637.34</u>
Profit before taxation		10,139.42	13,588.18
Less : Provision for Current Taxation		2,467.70	3,965.03
Less : Provision for Deferred Taxation		(101.29)	(125.81)
Profit after Tax		7,773.01	9,748.96
Basic Earnings Per Share		19.03	23.87
Diluted Earnings Per Share		19.03	23.87
Notes on Financial Statements	1 to 39		

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
 Chartered Accountants
 Firm Registration No. 105102W
Padmini Khare Kaicker
Partner
 Membership No.: 44784

Mumbai : 22nd April, 2014

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, 2014

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
A. Cash flow from operating activities		
Net Profit Before Tax	10,139.42	13,588.19
Adjustments for :		
Depreciation & Amortisation Expenses	231.95	177.04
Provision for Doubtful debts	55.00	95.00
Profit on sale of current investments	2.20	0.41
Amortisation of expenses	93.12	70.37
Considered separately:		
Interest Income.....	(8,393.15)	(3,100.03)
Finance Cost	6,576.79	2,785.34
Dividend Income.....	(2,331.06)	(2,218.56)
(Profit)/Loss on sale of Fixed assets (net).....	11.06	(1,194.87)
Operating Profit Before Working Capital Changes	6,385.33	10,202.89
Adjustments for :		
Trade and Other Receivables.....	(5,743.81)	9,554.19
Inventories	(7,379.50)	(34,753.99)
Trade Payables and Other Liabilities.....	(3,571.40)	4,372.82
Cash Generated from Operations	(10,309.38)	(10,624.09)
Income taxes (paid) / received	(2,908.27)	(4,727.83)
Net Cash (used in) / from operating activities	(13,217.65)	(15,351.92)
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(552.46)	(279.00)
Proceeds from sale of Fixed Assets.....	8.93	1,644.76
Proceeds /(Investments) in others (Net).....	1,764.66	1,745.69
Investment in subsidiaries	(33,672.11)	-
Interest received	4,855.79	3,306.18
Dividend received.....	2,331.06	2,218.56
Deposits / Advances with Companies	10,523.50	(14,355.44)
Net Cash (used in) / from investing activities	(14,740.63)	(5,719.25)

Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
C. Cash flow from financing activities		
Increase in borrowings	53,843.04	33,722.59
Repayment of Loan	(25,000.00)	(10,000.00)
Finance Cost	(3,755.81)	(2,636.35)
Dividend Paid	(2,866.82)	(2,847.58)
Issue of share capital.....	0.87	0.45
Share Premium Proceeds	7.87	-
Net Cash (used in) /from financing activities.....	22,229.15	18,239.11
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,729.13)	(2,832.06)
Cash and Cash Equivalents (Opening)	8,796.78	11,628.84
Cash and Cash Equivalents (Closing).....	3,067.65	8,796.78

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
 Chartered Accountants
 Firm Registration No. 105102W
Padmini Khare Kaicker
Partner
 Membership No.: 44784

Mumbai : 22nd April, 2014

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 to the Financial Statements as at and for the year ended 31st March, 2014

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Presentation and Disclosure of 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.

b) Basis of Preparation:

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 which continue to be applicable in respect of the current financial year.

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. Actual results could differ from those estimates.

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 straight line method over their estimated useful lives or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher 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, and
2. Vehicles at 15 % per annum of cost.
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 less diminution other than temporary. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

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

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 Projects

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.

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

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

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.

Income from sale of land and other rights

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 generally with the firmity of the sale contracts/agreements.

Income from Project Management

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the 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 and dividend income

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 straight-line 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.

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 reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax asset arising from brought forward tax losses wherein deferred tax asset is only recognized when there is virtual certainty. 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 financial statements in respect of a present obligation arising from a past event, 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 Share-based 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:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Authorised		
115,000,000 (Previous year 50,000,000) Equity Shares of ₹ 10 each	11,500.00	5,000.00
- (Previous year 6,500,000) Preference Shares of ₹ 100 each	-	6,500.00
6,000,000 (Previous year 6,000,000) Unclassified Shares of ₹ 10 each	600.00	600.00
	<u>12,100.00</u>	<u>12,100.00</u>
Issued		
40,889,201 (Previous year 40,880,501) Equity Shares of ₹ 10 each	4,088.92	4,088.05
	<u>4,088.92</u>	<u>4,088.05</u>
Subscribed and Paid-up		
40,848,350 (Previous year 40,839,650) Equity Shares of ₹ 10 each fully paid up	4,084.84	4,083.97
	<u>4,084.84</u>	<u>4,083.97</u>

a) Reconciliation of number of shares

	Current Year		Previous Year	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity Shares				
Balance as at the beginning of the year	40,839,650	4,083.97	40,835,150	4,083.52
Add: Shares Issued (earlier kept in abeyance).....	-	-	4,500	0.45
Add: Stock Options exercised during the year	8,700	0.87	-	-
Balance as at the end of the year	<u>40,848,350</u>	<u>4,084.84</u>	<u>40,839,650</u>	<u>4,083.97</u>

b) Shares held by holding company

Equity Shares	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
2,08,46,126 shares (Previous Year- 2,08,46,126 shares held by Mahindra & Mahindra Limited)	20,846,126	51.03%	20,846,126	51.04%

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	51.03%	20,846,126	51.04%
Amansa Investments Limited	2,505,170	6.13%	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 24(#) for details of shares to be issued under the Employee Stock Option Plan

e) The allotment of 40,851 (Previous Year 40,851) 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

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Capital Redemption Reserve		
Balance as at the beginning of the year	7,353.58	7,353.58
Balance as at the end of the year	7,353.58	7,353.58
Debenture Redemption Reserve		
Balance as at the beginning of the year	-	-
Add:- Transfer from Profit & Loss Account.....	3,135.42	-
Balance as at the end of the year	3,135.42	-
Share Premium Account		
Balance as at the beginning of the year	67,664.79	67,664.79
Add : Premium on shares issued during the year.....	7.87	-
Less: Premium on Redemption of Debentures.....	(10,244.65)	-
Balance as at the end of the year	57,428.01	67,664.79
General Reserve		
Balance as at the beginning of the year	4,189.23	3,214.33
Add:- Transfer from Profit & Loss Account.....	777.30	974.90
Balance as at the end of the year	4,966.53	4,189.23
Employee Stock Option Outstanding		
A) Employee Stock Option Outstanding:		
Opening Balance	424.30	107.11
Add: Fresh grants of options	117.68	317.19
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing balance	541.98	424.30
Less:		

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
B) Deferred Employee Compensation Expenses :		
Opening Balance	274.04	27.22
Add: Fresh grants of options	117.68	317.19
Less: Transfer to Employee Compensation / Options Lapsed	(93.12)	(70.37)
Closing balance	298.60	274.04
Balance as at the end of the year.....	243.38	150.26
Surplus in the Statement of Profit & Loss		
Balance as at the beginning of the year	35,526.63	29,619.39
Profit for the year.....	7,773.01	9,748.96
Less: Appropriations		
Proposed Dividend		
On Equity Shares	2,450.90	2,450.38
Tax on distributed profit.....	416.53	416.44
Transfer to Debenture Redemption Reserve.....	3,135.42	-
Transfer to General Reserve	777.30	974.90
Balance as at the end of the year.....	36,519.49	35,526.63
	109,646.41	114,884.49

The Company has during the year issued Non Convertible Debentures (NCDs) aggregating ₹50,000 lakhs which are redeemable at a premium. The total premium on redemption of ₹10,244.65 lakhs has been adjusted against the securities premium during the year as permitted under section 78 of the Companies Act, 1956.

4) Long Term Borrowings

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Secured Loans		
Term Loans		
From Bank*.....	5,000.00	11,000.00
Non Convertible Debentures#	50,000.00	-
	55,000.00	11,000.00

* Term Loan from Bank

Nature of Security

The term loan from bank is secured by a pari-passu charge on specified 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 commencing June 30, 2014. Interest is payable on monthly basis.

Non Convertible Debentures

The Company has issued 5,000 Redeemable Secured Non Convertible Debentures of ₹10 lakhs each aggregating to ₹50,000 lakhs redeemable in the 3rd, 4th and 5th year in the ratio of 25:35:40, along with redemption premium as summarised below:-

Series	I	II	III
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	1250	1750	2,000
Total Value (in lacs)	12,500	17,500	20,000
Redemption Premium per debenture (₹)	3,59,896.61	1,30,874.10	1,72,782.29
Maturity Date	3 rd April 2016	3 rd April 2017	3 rd April 2018

Nature of Security

The above debentures are secured by an exclusive charge over assets, including land & building as identified by the Issuer from time to time.

At present the identified assets are land owned by Mahindra Integrated Township Limited and Mahindra Lifespace Developers Limited.

Interest is payable annually

5) Long Term Provisions

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Provision for Employee benefits		
- Provision for Gratuity	27.16	-
- Provision for compensated absences	115.55	104.13
Provision for Premium on Redemption of Debentures	10,244.65	-
	<u>10,387.36</u>	<u>104.13</u>

6) Short Term Borrowings

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Secured Loans		
From Bank*	4,565.63	4,722.59
Unsecured Loans		
From Others#	-	15,000.00
	<u>4,565.63</u>	<u>19,722.59</u>

*** Secured Loan**

a) Nature of Security

The loan is 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

The said loan amount is repayable quarterly. Interest is payable on monthly basis.

Unsecured Loan

The said loan amount was repaid on 8th April 2013.

7) Trade Payables

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Trade Payables - Micro & Small Enterprises*	-	-
Trade Payables - Others	12,961.19	11,973.86
	<u>12,961.19</u>	<u>11,973.86</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.

8) Other Current Liabilities

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Current Maturity of Long Term Borrowings*	10,000.00	10,000.00
Advances and Deposits.....	1,084.58	6,168.48
Unclaimed Dividends#.....	75.30	62.52
Interest accrued but not due.....	3,154.06	333.07
Other Liabilities.....	1,863.89	1,298.32
	16,177.83	17,862.39

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

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

9) Short Term Provisions

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Employee benefits		
- Provision for Gratuity.....	27.28	10.48
- Provision for compensated absences	68.64	60.55
Others		
Defect Liabilities / Warranties	339.51	448.90
Proposed Dividend	2,450.90	2,450.38
Provision for tax on Proposed Dividend	416.53	416.44
Provision for Losses to project Completion*	1,023.00	1,023.00
	4,325.86	4,409.75

* The Company has, in case of one project, provided for ₹ 1,023.00 lakhs (previous year ₹ 1,023.00 lakhs) as provision for loss 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.

11) Non Current Investments

	Face Value Rupees	Number of shares	Current Year Rupees in lakhs	Previous Year Rupees in lakhs
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 (1,275,006 Shares acquired during the year).....	10	17,799,999	3,886.54	2,254.51
Mahindra World City (Jaipur) Limited.....	10	111,000,000	11,100.00	11,100.00
Mahindra World City (Maharashtra) Limited.....	10	1,170,400	117.04	117.04
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
Mahindra Housing Private Limited..... (50,000 Shares acquired during the year).....	10	50,000	5.00	0.00
Riagad Business and Industrial Park limited..... (60,000 Shares acquired during the year).....	10	110,000	11.00	5.00
Mahindra Homes Private Limited Company (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*.....	10	50,000	0.00	5.00
Anthurium Developers Limited.....	10	50,000	5.00	5.00
In Joint Venture				
Mahindra Homes Private Limited Company (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*.....				
Class A Equity Shares..... (155,628 Shares acquired during the year and 50,000 shares converted into Class A shares).....	10	205,628	20.56	0.00
Class C Equity Shares..... (371 Shares acquired during the year).....	10	371	0.04	0.00
			23,248.68	21,590.05
In Associates				
Topical Builders Private Limited..... (175 Shares acquired during the year)	10	175	0.02	-
Kismat Developers Private Limited..... (15 Shares acquired during the year)	10	15	0.00	-
			0.02	-
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
			335.23	335.24
Preference Shares				
In Subsidiary Company				
Mahindra World City Developers Limited.....	100	6,500,000	6,500.00	6,500.00

	Face Value Rupees	Number of shares	Current Year Rupees in lakhs	Previous Year Rupees in lakhs
(8.5% Cumulative Redeemable Preference Shares)				
Mahindra World City Jaipur Limited.....	10	37,000,000	3,700.00	3,700.00
(8% Redeemable Cumulative Preference Shares)			10,200.00	10,200.00
In Joint Venture				
Mahindra Homes Private Limited Company (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*	10	1	0.00	0.00
(0.01% Optionally convertible Redeemable Preference Shares)			0.00	0.00
In Associates				
Topical Builders Private Limited	10	4,825	0.48	0.00
(8.5% Non-cumulative Redeemable Preference Shares) (4,825 shares purchased during the year)				
Kismat Developers private Limited	10	4,985	0.50	0.00
(8.5% Non-cumulative Redeemable Preference Shares) (4,985 shares purchased during the year)			0.98	0.00
In Others				
Mahindra Knowledge Park (Mohali) Limited.....	-	-	0.00	5.00
(7% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares) (50,000 shares sold during the year)				
Moonshine Construction Pvt Limited	10	5,000	0.50	0.00
7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares) (5,000 shares purchased during the year)			0.50	5.00
Debentures				
In Joint Venture				
17.65% Optionally Convertible Debentures (32,017,000 shares purchased during the year)				
Mahindra Homes Private Limited Company (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*	100	32,017,000	32,017.00	0.00
			32,017.00	0.00
			65,802.41	32,130.29
Less : Provision for diminution in value of investments			(112.00)	(117.00)
			65,690.41	32,013.29

* With effect from 20th July 2013 Mahindra Homes Private Limited has been ceased to be subsidiary and has become joint venture.

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 ₹1,800 lakhs in the wholly owned subsidiary Mahindra Infrastructure Developers Limited ("MIDL"). MIDL has further invested ₹1,500 lakhs in the equity shares of New Tirpur 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. In view of the management various steps contemplated 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 are expected to lead to a turnaround in the operations of NTADCL and improve its financial position. Hence the management does not perceive any permanent diminution in the value of the investments in NTADCL and in the value of the investments in MIDL. Considering the long term and strategic nature of the said investment for reasons stated above no erosion has been considered necessary on this account.

12) Deferred Tax Asset / (Liability) (Net)

Deferred Tax Asset

Relating to :

Provision for impairment in asset value

Expenses allowable on actual payment

Deferred Tax Liability

Relating to :

Difference between book and tax depreciation

Deferred Tax Asset(Net)

Current Year
₹ in lakhsPrevious Year
₹ in lakhs

526.90

526.90

371.10

298.54

898.00

825.44

638.59

667.32

259.41

158.12

13) Long Term Loans & Advances

(Unsecured, Considered Good, Unless otherwise stated)

Loans and advances to related parties

- Considered good

Current Year
₹ in lakhsPrevious Year
₹ in lakhs

21,429.56

1,764.56

21,429.56

1,764.56

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

Long Term Deposits with Banks having maturity more than 12 months ('Fixed deposit of ₹ 62.33 lakhs (Previous year- ₹ 18.47 lakhs) is against Margin Monies with banks for Bank Guarantee)

Current Year
₹ in lakhsPrevious Year
₹ in lakhs

93.34

66.26

93.34

66.26

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

JP Morgan India Treasury Fund - Super Institutional Daily Dividend.....

35,775,265

3,580.71

Sundaram Ultra Short Term - Super Institutional Daily Dividend.....

49,960,625

5,014.55

BSL Ultra Short Term Fund - Super Institutional.....

500,448

500.72

Kotak Floater Long Term Fund - Daily Dividend

19,892,491

2,005.12

Acquired during the year

JP Morgan India Treasury Fund - Growth

24,334,955

4,089.20

HSBC Cash Fund - Growth

320,306

4,094.64

ICICI Prudential Liquid - Growth.....

608,077

1,152.60

9,336.44

11,101.10

16) Inventories

(At lower of cost and net realisable value)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Raw material.....	1,362.74	1,018.88
Construction Work in Progress*#	64,127.59	57,091.95
	65,490.33	58,110.83

* 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, short term loans and advances and interest accrued on project advances in other current assets include ₹ 765.87 lakhs, ₹ 4,205.26 lakhs and ₹ 2,174.98 lakhs, respectively on account of a project, where commencement of construction had been delayed on account of a dispute between the land-owner and the Company which was referred to arbitration. Post year end, the parties have entered into mutually agreed consent terms and the arbitration award has been issued in accordance with the consent terms, as a result of which these amounts are expected to be recovered either by sale or joint development of the property.

17) Trade Receivables

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Outstanding over six months		
Considered Good	250.81	414.44
Considered Doubtful.....	261.16	206.16
	511.97	620.60
Other debts		
Considered Good	2,379.85	1,995.90
Considered Doubtful.....	-	-
	2,379.85	1,995.90
Less: Provision for Doubtful Debts	(261.16)	(206.16)
	2,630.66	2,410.34

18) Cash & Cash Equivalents

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Cash on hand.....	1.01	2.09
Bank Balance		
- In Current Accounts*	2,293.90	6,697.78
- In Deposit Accounts (less than 3 months maturity).....	772.74	2,096.91
(Fixed deposit of ₹ 337.50 lakhs (Previous year- ₹ 310.61 lakhs) is against Margin Monies with banks for Bank Guarantee)	3,067.65	8,796.78
Other Bank Balances		
Long Term Deposits with maturity more than 3 months but less than 12 months) (Fixed deposit of ₹ Nil lakhs (Previous year- ₹ 55.34 lakhs) is against Margin Monies with banks for Bank Guarantee)	394.40	271.32
	3,462.05	9,068.10

* Balance with Banks includes Unclaimed Dividend of ₹75.30 lakhs (Previous year 62.52 lakhs)

19) Short Term Loans & Advances

(Unsecured, Considered Good, Unless otherwise stated)

Loans and advances to related parties

- Considered good

Current Year
₹ in lakhsPrevious Year
₹ in lakhs**2,000.00**

31,629.00

2,000.00

31,629.00

Other Loans & Advances

- Considered good*#

24,116.26

23,176.59

- Considered doubtful

121.25

121.25

24,237.51

23,297.84

Less : Provision for doubtful loans & advances.....

(121.25)

(121.25)

24,116.26

23,176.59

Intercorporate Deposits

266.30

174.04

Advance payment of Income tax (net of Provision for tax ₹ 22,869.66 lakhs
Previous year ₹ 20,434.72 lakhs)**2,604.52**

2,164.25

Staff Loans and Advances.....

14.08

6.81

Deposits.....

3,091.45

2,751.47

32,092.61

59,902.16

* Refer note no.16(#)

Other Loans and advances include project advances of ₹10,000 lakhs pending for over 2 years relating to a project whose commencement has been delayed due to non performance by Vendors. The Company has during the quarter initiated action against Vendors to protect the interest of the Company and for resolving the dispute to enable commencement of the project.

20) Other Current Assets

(Unsecured, Considered Good, Unless otherwise stated)

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.....

4,702.38

1,165.01

[including ₹ 1,047.12 lakhs, (Previous year ₹ 993.49 lakhs) due from subsidiaries
and ₹ 3,202.45 lakhs (previous year ₹ Nil) due from Joint Venture]

Unbilled Revenue

6,584.99

3,204.68

13,807.54

6,889.86

* 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.

Refer note no. 16 (#).

21) Operating Income

Income from Projects.....

27,730.30

32,911.95

Project Management Fees

1,345.06

346.65

Income from Operation of Commercial Complexes.....

1,631.16

1,568.56

Profit on Sale of Properties.....

-

324.89

30,706.52

35,152.05

22) Other Income

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Interest Income		
- On Inter Corporate Deposits	3,776.67	2,462.71
- On Bank Deposits	1,079.72	608.08
- Others.....	3,536.77	29.24
Dividend on Long Term Investments-Trade (Subsidiary)	1,471.44	828.88
Dividend on Current Investments-Non Trade	859.62	1,389.68
Profit on sale of Current investments-Non Trade	2.20	0.41
Profit on sale of Fixed assets	0.81	869.98
Miscellaneous Income	699.02	884.49
	<u>11,426.25</u>	<u>7,073.47</u>

23) Operating expenses

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Cost of Project		
Opening Stock		
- Stock in trade	-	76.98
- Work-in-progress.....	57,091.95	22,835.86
- Raw Material	1,018.88	444.00
	<u>58,110.83</u>	<u>23,356.84</u>
Add: Expenses incurred during the year :		
Premium for Development Rights.....	3,805.84	29,958.12
Architect Fees.....	399.62	732.21
Preliminaries & Site Expenses	275.51	2,648.77
Civil, Electrical, Contracting etc	18,427.40	16,338.48
Overheads allocated.....	1,243.62	1,114.28
Interest allocated	2,641.91	2,167.63
Payment to Local Agencies	499.43	2,488.06
Insurance.....	22.29	32.84
Legal & Professional Fees.....	791.47	366.84
	<u>28,107.09</u>	<u>55,847.23</u>
	<u>86,217.92</u>	<u>79,204.07</u>
Less :-Closing Stock.....		
Work-in-progress	64,127.59	57,091.95
Raw Material.....	1,362.74	1,018.88
	<u>65,490.33</u>	<u>58,110.83</u>
Rent, Rates & Taxes	50.66	41.18
Insurance	0.37	-
Repairs & Maintenance - Commercial Properties	192.60	95.55
Professional Fees.....	173.17	116.64
Brokerage	51.45	170.51
Advertisement, Marketing & Business Development.....	456.91	243.26
Electricity	2.10	10.98
Other Operating Expenses	224.06	806.09
	<u>21,878.91</u>	<u>22,577.45</u>

24) Employee Remuneration & Benefits

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Salaries, Allowances & Bonus#.....	3,818.59	3,310.59
Contribution to Provident & Other Funds*.....	200.51	138.56
Staff Welfare Expenses.....	263.21	262.14
	<u>4,282.31</u>	<u>3,711.29</u>
Less :- Allocated to projects.....	(1,243.62)	(1,114.28)
	<u><u>3,038.69</u></u>	<u><u>2,597.01</u></u>

* 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.....	9.19%	8.06%
Rate of Return on Plan Assets.....	9.50%	9.50%

(3) Reconciliation of Benefit Obligation:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Liability at the beginning of the year.....	121.66	119.20
Adjustment to the opening balance.....	(3.85)	
Interest Cost.....	10.94	10.31
Current Service Cost.....	42.33	29.79
Benefit Paid.....	-	-
Unrecognised Past Service Cost.....	-	-
Actuarial (Gain) / Loss on Obligations.....	32.28	(37.64)
Liability at the end of the year.....	203.36	121.66
Fair Value of Plan Assets at the end of the year.....	148.92	111.18
Amount recognised and disclosed under the head "Provisions for Gratuity"	54.44	10.48
Current Liability.....	27.28	10.48
Non – Current Liability.....	27.16	NIL

(4) Reconciliation of Fair value of Plan Assets:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Fair Value of Plan Assets at the beginning of the year.....	111.18	68.92
Adjustment to the opening balance.....	-	6.37
Expected Return on Plan Assets.....	11.70	8.86
Contributions.....	27.28	35.89
Benefit Paid.....	-	-
Actuarial Gain / (Loss) on Obligations.....	(1.25)	(8.86)
Fair Value of Plan Assets at the end of the year.....	148.92	111.18

(5) Expenses recognised in the Statement of Profit and Loss under the head “Employee Remuneration & Benefits”:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Current Service Cost	42.33	29.79
Interest Cost	10.94	10.31
Unrecognised Past Service Cost.....		-
Expected Return on Plan Assets.....	-	(8.86)
Net Actuarial (Gain) / Loss recognised.....	(11.70)	(28.79)
Settlement Cost.....	33.52	-
Expenses recognised in Profit and Loss Account	75.09	2.45

(6) Experience Adjustments

	2014	2013	2012	2011	2010
Defined benefit obligation	207.20	121.66	119.20	109.60	72.73
Fair value of plan assets.....	148.92	111.18	68.92	68.92	58.55
Surplus / (Deficit).....	(58.28)	(10.48)	(50.28)	(40.68)	(14.18)
Experience adjustment on plan liability [(Gain) / Loss].....	32.27	-	9.08	(7.88)	25.06
Experience adjustment on plan assets [Gain / (Loss)].....	(1.25)	-	(3.27)	0.04	(5.17)

Employee Stock Option Scheme

The Company had granted 10,000 Equity shares on 4th August, 2012 to the eligible employee under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 4 th August, 2012
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	10,000
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 325 /- 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 4 th August, 2012
Intrinsic Value of shares based on latest available closing market price	₹(0.86)
Total Amount to be amortized over the vesting period	₹(0.09) lakhs
Charge to Statement of Profit & Loss for the year	₹(0.02) lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹(0.05) lakhs

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 4 th August, 2012
Risk free interest rate	8.06% -8.20%
Expected life	3.5 -6.5 Years
Expected volatility	44.15%- 59.61%
Expected dividend yield	1.38%
Exercise price	₹ 325
Stock price	₹ 324.14

The Company had granted 101,000 Equity shares on 4th August,2012 to the eligible employees under the Employee Stock Option Scheme (ESOS 2012) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 4 th August, 2012
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	101,000
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 10 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	20 % On expiry of 12 months from the date of grant ; 20 % On expiry of 24 months from the date of grant ; 30 % On expiry of 36 months from the date of grant ; 30 % 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 ₹10/- per stock option. 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 4 th August, 2012
Intrinsic Value of shares based on latest available closing market price	314.14
Total Amount to be amortized over the vesting period	₹278.01 lakhs
Charge to Statement of Profit & Loss for the year	₹73.53 lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹162.17 lakhs

The Company had granted 26,500 Equity shares on 24th July, 2013 to the eligible employees under the Employee Stock Option Scheme (ESOS 2012) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 24 th July, 2013
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	26,500
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 10 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	20 % On expiry of 12 months from the date of grant ; 20 % On expiry of 24 months from the date of grant ; 30 % On expiry of 36 months from the date of grant ; 30 % 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 ₹10/- per stock option. 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 24 th July, 2013
Intrinsic Value of shares based on latest available closing market price	₹444.09
Total Amount to be amortized over the vesting period	₹117.68 lakhs
Charge to Statement of Profit & Loss for the year	₹19.61 lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹98.07 lakhs

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 24 th July, 2013
Risk free interest rate	8.31% -8.39%
Expected life	6 - 9 Years
Expected volatility	47.63%
Expected dividend yield	1.31%
Exercise price	₹ 10.00
Stock price	₹ 454.09

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 lakhs)	7,773.01	9,748.96	7,787.29	9,415.50
Less Preference dividend	-	-	-	-
B Weighted Average number of Equity Shares of ₹10/- each (Basic)	40,841,051	40,836,260	40,841,051	40,836,260
C Weighted Average number of Equity Shares of ₹10/- each (Diluted)	40,841,051	40,836,260	40,841,051	40,836,260
D Basic Earning per Share (₹)	19.03	23.87	19.07	23.06
E Diluted Earning per Share (₹)	19.03	23.87	19.07	23.06

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 1st April	6,98,436	5,88,779
Options granted during the year	26,500	1,11,000
Options lapsed during the year	-	-
Options cancelled during the year	1,03,580	1,343
Options exercised during the year	8,700	-
Options outstanding on 31st March	6,12,656	6,98,436
Options vested but not exercised on 31st March	5,07,856	5,88,779

Information in respect of options outstanding as at 31st March, 2014:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	4,96,356	30 months
₹ 325	7,500	48 months
₹ 10	82,300	48 months
₹ 10	26,500	60 months

25) Administration & Other Expenses

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Rent, Rates and Taxes.....	538.84	556.73
Insurance.....	8.20	7.35
Repairs and Maintenance		
- Buildings.....	6.11	2.94
- Others.....	192.50	148.48
Electricity Charges.....	46.27	38.67
Travelling & Conveyance.....	418.07	383.05
Legal & Professional Fees.....	442.02	554.72
Printing & Stationery.....	63.98	64.59
Communication.....	123.70	97.05
Advertisement, Marketing & Business Development.....	353.99	263.54
Auditors Remuneration.....	43.04	41.36
Loss on Sale of Fixed Assets	11.87	-
Doubtful Debts Provided.....	55.00	95.00
Miscellaneous Expenses.....	605.33	414.65
	<u>2,908.92</u>	<u>2,668.13</u>

Auditors' Remuneration (including service tax):

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Audit Fees	25.00	22.42
Tax Audit Fees	1.55	1.52
Tax matters.....	5.70	14.38
Certification and Other Services.....	10.79	3.04
Total	<u>43.04</u>	<u>41.36</u>

26) Finance Costs

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
On Term Loan	6,576.79	2,785.34
Less : Allocated to projects.....	(2,641.91)	(2,167.63)
	<u>3,934.88</u>	<u>617.71</u>

27) Earnings in Foreign Currency:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Consideration received on sale of residential units	-	211.94
Total	<u>-</u>	<u>211.94</u>

28) Expenditure in Foreign Currency:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
a) Other expenditure		
Travelling.....	17.18	7.76
Marketing expenses	7.57	2.51
Others.....	64.66	68.06
Total	89.41	78.33
b) Value of Imported and Indigenous Consumption		
a. Imported.....	576.25	-
b. Indigenously obtained	2,575.01	2,444.13
Total	3,151.26	2,444.13
% Imported	18.29%	-
% Indigenously obtained	81.71%	100%
	100%	100%

29) Commitments

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Capital Commitment: Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	4.49	198.13

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.

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) 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 lakhs	Previous Year ₹ in lakhs
Gross Carrying Amount of premises	2,765.27	2,604.37
Accumulated Depreciation.....	852.13	807.04
Depreciation for the year	45.09	42.46
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year.....	1,395.76	679.59
➤ Later than 1 year and not later than 5 years	88.29	-
➤ 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 lakhs	Previous Year ₹ in lakhs
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year.....	109.96	185.39
➤ Later than 1 year and not later than 5 years	-	100.74
➤ Later than 5 years	-	-

32) Contingent Liabilities

Matter	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
a) Claims against the Company not acknowledged as debts represent :		
i) 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.....	93.89	182.33
ii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company	123.99	123.99
iii) Demand from a local authority for energy dues disputed by the Company.....	2,164.04	2,164.04
iv) Claim from welfare association in connection with project work, disputed by the Company.....	4,500.00	-
b) Income tax matters under appeal		
In respect of certain business incomes re-classified 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.....	360.43	935.60
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 360.43 lakhs (previous year ₹ 524.17 lakhs)		

33) Managerial Remuneration

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Salaries and Allowances	162.02	156.63
Contribution to Provident, Gratuity and Superannuation Funds.....	23.04	20.04
Perquisites (estimated monetary value)	17.50	4.14
Total :.....	202.56	180.81

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

	₹ in lakhs	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Profit before Tax		10,139.42	13,588.19
Add :			
Depreciation as per accounts.....	231.95		177.04
Managerial remuneration.....	202.56		180.81
Director's fees.....	14.10		10.15
Commission to Directors(non executive Director)	134.05		130.00
Loss on disposal of fixed assets not allowable as per proviso to Section 349	11.87	594.53	
		10,733.95	14,086.19

	₹ in lakhs	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Less :			
Depreciation under Section 350	138.77		116.34
Loss on disposal of fixed assets allowable as per proviso to Section 349	11.87		-
Profit on sale of fixed assets not allowable as per proviso to Section 349	0.81	151.45	869.98
Net Profit as per Section 349 of the Companies Act, 1956.....		10,582.50	13,099.87
5% of Net Profit as computed above		529.13	654.99

35) Segmental Reporting

₹ in lakhs

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,631.16	29,075.36	-	30,706.52
<i>Previous Year</i>	1,893.45	33,258.60	-	35,152.05
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
TOTAL REVENUE	1,631.16	29,075.36	-	30,706.52
<i>Previous Year</i>	1,893.45	33,258.60	-	35,152.05
SEGMENT RESULT	1,443.53	7,453.02	0.00	8,896.55
<i>Previous Year</i>	1,705.99	11,047.05	-	12,753.05
Unallocated Corporate Expenses (net)	-	-	-	(2,922.44)
<i>Previous Year</i>	-	-	-	(1,463.25)
Operating profit	-	-	-	5,976.11
<i>Previous Year</i>	-	-	-	11,291.78
Interest expense	-	-	-	(3,934.89)
<i>Previous Year</i>	-	-	-	(617.71)
Interest income	-	-	-	8,098.47
<i>Previous Year</i>	-	-	-	2,914.12
Income taxes	-	-	-	(2,366.71)
<i>Previous Year</i>	-	-	-	(3,839.22)
Net Profit	-	-	-	7,773.01
<i>Previous Year</i>	-	-	-	9,748.96
OTHER INFORMATION				
Segment Assets	2,079.99	164,746.22	0.55	166,826.76
<i>Previous Year</i>	2,222.64	118,567.85	0.56	120,791.04
Unallocated Corporate Assets				50,322.36
<i>Previous Year</i>				63,250.14

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
TOTAL ASSETS				217,149.12
<i>Previous Year</i>				184,041.18
Segment Liabilities	603.04	93,791.88	24.18	94,419.09
<i>Previous Year</i>	589.88	56,556.63	24.18	57,170.69
Unallocated Corporate Liabilities				8,998.78
<i>Previous Year</i>	-	-	-	7,902.03
TOTAL LIABILITIES				103,417.87
<i>Previous Year</i>	-	-	-	65,072.72
Capital Expenditure	-	82.03	-	634.32
<i>Previous Year</i>	39.45	-	-	197.13
Depreciation	58.10	9.64	-	231.95
<i>Previous Year</i>	51.12	2.57	-	177.04

Notes:

- Note: The segment results for Projects, Project Management and Development activity is arrived at after considering an interest of ₹ 1,381.03 lakhs (Previous year ₹ 187.36 lakhs), as it formed part of the cost of projects according to the method of accounting followed by the company.

36) 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

Anthurium Developers Limited

Mahindra Housing Private Limited

Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*

*With effect from 20th July 2013 Mahindra Homes Private Limited has been ceased to be subsidiary and has become joint venture.**Fellow Subsidiaries**

Bristlecone India Limited

Mahindra Holidays & Resorts India Limited

Mahindra Consulting Engineers Limited

Mahindra Integrated Business Solutions Private Limited

Associates

Kismat Developers Private Limited

Topical Builders Private Limited

Joint Ventures

Mahindra Inframan Water Utilities Private Limited

Mahindra Water Utilities Private Limited

Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*

*With effect from 20th July 2013 Mahindra Homes Private Limited has been ceased to be subsidiary and has become joint venture.

Key Management Personnel

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

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 2014:

(₹ in lakhs)

Nature of Transactions	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Joint Ventures / Associates	Individual	Key Management Personnel
Rendering of Services	1,520.89	1,237.67	-	294.59	-	-
<i>Previous Year</i>	<i>1,441.37</i>	<i>1,031.44</i>	-	-	-	-
Receiving of services	373.11	384.24	72.97	-	-	-
<i>Previous Year</i>	<i>623.10</i>	<i>61.45</i>	<i>46.10</i>	-	-	-
Sale of Goods	-	-	-	-	-	-
<i>Previous Year</i>	<i>11.55</i>	-	-	-	<i>100.61</i>	-
Remuneration	-	-	-	-	-	202.56
<i>Previous Year</i>	-	-	-	-	-	<i>180.81</i>
Reimbursement made to parties	290.83	0.70	-	-	-	-
<i>Previous Year</i>	<i>20.30</i>	-	-	-	-	-
Reimbursement received from parties	-	32.19	-	21.74	-	-
<i>Previous Year</i>	-	-	-	-	-	-
Finance given during the year	-	16,070.00	-	65,875.00	-	-
<i>Previous Year</i>	-	<i>48,383.00</i>	-	<i>60.00</i>	-	-
Purchase of Equity Shares	-	1,643.03	-	15.62	-	-
<i>Previous Year</i>	-	-	-	-	-	-
Purchase of Preference Shares	-	-	-	0.98	-	-
<i>Previous Year</i>	-	-	-	-	-	-
ICD refunded	-	15,134.00	-	44,666.00	-	-
<i>Previous Year</i>	-	<i>37,114.50</i>	-	<i>60.00</i>	-	-
Interest received	-	2,406.08	-	1,366.69	-	-
<i>Previous Year</i>	-	<i>2,458.90</i>	-	<i>3.81</i>	-	-
Dividend Paid	1,250.77	-	-	-	-	-
<i>Previous Year</i>	<i>1,250.77</i>	-	-	-	-	-
Dividend Income	-	1,471.44	-	-	-	-
<i>Previous Year</i>	-	<i>828.88</i>	-	-	-	-
Advance Received	-	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-	<i>8.12</i>
Receivables	2,017.68	23,247.82	2.46	35,239.16	-	-
<i>Previous Year</i>	<i>2,271.50</i>	<i>33,011.77</i>	<i>2.46</i>	-	-	-
Payables	2,202.19	-	9.10	-	-	-
<i>Previous Year</i>	<i>685.10</i>	-	<i>12.82</i>	-	-	-

The significant related party transactions are as under:

Nature of Transactions	Enterprises Controlling the Company	Amount (₹ in lakhs)	Enterprises under the Control of the Company	Amount (₹ in lakhs)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakhs)	Joint Ventures / Associates	Amount (₹ in lakhs)	Key Management Personnel	Amount (₹ in lakhs)
Rendering of services	Mahindra & Mahindra Limited	1,520.89	Mahindra Residential Developers Limited	419.64			Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited)	294.59		
			Mahindra Bebanco Developers Limited	354.47						
			Mahindra Integrated Township Limited	455.83						
Receiving of services	Mahindra & Mahindra Limited	373.11	Mahindra World City Developers Limited	48.77	Bristle Cone India Limited	25.39				
			Mahindra Integrated Township Limited	335.47	Mahindra Holidays & Resorts India Limited	44.54				
Remuneration									Anita Arjundas	202.56
Expense Reimbursement	Mahindra & Mahindra Limited	290.83	Mahindra World City (Jaipur) Limited	0.70						
Reimbursement received from parties			Mahindra Residential Developers Limited	10.81			Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited)	21.74		
			Mahindra World City (Jaipur) Limited	21.39						
Finance given during the year			Mahindra World City Developers Limited	9,150.00			Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited)	65,783.00		
			Mahindra Integrated Township Limited	6,683.00						
Purchase of Equity Shares			Mahindra World City Developers Limited	1,632.03			Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited)	15.62		

Nature of Transactions	Enterprises Controlling the Company	Amount (₹ in lakhs)	Enterprises under the Control of the Company	Amount (₹ in lakhs)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakhs)	Joint Ventures / Associates	Amount (₹ in lakhs)	Key Management Personnel	Amount (₹ in lakhs)
Purchase of Preference Shares							Kismat Developers Private Limited	0.50		
							Topical Builders Private Limited	0.48		
ICD refunded			Mahindra Integrated Township Limited	7,800.00			Mahindra Homes Private Limited(earlier known as Watsonia Developers Private Limited)	44,666.00		
			Mahindra World City Developers Limited	6,450.00						
			Mahindra Bebanco Developers Limited	224.98			Mahindra Homes Private Limited(earlier known as Watsonia Developers Private Limited)	1,366.69		
			Mahindra Integrated Township Limited	1,129.53						
			Mahindra World City Developers Limited	1,051.57						
Dividend paid during the year	Mahindra & Mahindra Limited	1,250.77								
Dividend received during the year			Mahindra World City Developers Limited	953.44						
			Mahindra World City (Jaipur) Limited	518.00						
Receivables	Mahindra & Mahindra Limited	2,017.68	Mahindra World City Developers Limited	9,234.14	Mahindra Consulting Engineers Limited	2.46	Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited)	35,239.16		
			Mahindra Bebanco Developers Limited	2,333.86						
			Knowledge Township Limited	2,413.25						

Nature of Transactions	Enterprises Controlling the Company	Amount (₹ in lakhs)	Enterprises under the Control of the Company	Amount (₹ in lakhs)	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount (₹ in lakhs)	Joint Ventures / Associates	Amount (₹ in lakhs)	Key Management Personnel	Amount (₹ in lakhs)
			Mahindra Integrated Township Limited	8,861.64	-	-	-	-	-	-
Payables	Mahindra & Mahindra Limited	2,202.19	-	-	Mahindra Holidays & Resorts India Limited	2.30	-	-	-	-
			-	-	Mahindra Consulting Engineers Limited	1.49	-	-	-	-
			-	-	Bristle Cone India Limited	5.09	-	-	-	-

37) 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.

38) Earnings per share

Calculation of Net Profit available for Equity Shareholders:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
A. Net Profit After Tax.....	7,773.01	9,748.96
B. Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits).....	-	-
C. Profit available for Equity Shareholders	7,773.01	9,748.96
D. Weighted Average number of Equity Shares of ₹ 10/- each	408.41	408.36
E. Basic Earnings per Share (₹)	19.03	23.87
F. Diluted Earnings per Share (₹).....	19.03	23.87

39) The figures for previous year have been regrouped wherever necessary to conform to current year's classification

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W
Padmini Khare Kaicker
Partner
Membership No.: 44784

Mumbai : 22nd April, 2014

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

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

₹ in lakhs

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	Mahindra Housing Private Limited
The Financial Year of the Subsidiary Company ended on	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014	31st March 2014
Number of Shares in the Subsidiary Company held by Mahindra Lifespace Developers Limited at the above date :												
Equity	18,000,000	17,799,992	111,000,000	1,170,400	50,000,000	21,000,000	250,000	35,000	5,000,000	50,000	50,000	50,000
Extent of holding (%)	100%	89.00%	74.00%	100%	96.30%	100%	96.30%	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, 2014.	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, 2014.	(26.05)	797.82	1,809.10	(0.33)	(496.90)	(0.64)	3,159.93	80.03	(0.43)	(0.50)	(0.51)	(0.63)
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, 2013.	Nil	4,746.07	544.39	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
2. Not dealt with in the Accounts of Mahindra Lifespace Developers Limited for the year ended 31 st March, 2013.	(0.32)	10,977.78	2,450.88	(112.82)	(184.12)	(42.04)	1,234.46	(472.22)	(13.35)	(8.82)	(1.96)	-

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 : 22nd April, 2014

Summary of financial performance of the subsidiary companies for the year April 2013 - March 2014

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	Mahindra Housing Private Limited
	MIDL	MWCDL	MWCJL	MWCML	MITL	KTL	MRDL	MBDL	ITML	RIBPL	ADL	MHPL
Particulars	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Capital	1,800.00	8,500.00	20,000.00	117.04	5,043.50	2,100.00	26.00	5.00	500.00	11.00	5.00	5.00
Reserves/(Debit balance as per Profit & Loss A/c)	(5.96)	9,398.97	3,243.95	(113.53)	(710.84)	(44.16)	9,267.57	(560.51)	(13.79)	(9.59)	(2.47)	(0.63)
Total Assets	2,035.95	51,361.29	66,447.24	4.09	19,180.43	4,475.74	15,729.33	12,151.44	518.63	6.56	203.26	5.00
Total Liabilities	2,035.95	51,361.29	66,447.24	4.09	19,180.43	4,475.74	15,729.33	12,151.44	518.63	6.56	203.26	5.00
Investments (except in case of investment in subsidiaries)*	1,507.50	-	2,954.72	-	-	-	-	-	-	-	-	-
Turnover	17.15	4,787.21	10,216.69	0.29	6,259.26	-	15,557.08	5,261.49	-	-	-	-
Profit before Taxation	(25.07)	1,357.38	3,703.43	(0.33)	(515.99)	(0.64)	4,151.50	144.32	(0.43)	(0.50)	(0.51)	(0.63)
Provision for Taxation	0.98	460.94	1,258.70	-	-	-	870.16	30.00	-	-	-	-
Profit after Taxation	(26.05)	896.43	2,444.73	(0.33)	(515.99)	(0.64)	3,281.34	114.32	(0.43)	(0.50)	(0.51)	(0.63)
Proposed Dividend		322.31	1,169.95									

FINANCIAL HIGHLIGHTS - CONSOLIDATED

₹ in lakhs

	F - 2014	F - 2013	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007	F - 2006	F - 2005
Net Worth	126,167	129,307	115,499	106,515	98,876	93,491	85,574	76,566	18,043	17,687
Borrowings	140,105	96,565	66,663	54,413	42,071	33,210	28,552	4,813	18,079	16,628
Net Fixed Assets	33,794	31,117	23,203	22,517	20,481	22,484	13,681	8,980	6,542	6,592
Investments	30,138	13,322	17,479	8,743	14,812	10,831	33,043	17,582	1,848	1,848
Book Value Per Equity Share (₹)	309	317	283	261	240	227	207	188	37	36
Operating Income	70,526	73,834	70,127	61,193	41,787	34,178	23,108	21,635	21,626	12,335
Other Income	5,094	3,415	2,714	1,508	2,209	2,940	3,352	764	448	365
Operating Expenses	42,566	39,777	42,717	36,577	25,315	22,897	13,121	16,150	15,966	8,926
Other expenses	16,960	13,865	11,318	8,919	6,793	4,012	4,074	3,527	3,614	3,153
Profit Before Tax	16,094	23,607	18,806	17,205	11,888	10,209	9,265	2,723	2,494	621
Profit after Tax (after minority interest)	10,063	14,137	11,908	10,817	7,849	6,564	6,641	1,790	1,650	35
Basic Earning per Share (₹)	24.64	34.61	29.16	26.20	18.93	15.79	16.26	4.92	2.29	0.11
Diluted Earning per Share (₹)	24.64	34.61	29.16	26.20	18.93	15.79	16.26	4.91	2.29	0.11
Equity Dividend per share (₹)	6.00	6.00	6.00	5.00	3.50	2.50	2.50	1.50	1.00	-

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF MAHINDRA LIFESPACE DEVELOPERS LIMITED

1. We have audited the accompanying consolidated financial statements of Mahindra Lifespace Developers Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries, associates and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

7. We draw attention to:

i. Note No. 21(@) to the financial statements regarding the realisability of project advance of ₹10,000 lakhs where commencement of the project has been delayed and which is being settled by the parties out of court. We have relied on management's representation of the realisability of the advance.

ii. Note No. 14 of the financial statements for the reasons detailed therein the management of the Company does not perceive any permanent diminution in the value of long term investment of ₹1,550 lakhs in New Tirpur Area Development Corporation ("NTADCL") in view of the revival of the operations being taken by the stakeholders of NTADCL.

Our opinion is not qualified in respect of the matters stated in 7(i) and (ii).

Other Matter

8. We did not audit the financial statements of

a. 5 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets (net) of ₹1,54,754 lakhs as at 31st March, 2014, total revenues of ₹35,491 lakhs and net cash flows amounting to ₹1,617 lakhs for the year then ended;

b. 3 jointly controlled entities whose financial statements (before consolidation adjustments) reflect total assets (net) of ₹75,740 lakhs as at 31st March, 2014, total revenues of ₹1,376 lakhs, and net cash flows amounting to ₹47,165 lakhs, Company's share (before consolidation adjustments) of 37,870 lakhs, 688.10 lakhs and 23,583 lakhs respectively for the year then ended as considered and

c. 2 associates whose financial statements reflects a net loss of ₹4 lakhs for the year ended March 31, 2014, the Group's share of net loss in such associates being ₹2 lakhs.

The financial statements referred to in (a) (b) and (c) have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to these financial statements, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For B. K. Khare & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner

Membership Number 44784
Firm's Registration Number 105102W

Mumbai, 22nd April 2014.

Consolidated Balance Sheet as at 31st March, 2014

EQUITY & LIABILITIES	Notes	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Shareholders' Funds :			
Share Capital.....	2	4,084.84	4,083.97
Reserves & Surplus.....	3	<u>1,22,082.02</u>	<u>1,25,223.50</u>
		126,166.86	129,307.47
Non Current Liabilities			
Long Term Borrowings	4	1,19,721.36	57,491.86
Deferred Tax Liability (Net).....	5	4,338.05	3,720.67
Other Long Term Liabilities	6	622.50	700.03
Long Term Provisions.....	7	11,627.48	636.50
Minority Interest.....	8	<u>8,353.07</u>	<u>8,563.43</u>
		1,44,662.46	71,112.49
Current Liabilities			
Short Term Borrowings.....	9	5,054.51	20,325.99
Trade Payables	10	22,529.36	20,470.93
Other Current Liabilities.....	11	39,605.98	39,999.70
Short Term Provisions	12	<u>4,652.09</u>	<u>4,581.91</u>
		71,841.94	85,378.53
		3,42,671.26	2,85,798.49
ASSETS			
Non Current Assets			
Fixed Assets :	13		
Tangible Assets		22,037.54	20,896.55
Intangible Assets		10,220.97	9,505.42
Capital Work in Progress.....		<u>1,535.33</u>	<u>715.12</u>
		33,793.84	31,117.09
Non Current Investments.....	14	17,845.20	1,837.21
Long Term Loans & Advances	15	890.58	458.93
Other Non Current Assets	16	<u>904.24</u>	<u>66.29</u>
		53,433.86	33,479.52
Current Assets			
Current Investments	17	12,292.43	11,485.18
Inventories	18	1,77,640.66	1,63,073.72
Trade Receivables.....	19	10,897.70	9,017.96
Cash & Cash Equivalents.....	20	6,671.42	14,426.69
Short Term Loans & Advances.....	21	68,458.02	42,839.07
Other Current Assets.....	22	<u>13,277.17</u>	<u>11,476.35</u>
		2,89,237.40	2,52,318.97
		3,42,671.26	2,85,798.49
Notes on Financial Statements.....	1 to 40		

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784

Mumbai : 22nd April, 2014

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 Statement of Profit & Loss for the year ended 31st March, 2014

	Note	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
INCOME			
Operating Income	23	70,525.74	73,833.83
Other Income	24	5,094.03	3,414.84
		<u>75,619.77</u>	<u>77,248.67</u>
EXPENDITURE			
Operating Expenses	25	42,565.59	39,776.55
Employee Benefits	26	3,993.44	3,532.08
Administration & Other Expenses	27	6,942.23	6,338.59
Finance Cost	28	5,018.68	3,124.03
Depreciation & Amortization Expenses		1,005.38	870.44
		<u>59,525.32</u>	<u>53,641.69</u>
Profit before Tax		16,094.45	23,606.98
Less : Provision for Current Tax		4,475.73	6,430.99
Less : Provision for Deferred Tax		617.38	1,560.34
Profit after tax		11,001.34	15,615.65
Less: Minority Interest		938.42	1,479.14
Consolidated Net Profit		10,062.92	14,136.51
Basic Earnings per Share		24.64	34.61
Diluted Earnings per Share		24.64	34.61
Notes on Financial Statements	1 to 40		

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
 Chartered Accountants
 Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
 Membership No.: 44784

Mumbai : 22nd April, 2014

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
Managing Director & CEO

Consolidated Cash Flow Statement for the year ended 31st March, 2014

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
A. Cash flow from operating activities		
Net Profit Before Tax	16,094.45	23,606.98
Adjustments for :		
Depreciation & Amortisation Expenses.....	1,005.38	870.44
Amortisation of Esop Expenses.....	93.12	70.37
Considered separately		
Interest Income.....	(3,252.85)	(839.78)
Finance Cost.....	5,018.68	3,124.38
Profit on Sale of Investments.....	(276.52)	(46.00)
Provision for Doubtful debts.....	55.00	95.00
Dividend Income.....	(859.62)	(1,389.68)
Loss/(Profit) on sale of Fixed assets (Net).....	26.45	(1,194.87)
Operating Profit Before Working Capital Changes.....	17,904.09	24,296.84
Adjustments for :		
Trade and Other Receivables.....	(26,609.01)	5,284.56
Inventories.....	(14,566.94)	(50,133.71)
Trade Payables and Other Liabilities.....	2,217.25	14,089.96
Cash Generated from Operations.....	(21,054.61)	(6,462.35)
Income taxes received / (paid).....	(5,538.54)	(9,374.34)
Net Cash (used in) / from operating activities	(26,593.15)	(15,836.69)
B. Cash flow from investing activities		
Purchase of Fixed Assets.....	(2,186.26)	(2,649.64)
Proceeds from Sale of Fixed Assets.....	17.18	1,664.16
Proceeds / (Investments) in Others (Net).....	(16,815.24)	4,156.38
Goodwill on acquisition.....	(715.55)	(6,604.47)
Minority interest.....	(210.26)	(1,458.03)
Interest received.....	5,202.70	783.45
Dividend received.....	859.62	1,389.68
Net Cash from / (used in) investing activities	(13,847.81)	(2,718.47)

Consolidated Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
C. Cash flow from financing activities		
Increase in borrowings	43,540.02	29,901.44
Finance Cost	(7,920.73)	(9,495.81)
Dividend Paid	(2,866.82)	(2,847.58)
Issue of Equity Share Capital	0.87	0.45
Share Premium Proceeds	7.87	-
Net Cash from / (used in) financing activities	32,761.21	17,558.50
Net increase/(decrease) in cash and cash equivalents	(7,679.75)	(996.66)
Cash and Cash Equivalents (Opening)	12,215.02	13,211.68
Cash and Cash Equivalents (Closing).....	4,535.27	12,215.02

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner
Membership No.: 44784

Mumbai : 22nd April, 2014

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 to the Consolidated Financial Statements as at and for the year 31st March, 2014.

1) SIGNIFICANT ACCOUNTING POLICIES:

a) Presentation and Disclosure of 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.

b) Basis of Preparation:

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 which continue to be applicable in respect of the current financial year.

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. Actual results could differ from those estimates.

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 2014. 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	89.00%	82.62%
Mahindra World City (Jaipur) Limited	74.00%	74.00%
Mahindra World City (Maharashtra) Limited.....	100.00%	100.00%
Mahindra Integrated Township Limited.	96.30%	94.66%
Knowledge Township Limited.....	100.00%	100.00%
Mahindra Residential Developers Limited.....	96.30%	94.66%
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%
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*	-	100.00%
Mahindra Housing Private Limited.....	100.00%	

* With effect from 20th July 2013 Mahindra Homes Private Limited has been ceased to be subsidiary and has become joint venture.

- C) 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%
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)*	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.

Name of Associates

Proportion of Ownership Interest

Kismat Developers Private Limited	42.86%
Topical Builders Private Limited	50.00%

* With effect from 20th July 2013 Mahindra Homes Private Limited has been ceased to be subsidiary and has become joint venture.

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 straight line method over their estimated useful lives or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher 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 long-term investment is made to recognize a decline, other than of a temporary nature.

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

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 Projects

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.

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

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

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.

Income from sale of land and other rights

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 generally with the firmity of the sale contracts/agreements.

Income from Project Management

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 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

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 and dividend income

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 straight-line 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.

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 judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax asset arising from brought forward tax losses wherein deferred tax asset is only recognized when there is virtual certainty. 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 obligation arising from past event, 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 Share-based 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:

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Authorised		
115,000,000 (Previous year 50,000,000) Equity Shares of ₹10 each	11,500.00	5,000.00
- (Previous year 6,500,000) Preference Shares of ₹100 each	-	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		
40,889,201 (Previous year 40,880,501) Equity Shares of ₹10 each	4,088.92	4,088.05
	4,088.92	4,088.05
Subscribed and Paid-up		
40,848,350 (Previous year 40,839,650) Equity Shares of ₹10 each fully paid up	4,084.84	4,083.97
	4,084.84	4,083.97

a. Reconciliation of number of shares

	Current Year		Previous Year	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Equity Shares				
Balance as at the beginning of the year	40,839,650	4,083.97	40,835,150	4,083.52
Add: Shares Issued (earlier kept in abeyance)	-	-	4,500	0.45
Add: Stock Options exercised during the year	8,700	0.87	-	-
Balance as at the end of the year.....	40,848,350	4,084.84	40,839,650	4,083.97

b. Shares held by holding company

	Current Year		Previous Year	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares				
2,08,46,126 shares (Previous Year- 2,08,46,126 shares held by Mahindra & Mahindra Limited	20,846,126	51.03%	20,846,126	51.04%

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	51.03%	20,846,126	51.04%
Amansa Investments Limited	2,505,170	6.13%	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 40,851 (Previous Year 40,851) 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 lakhs	Previous Year ₹ in lakhs
Balance as at the beginning of the year	7,353.58	7,353.58
Transfer from General Reserve.....	-	-
Balance as at the end of the year.....	<u>7,353.58</u>	<u>7,353.58</u>

Securities Premium Account

Balance as at the beginning of the year	73,100.12	70,311.54
Add: Premium on shares issued during the year.....	7.87	2,788.58
Less: Premium on redemption of Debenture.....	(10,244.65)	-
Add Share in Jointly Controlled Entity	97.48	-
Balance as at the end of the year.....	<u>62,960.82</u>	<u>73,100.12</u>

General Reserve

Balance as at the beginning of the year	4,463.38	3,215.48
Add: Transfer from Statement of Profit and Loss.....	772.17	1,247.90
Balance as at the end of the year.....	<u>5,235.55</u>	<u>4,463.38</u>

Debenture Redemption Reserve

Balance as at the beginning of the year	1,593.75	-
Add:- Transfer from surplus in the Statement of Profit and Loss.....	4,394.82	1,593.75
Balance as at the end of the year.....	<u>5,988.57</u>	<u>1,593.75</u>

Employee Stock Option Outstanding
A) Employee Stock Option Outstanding :

Opening Balance	424.30	107.11
Add: Fresh grant of options	117.67	317.19
Less: Amount transferred to Securities premium/Options Lapsed	-	-
Closing Balance (a)	<u>541.97</u>	<u>424.30</u>

Less:

B) Deferred Employee Compensation Expenses :

Opening Balance	274.04	27.22
Add: Fresh grant of options	117.67	317.19
Less: Transfer to Employee Compensation / Options Lapsed	(93.11)	(70.37)
Closing Balance (b)	<u>298.60</u>	<u>274.04</u>
Balance as at the end of the year (a-b)	<u>243.37</u>	<u>150.26</u>

Surplus in the Statement of Profit and Loss

Balance as at the beginning of the year	38,562.41	30,455.35
Consolidated Net Profit for the year	10,062.92	14,136.51
Add/(Less): Adjustment on account of Increase/Decrease in Joint Venture interest	(0.92)	-

Less : Appropriations

Proposed Dividend:

On Equity Shares	2,450.90	2,450.38
Income Tax on Proposed Dividend	416.53	416.44
Income Tax on Interim Dividend.....	46.82	113.56
Income Tax on Dividend.....	243.04	207.42
Transfer to General Reserve	772.17	1,247.90
Transfer to Debenture Redemption Reserve.....	4,394.82	1,593.75

Balance as at the end of the year.....	<u>40,300.13</u>	<u>38,562.41</u>
	<u>122,082.02</u>	<u>125,223.50</u>

The Company has during the year issued Non Convertible Debentures (NCDs) aggregating ₹ 50,000 lakhs which are redeemable at a premium. The total premium on redemption of ₹ 10,244.65 lakhs has been adjusted against the securities premium during the year as permitted under section 78 of the Companies Act, 1956.

4) Long Term Borrowings

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Secured Loan		
-Term loans from Bank.....	27,956.00	27,735.00
-Non Convertible Debentures.....	75,000.00	29,000.00
	<u>102,956.00</u>	<u>56,735.00</u>
Unsecured Loan		
- From others.....	756.86	756.86
	<u>756.86</u>	<u>756.86</u>
Add: Share of jointly controlled entites	16,008.50	-
	<u>119,721.36</u>	<u>57,491.86</u>

Term Loan

Mahindra Lifespace Developers Limited

a) Nature of Security

Borrowings are secured by a pari-passu charge on specified 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

The said loan amount is repayable quarterly on prorated basis after one year starting from June 30, 2014. Interest is payable on monthly basis.

Subsidiaries

Mahindra World City Developers Limited

a) Nature of Security

Term loans are secured by equitable Mortgage of specified lands.

b) Terms of Repayment

Term loan carries interest @ 12.35% - Principal to be repaid in 12 equal quarterly installments, commencing from March 31, 2016.

Mahindra World City Jaipur Limited

a) Nature of Security

The above Term loans from bank are secured by way of first charge on the specified fixed assets and hypothecation of specified movable and current assets of the company, both present and future.

b) Terms of Repayment

- i) ₹ 3,731.00 lakhs carries interest rate linked with SBI Base Rate. The loan is repayable in 100 monthly installments from July 2011 and ending in October 2019.
- ii) ₹ 1,850.00 lakhs carries interest rate linked with SBI Base Rate. The loan is repayable in 69 monthly installments starting from January 2014 and ending in September 2019.

Non Convertible Debentures

Mahindra Lifespace Developers Limited

The Company has issued 5,000 Redeemable Secured Non Convertible Debentures of ₹ 10 lakhs each aggregating to ₹ 50,000 lakhs repayable in 3, 4 and 5 years in the ratio of 25:35:40 respectively along with redemption premium as below:-

Series	I	II	III
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	1250	1750	2,000
Total Value (in lakhs)	12,500	17,500	20,000
Redemption Premium per debenture (₹)	3,59,896.61	1,30,874.10	1,72,782.29
Maturity Date	3 rd April 2016	3 rd April 2017	3 rd April 2018

Nature of Security

The above debentures are secured by an exclusive charge over assets, including land & building as identified by the Issuer from time to time.

At present the identified assets are land owned by Mahindra Integrated Township Limited and Mahindra Lifespace Developers Limited.

Interest is payable annually

Subsidiaries

Mahindra World City Jaipur Limited

a) Nature of Security

Non Convertible Debentures are secured by way of first and exclusive charge by way of equitable mortgage / hypothecation of assets of the Company (excluding specified assets) covering not less than 1.25 times of value of debentures outstanding at any point of time. Interest on Non Convertible Debentures is payable annually

b) Terms of Repayment.

Company has issued 2,500 Redeemable Secured Non Convertible Debentures of ₹ 10 lakhs each aggregating to ₹ 25,000 lakhs repayable in 3, 4 and 5 years in the ratio of 30:30:40 respectively along with redemption premium.

Series	A	B	C
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	750	750	1,000
Total Value (in lakhs)	7,500	7,500	10,000
Redemption Premium per debenture (₹)	77,835	1,10,794	147.421
Maturity Date	13 th July, 2015	13 th July, 2016	13 th July, 2017

Joint Venture

Mahindra Homes Private Limited

Debentures (unsecured)

The Debentures shall earn, net of tax, simple interest of 15% per annum payable quarterly. Interest shall become due and payable only on availability of distributable cash. Interest on the Debentures shall be cumulative and payable until the Debentures are converted into Equity Shares. One Debenture shall convert to one Equity Share. The conversion of the Debentures shall at all times be made at the conversion price of ₹ 50,000. Debentures can be converted to Equity Shares at the Conversion Ratio with the consent of all Shareholders. All Debentures, to the extent outstanding, shall automatically and mandatorily convert to Equity Shares at the Conversion Price upon the expiry of 12 years from the date of allotment.

5) Deferred Tax Liability (Net)

Deferred Tax Liability

Relating to :

Difference between book and tax depreciation
 Interest inventorised but claimed as allowable for tax purposes
 Income accrued based on lease equalisation

Add: Share in Jointly controlled entities

Current Year ₹ in lakhs	Previous Year ₹ in lakhs
2,505.68	2,283.64
3,287.75	2,304.26
34.29	7.49
5,827.72	4,595.39
0.11	0.75
5,827.83	4,596.14

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Deferred Tax Asset		
Relating to :		
Provision for impairment in asset value.....	526.90	526.90
Business loss carried forward.....	558.94	
Expenses allowable on actual payment	392.04	336.59
	<u>1,477.88</u>	<u>863.49</u>
Add: Share in Jointly controlled entities	11.90	11.98
	<u>1,489.78</u>	<u>875.47</u>
	<u>4,338.05</u>	<u>3,720.67</u>
6) Other Long Term Liabilities		
	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Advances & Deposits	622.50	700.03
	<u>622.50</u>	<u>700.03</u>
7) Long Term Provisions		
	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Provision for Employee Benefits		
- Compensated absences.....	128.64	104.13
- Gratuity.....	41.15	15.41
Provision for Premium on Redemption of Debentures	11,441.73	500.22
	<u>11,611.52</u>	<u>619.76</u>
Add: Share in Jointly controlled entities.....	15.96	16.74
	<u>11,627.48</u>	<u>636.50</u>
8) Minority Interest		
	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Shares held by minorities in subsidiaries	8,353.07	8,563.43
	<u>8,353.07</u>	<u>8,563.43</u>
9) Short Term Borrowings		
	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Secured Loans		
- Overdrafts from Banks	-	218.51
- From Banks	5,029.51	5,082.48
Unsecured Loans		
- Intercorporate deposits.....	-	15,000.00
	<u>5,029.51</u>	<u>20,300.99</u>
Add: Share in Jointly controlled entities.....	25.00	25.00
	<u>5,054.51</u>	<u>20,325.99</u>

Secured Loans

Loan from Bank :

Mahindra Lifespaces Developers Limited

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. Interest is payable on monthly basis.

Mahindra Bebanco Developers Limited

Nature of Security

The above facility is secured by First pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from Project.

Terms of Repayment

Loans is repayable on demand from bank

Unsecured Loan

Mahindra Lifespaces Developers Limited

The said loan amount was repaid on 8th April 2013.

10) Trade Payables

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Total outstanding dues of micro enterprises & small enterprises*.....	-	-
- Others.....	22,416.70	20,359.08
	22,416.70	20,359.08
Add: Share in Jointly controlled entities.....	112.66	111.85
	22,529.36	20,470.93

*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 lakhs	Previous Year ₹ in lakhs
Advances and Deposits.....	9,500.25	11,729.51
Unclaimed Dividends*	75.30	62.52
Current maturities of long term debts**	15,329.00	18,747.00
Other Liabilities.....	7,818.57	7,060.98
Interest accrued but not due on loans	5,170.34	2,263.47
	37,893.46	39,863.48
Add: Share in Jointly controlled entities.....	1,712.52	136.22
	39,605.98	39,999.70

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

**** Term Loan**

Mahindra Lifespace Developers Limited**Nature of Security**

Borrowings are secured by a pari-passu charge on specified 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 current maturity of long term borrowings is repayable during the next financial year.

Mahindra Residential Developers Limited**Nature of Security**

The Loan is secured by deposit of title deeds of leasehold rights of land.

Terms of Repayment

Loan is repayable in April 2014

**** Non Convertible Debentures****Mahindra Bebanco Developers Limited****Nature of Security**

Non Convertible Debentures are secured by First pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from projects.

Terms of Repayment

The debentures are repayable in 24 months in three equal installments starting from the last day of the 15th month, last day of the 18th month and on the date of redemption.

12) Short Term Provisions

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Proposed Dividend	2,450.90	2,450.38
Provision for tax on Proposed Dividend	416.53	416.44
Provision for losses to project completion*	1,023.00	1,023.00
Provision for Leave Encashment Benefits.....	123.05	98.29
Provision for Defect Liabilities / Warranties	512.53	467.95
Provision for Gratuity	37.95	49.44
Others.....	86.75	75.08
	4,650.71	4,580.58
Add: Share in Jointly controlled entities.....	1.38	1.33
	4,652.09	4,581.91

* The Company has, in case of one project, provided for ₹ 1,023.00 lakhs (previous year ₹ 1,023.00 lakhs) as provision for loss 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 lakhs

Particulars	COST			DEPRECIATION				NET BLOCK	
	As at March 31, 2013	Additions	Deductions	As at March, 31 2014	Up to March 31, 2013	Deductions For the year	Up to March, 31 2014	As at March, 31 2014	As at March, 31 2013
Tangible Assets									
Land	574.60	-	-	574.60	27.56	-	31.77	542.83	547.04
Building	17,585.41	1,204.17	-	18,789.58	2,085.19	-	2,482.35	16,307.23	15,500.22
Furniture & Fixtures	1,582.58	243.41	21.96	1,804.03	687.15	17.87	843.67	960.36	895.43
Plant & Machinery	4,427.84	159.99	23.21	4,564.62	890.22	13.76	1,126.26	3,438.36	3,537.62
Computers	524.34	74.03	102.29	496.08	361.86	100.83	317.22	178.86	162.48
Vehicles	333.73	216.61	70.47	479.87	121.71	45.61	129.06	350.81	212.02
Leasehold Improvement	108.97	288.05	2.19	394.83	94.73	1.65	158.24	236.59	14.24
Sub Total (A)	25,137.47	2,186.26	220.12	27,103.61	4,268.42	179.72	5,088.57	22,015.04	20,869.05
<i>Previous Year</i>	<i>23,009.76</i>	<i>2,742.93</i>	<i>615.22</i>	<i>25,137.47</i>	<i>3,548.99</i>	<i>145.23</i>	<i>4,268.42</i>	<i>20,869.05</i>	<i>19,460.77</i>
Intangible Assets									
Software Expenditure	397.14	-	-	397.14	397.14	-	397.14	-	0.00
Goodwill	9,505.42	715.55	-	10,220.97	-	-	-	10,220.97	9,505.42
Sub Total (B)	9,902.56	715.55	-	10,618.11	397.14	-	397.14	10,220.97	9,505.42
<i>Previous Year</i>	<i>3,298.09</i>	<i>6,604.47</i>	<i>-</i>	<i>9,902.56</i>	<i>397.14</i>	<i>-</i>	<i>397.14</i>	<i>9,505.42</i>	<i>2,900.95</i>
Total (A+B)	35,040.00	2,901.81	220.12	37,721.72	4,665.56	179.72	5,485.71	32,236.01	30,374.47
Share in Jointly Controlled Entities	88.01	0.51	-	88.52	60.51	-	66.02	22.50	27.50
Grand Total	35,128.01	2,902.32	220.12	37,810.24	4,726.07	179.72	5,551.73	32,258.51	30,401.97
<i>Previous year total</i>	<i>26,395.56</i>	<i>9,347.70</i>	<i>615.22</i>	<i>35,128.01</i>	<i>4,000.86</i>	<i>145.23</i>	<i>4,726.07</i>	<i>30,401.94</i>	<i>22,394.70</i>
Capital Work In Progress								1,535.33	715.12
								33,793.84	31,117.09

14) Non Current Investments

Long Term Investments (At Cost, Unquoted, Trade)

Equity Shares

In Others

	Face Value ₹	Number of shares/units	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Deepmangal Developers Private Limited	100	177	284.62	284.61
Mahindra Knowledge Park (Mohali) Limited.....	10	6	0.0	0.0
New Tirupur Area Development Corporation Limited.....	10	15,500,000	1,550.63	1,550.63
Topical Builders Private Limited	10	175	0.02	-
(175 Shares acquired during the year)				
Kismat Developers private Limited	10	15	0.00	-
(15 Shares acquired during the year)				
Preference Shares				
Rathna Bhoomi Enterprises Private Limited.....	10	119,250	11.93	23.85
(10% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares) (119,250 Shares sold during the year)				
Mahindra Knowledge Park (Mohali) Limited.....	0	0	-	5.00
(7% Non Cumulative Redeemable Participating Optionally Convertible Preference Shares) (50,000 shares sold during the year)				
Topical Builders Private Limited	10	4,825	0.48	0.97
(8.5 % Non Cumulative Redeemable Preference Share) (4,825 shares sold during the year)				
Kismat Developers Private Limited.....	10	4,985	0.50	1.00
(8.5 % Non Cumulative Redeemable Preference Share) (4,985 shares sold during the year)				
Moonshine Construction Private Limited.....	10	5,000	0.50	-
7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares) (5,000 Shares acquired during the year)				
Debentures				
In Joint Venture				
Mahindra Homes Private Limited Company.....	100	16,008,500	16,008.50	-
(Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited) (15% Compulsory Convertible Debentures)				
			17,857.18	1,866.06
Less : Provision for Diminution in Value of Investments....			(11.98)	(28.85)
			17,845.20	1,837.21

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 ₹ 1,800 lakhs in the wholly owned subsidiary Mahindra Infrastructure Developers Limited("MIDL"). MIDL has further invested ₹ 1,500 lakhs in the equity shares of New Tirpur 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. In view of the management various steps contemplated 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 are expected to lead to a turnaround in the operations of NTADCL and improve its financial position. Hence the management does not perceive any permanent diminution in the value of the investments in NTADCL and in the value of the investments in MIDL. Considering the long term and strategic nature of the said investment for reasons stated above no erosion has been considered necessary on this account.

15) Long Term Loans & Advances

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
(Unsecured, considered good, unless otherwise stated)		
Other Loans & Advances		
- Considered good	681.33	135.84
Deposits.....	209.15	322.99
	890.48	458.83
Add: Share in Jointly controlled entities.....	0.10	0.10
	890.58	458.93

16) Other Non Current Assets

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Long Term Deposits with maturity more than 12 months.....	893.72	66.26
(Fixed deposit of ₹ 62.33 lakhs (Previous year- ₹ 18.47 lakhs) is against Margin Monies with banks for Bank Guarantee)		
	893.72	66.26
Add: Share in Jointly controlled entities.....	10.52	0.03
	904.24	66.29

17) Current Investments

	Number of shares/units	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Unquoted, Non Trade			
(At lower of cost and fair value)			
In Units of Mutual Fund			
Redeemed during the year			
JP Morgan India Treasury Fund - Super Institutional Daily Dividend.....	35,775,265		3,580.71
Sundaram Ultra Short Term - Super Institutional Daily Dividend ...	49,960,625		5,014.55
BSL Ultra Short Term Fund-Super Institutional.....	500,448		500.72
Kotak Floater Long Term Fund- Daily Dividend	19,892,491		2,005.12
SBI - Magnum Insta Cash Fund Cash Option - Growth	5,907		107.22
JP Morgan India Treasury Fund.....	2,754,230		275.67
Acquired during the year			
JP Morgan India Treasury Fund -Growth	24,334,955	4,089.20	
HSBC Cash Fund - Growth	320,306	4,094.64	
ICICI Prudential Liquid - Growth.....	608,077	1,152.60	
Kotak Floater Long Term Fund- Daily Dividend	29,547,960	2,954.80	
		12,291.24	11,483.99
Add:Share of jointly controlled entites		1.19	1.19
		12,292.43	11,485.18

18) Inventories

(At lower of cost and net realisable value)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Raw Material.....	3,069.53	1,798.77
Stock-in-trade	1,893.57	14.61
Construction Work in Progress*#	163,506.04	161,260.34
	168,469.14	163,073.72
Add:Share of jointly controlled entites	9,171.52	-
	177,640.66	163,073.72

* 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, short term loans and advances and interest accrued on project advances in other current assets include ₹ 765.87 lakhs, ₹ 4,205.26 lakhs and ₹ 2,174.98 lakhs, respectively on account of a project, where commencement of construction had been delayed on account of a dispute between the land-owner and the Company which was referred to arbitration. Post year end, the parties have entered into mutually agreed consent terms and the arbitration award has been issued in accordance with the consent terms, as a result of which these amounts are expected to be recovered either by sale or joint development of the property.

19) Trade Receivables

(Unsecured, Considered Good, Unless otherwise stated)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Outstanding over six months		
Considered Good	1,282.71	2,183.06
Considered doubtful	261.16	206.16
	1,543.87	2,389.22
Other debts,		
Considered Good	7,328.40	4,635.19
Considered doubtful	-	-
	7,328.40	4,635.19
Less : Provision for doubtful debts	(261.16)	(206.16)
	8,611.11	6,818.25
Add : Share of jointly controlled entites	2,286.59	2,199.71
	10,897.70	9,017.96

20) Cash & Cash Equivalents

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Cash on hand	3.19	3.83
Balances with Scheduled Banks		
- On Current Accounts.....	3,759.34	8,471.36
- In Deposit Accounts (less than 3 months maturity).....	772.74	3,739.83
(Fixed deposit of ₹ 337.50 lakhs (Previous year- ₹ 382.11 lakhs) is against Margin Monies with banks for Bank Guarantee)		
In Deposit Accounts (more than 3 months maturity but less than 12 months)	956.72	2,145.31
(Fixed deposit of ₹ 490.53 (Previous year- ₹ 437.36 lakhs) is against Margin Monies with banks for Bank Guarantee, Overdraft facilities, interest coverage on term loans and other non-fund based facilities)		
	5,491.99	14,360.33
Share in Jointly controlled entities	1,179.43	66.36
	6,671.42	14,426.69

* Balance with Banks includes Unclaimed Dividend of ₹ 75.30 lakhs (Previous Year ₹ 62.52 lakhs)

21) Short Term Loans & Advances

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
(Unsecured, Considered Good, Unless otherwise stated)		
Loans and advances to related parties		
- Considered good	2,016.44	2,016.44
- Considered doubtful	-	-
Less: Allowance for doubtful loans and advances.....	-	-
	<u>2,016.44</u>	<u>2,016.44</u>
Other Loans and Advances		
- Secured, considered good	5,821.19	4,580.65
- Unsecured, considered good *# @	28,207.05	26,693.35
- Unsecured, considered doubtful.....	121.25	121.66
Less: Allowance for doubtful loans and advances.....	(121.25)	(121.54)
	<u>34,028.24</u>	<u>26,693.47</u>
Intercompany Deposits	266.30	174.04
Advance payment of Income tax (net of Provision for tax ₹ 31,225.10 lakhs, Previous year ₹ 26,749.65 lakhs)	6,432.04	5,368.95
Staff Loans and Advances	14.08	6.91
Deposits	3,057.62	3,965.29
	<u>45,814.72</u>	<u>42,805.75</u>
Add:Share of jointly controlled entites	22,643.30	33.32
	<u>68,458.02</u>	<u>42,839.07</u>

* Refer note no. 18(#)

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.

@ Other Loans and advances include project advances of ₹ 10,000 lakhs pending for over 2 years relating to a project whose commencement has been delayed due to non performance by Vendors. The Company has during the quarter initiated action against Vendors to protect the interest of the Company and for resolving the dispute to enable commencement of the project.

22) Other Current Assets

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
(Unsecured, considered Good,unless otherwise stated)		
Interest accrued on Project advances *#.....	4,070.32	4,070.32
Less : Provision for impairment in asset value	(1,550.15)	(1,550.15)
	<u>2,520.17</u>	<u>2,520.17</u>
Interest accrued on deposits	2,429.24	479.39
	<u>4,949.41</u>	<u>2,999.56</u>
Others.....	108.25	108.22
Unbilled Revenue	8,217.91	8,366.85
	<u>13,275.57</u>	<u>11,474.63</u>
Add : Share of jointly controlled entites	1.60	1.72
	<u>13,277.17</u>	<u>11,476.35</u>

* Interest accrued on Project 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.

Refer note no. 18(#).

23) Operating Income

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Income from Projects.....	68,059.19	71,169.50
Project Management Fees	147.29	-
Income from Operation of Commercial Complexes.....	1,631.16	1,568.56
Profit on sale of properties.....	-	324.89
	69,837.64	73,062.95
Add: Share in Jointly controlled entities.....	688.10	770.88
	70,525.74	73,833.83

24) Other Income

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Interest Earned		
- On Inter Corporate Deposits.....	5.57	7.01
- On Bank Deposits	1,238.05	717.31
- Others.....	2,009.23	115.45
Dividend - On Current Investments-Non Trade.....	859.62	1,389.68
Profit on Sale of Current Investments-Non Trade	276.52	46.00
Profit on Sale of other Fixed Assets	-	869.98
Miscellaneous Income	650.59	266.35
	5,039.58	3,411.78
Add: Share in Jointly controlled entities.....	54.45	3.06
	5,094.03	3,414.84

25) Operating Expenses

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Opening Stock in trade.....	14.61	163.69
Opening Work-in-progress	161,260.34	103,753.09
Opening Raw Material	1,798.77	995.13
	163,073.72	104,911.91
Add: Expenses incurred during the year :		
Land Cost / Premium for Development Rights	5,127.06	50,038.71
Architect Fees.....	574.01	1,087.06
Preliminaries & Site Expenses	275.51	2,342.92
Civil, Electrical, Contracting etc.....	40,519.63	29,972.98
Interest (net)	8,232.57	7,085.31
Overheads allocated.....	1,566.92	1,463.21

25) Operating Expenses (contd.)

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Payment to Local Agencies.....	499.43	3,294.97
Insurance.....	22.78	32.84
Legal & Professional Fees.....	964.77	484.95
Other Expenses.....	220.99	823.54
	<u>58,003.67</u>	<u>96,626.49</u>
Less :-Closing Work-in-progress.....	(163,506.04)	(161,260.34)
Closing Raw Material.....	(3,069.53)	(1,798.77)
Closing Stock in trade.....	(1,893.57)	(14.61)
Capital Work in Progress.....	(42.00)	(110.29)
	<u>(168,511.14)</u>	<u>(163,184.01)</u>
	52,566.25	38,354.39
Rent, Rates & Taxes	56.80	41.18
Insurance.....	(0.29)	-
Repairs & Maintenance - Commercial Properties	192.60	95.55
Professional Fees.....	173.17	116.64
Brokerage.....	145.09	170.51
Advertisement, Marketing & Business Development.....	644.84	243.26
Electricity	7.79	10.98
Other Operating Expenses.....	331.77	744.04
	<u>54,118.02</u>	<u>39,776.55</u>
Add: Share in Jointly controlled entities.....	50.21	-
Less: Adjustment on coversion from subsidiary to joint venture.....	(11,602.64)	-
	<u>42,565.59</u>	<u>39,776.55</u>

26) Employee Remuneration & Benefits

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Salaries, Allowances & Bonus #.....	4,783.96	4,359.11
Contribution to Provident & Other Funds*.....	232.73	175.81
Staff Welfare Expenses.....	307.84	301.72
	<u>5,324.53</u>	<u>4,836.64</u>
Less : Allocated to projects.....	(1,538.50)	(1,513.76)
	<u>3,786.03</u>	<u>3,322.88</u>
Add : Share in Jointly controlled entities.....	207.41	209.20
	<u>3,993.44</u>	<u>3,532.08</u>

* **Gratuity**

(1) Principal actuarial assumptions

	Current Year	Previous Year
Discount rate	8.00%-9.20%	8.50%-8.65%
Rate of Return on Plan Assets	8.00%- 9.50%	8.00%- 9.50%

(2) Reconciliation of Benefit Obligation:

	Funded		Unfunded	
	Current Year ₹ lakhs	Previous Year ₹ lakhs	Current Year ₹ lakhs	Previous Year ₹ lakhs
Liability at the beginning of the year	159.00	159.45	22.70	25.28
Adjustment to Opening Balance	(3.85)			
Interest Cost	13.60	13.65	1.50	1.76
Current Service Cost	46.90	37.08	4.04	5.49
Past Service Cost	-	-	-	-
Benefit Paid	(9.56)	(1.80)	(7.87)	(9.03)
Actuarial (Gain) / Loss on Obligations	28.77	(48.73)	(5.58)	(0.80)
Liability at the end of the year	235.52	159.65	14.79	22.70
Fair Value of Plan Assets at the end of the year	171.22	139.65	-	-
Amount recognised and disclosed under the head "Provisions for Gratuity"	64.30	20.00	14.79	22.70
Current	37.15	20.00	0.80	7.28
Non - Current	27.16	(0.00)	13.99	15.42

(3) Reconciliation of Fair value of Plan Assets :

	Funded		Unfunded	
	Current Year ₹ lakhs	Previous Year ₹ lakhs	Current Year ₹ lakhs	Previous Year ₹ lakhs
Fair Value of Plan Assets at the beginning of the year	139.65	97.36	-	-
Adjustment to the opening balance	-	6.37	-	-
Expected Return on Plan Assets	13.62	10.68	-	-
Contributions	27.90	35.89	-	-
Benefit Paid	(9.56)	(1.80)	-	-
Actuarial Gain /(Loss) on Obligations	(0.40)	(8.86)	-	-
Fair Value of Plan Assets at the end of the year	171.22	139.65	-	-

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

	Funded		Unfunded	
	Current Year ₹ lakhs	Previous Year ₹ lakhs	Current Year ₹ lakhs	Previous Year ₹ lakhs
Current Service Cost	46.90	37.08	4.04	5.49
Interest Cost	13.60	13.65	15.01	1.76
Unrecognised Past Service Cost	-	-	-	-
Expected Return on Plan Assets	(13.62)	(10.68)	-	-
Net Actuarial (Gain) / Loss recognised	29.18	(39.87)	(5.58)	(0.80)
Expenses recognised in Profit and Loss Account	76.05	0.18	13.47	6.45

(5) Experience Adjustment

Gratuity (Funded)	2014	2013	2012	2011	2010	2009
Defined benefit obligation	239.37	159.65	159.45	135.96	72.73	74.12
Fair value of plan assets	171.22	139.65	97.36	89.14	58.55	45.98
Surplus / (Deficit)	(68.15)	(20.00)	(62.09)	(46.82)	(14.18)	(28.14)
Experience adjustment on plan liability [(Gain) / Loss]	27.93	(48.73)	22.03	(13.24)	25.06	11.94
Experience adjustment on plan assets [Gain / (Loss)]	(3.17)	(10.67)	(4.55)	(0.77)	(5.17)	(4.27)

Gratuity (Unfunded)	2014	2013	2012	2011	2010	2009
Defined benefit obligation	22.70	25.28	25.28	18.17	28.91	21.99
Fair value of plan assets			-	-	-	-
Surplus / (Deficit)	(22.70)	(25.28)	(25.28)	(18.17)	(28.91)	(21.99)
Experience adjustment on plan liability [(Gain) / Loss]	(5.58)	(0.80)	(1.04)	(10.17)	(3.93)	2.43
Experience adjustment on plan assets [Gain / (Loss)]	-	-	-	-	-	-

Employee Stock Option Scheme

The Company had granted 10,000 Equity shares on 4th August, 2012 to the eligible employee under the Employee Stock Option Scheme 2006 (ESOS 2006) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 4 th August, 2012
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	10,000
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 325 /- 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 4 th August, 2012
Intrinsic Value of shares based on latest available closing market price	₹(0.86)
Total Amount to be amortized over the vesting period	₹(0.09) lakhs
Charge to Profit & Loss Account for the year	₹(0.02) lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹(0.05) lakhs

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 4 th August, 2012
Risk free interest rate	8.06% -8.20%
Expected life	3.5 -6.5 Years
Expected volatility	44.15%- 59.61%
Expected dividend yield	1.38%
Exercise price	₹ 325
Stock price	₹ 324.14

The Company had granted 101,000 Equity shares on 4th August,2012 to the eligible employees under the Employee Stock Option Scheme (ESOS 2012) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 4 th August, 2012
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	101,000
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 10 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	20 % On expiry of 12 months from the date of grant ; 20 % On expiry of 24 months from the date of grant ; 30 % On expiry of 36 months from the date of grant ; 30 % 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 ₹ 10/- per stock option. 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 4 th August,2012
Intrinsic Value of shares based on latest available closing market price	314.14
Total Amount to be amortized over the vesting period	₹ 278.01 lakhs
Charge to Profit & Loss Account for the year	₹ 73.53 lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹162.17 lakhs

The Company had granted 26,500 Equity shares on 24th July,2013 to the eligible employees under the Employee Stock Option Scheme (ESOS 2012) of the company.

The details of the Employee Stock Option Scheme are:

Particulars	Grant dated 24 th July,2013
Type of Arrangement	Employee Share-Based Payment by issue of shares.
Number of Options Granted	26,500
Contractual life	Options will lapse if not exercised within 5 years from the date of individual vesting.
Exercise Price	₹ 10 /- per share
Method of Settlement	By Issue of Shares at Exercise Price
Vesting Conditions	20 % On expiry of 12 months from the date of grant ; 20 % On expiry of 24 months from the date of grant ; 30 % On expiry of 36 months from the date of grant ; 30 % 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 ₹ 10/- per stock option. 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 hereunder:

Particulars	Grant dated 24 th July, 2013
Intrinsic Value of shares based on latest available closing market price	₹444.09
Total Amount to be amortized over the vesting period	₹117.68 lakhs
Charge to Profit & Loss Account for the year	₹19.61 lakhs
Compensation in respect of lapsed cases	-
Unamortized Amount Carried Forward	₹98.07 lakhs

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 24 th July, 2013
Risk free interest rate	8.31% -8.39%
Expected life	6 - 9 Years
Expected volatility	47.63%
Expected dividend yield	1.31%
Exercise price	₹ 10.00
Stock price	₹ 454.09

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 lakhs)	7,773.01	9,748.96	7,787.29	9,415.50
	Less Preference dividend	-	-	-	-
B	Weighted Average number of Equity Shares of ₹10/- each (Basic)	40,841,051	40,836,260	40,841,051	40,836,260
C	Weighted Average number of Equity Shares of ₹10/- each (Diluted)	40,841,051	40,836,260	40,841,051	40,836,260
D	Basic Earning per Share (₹)	19.03	23.87	19.07	23.06
E	Diluted Earning per Share (₹)	19.03	23.87	19.07	23.06

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	6,98,436	5,88,779
Options granted during the year	26,500	1,11,000
Options lapsed during the year	-	-
Options cancelled during the year	1,03,580	1,343
Options exercised during the year	8,700	-
Options outstanding on 31 st March	6,12,656	6,98,436
Options vested but not exercised on 31 st March	5,07,856	5,88,779

Information in respect of options outstanding as at 31st March, 2014:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	4,96,356	30 months
₹ 325	7,500	48 months
₹ 10	82,300	48 months
₹ 10	26,500	60 months

27) Administration & Other Expenses

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Rent, Rates and Taxes.....	555.69	632.46
Insurance.....	51.61	48.20
Repairs and Maintenance		
- Buildings.....	6.11	2.94
- Others.....	277.41	200.25
Electricity Charges.....	450.71	368.78
Travelling & Conveyance.....	593.64	576.51
Legal & Professional Fees.....	767.14	901.11
Printing & Stationery.....	82.08	76.48
Communication.....	151.67	123.43
Advertisement, Marketing & Business Development.....	1,084.72	1,358.27
Auditors Remuneration.....	90.35	77.17
Loss on sale of Fixed assets	26.45	17.07
Doubtful Debts Provided.....	55.00	95.00
Miscellaneous Expenses	2,556.96	1,733.96
	6,749.54	6,211.63
Add: Share in Jointly controlled entities.....	192.69	126.96
	6,942.23	6,338.59

28) Finance Cost

	Current Year ₹ in lakhs	Previous Year ₹ in lakhs
Interest on Loans.....	13,424.32	11,140.61
Less : Allocated to projects.....	(8,410.46)	(8,028.10)
	5,013.86	3,112.51
Add: Share in Jointly controlled entities.....	4.82	11.52
	5,018.68	3,124.03

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 2014 is ₹ 2,426.82 lakhs (*Previous year: ₹ 1,787.00 lakhs*).

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 ₹ lakhs	Previous Year ₹ lakhs
Gross Carrying Amount of premises	16,394.43	15,967.55
Accumulated Depreciation.....	2,787.04	2,336.46
Depreciation for the year	450.58	489.11
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	2,058.05	1,039.46
➤ Later than 1 year and not later than 5 years	1,810.65	1,306.09
➤ Later than 5 years	373.47	651.06

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 ₹ lakhs	Previous Year ₹ lakhs
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year	109.96	185.56
➤ Later than 1 year and not later than 5 years	-	100.74
➤ Later than 5 years	-	-

33 **Contingent Liabilities**

Matter	Current Year ₹ Lakh	Previous year ₹ Lakh
a) Claims against the Company not acknowledged as debts represent :		
i) Claims raised by a civil contractor in respect of a project at Mumbai.	93.89	182.33
ii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.....	123.99	123.99
iii) Demand from a local authority for energy dues disputed by the company.	2,164.04	2,164.04
iv) Claim from welfare association for in connection with project work, disputed by the company.....	4,500.00	-
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	360.43	935.60
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 360.43 lakhs (previous year ₹ 524.17 lakhs)		
Other demand, for which the Subsidiary Companies are contesting with the Appellate Authorities.	174.91	169.26
c) Guarantee/ Counter guarantee given by Mahindra Infrastructure Developers Limited for its joint ventures	900.00	900.00

34) Segmental Reporting

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
REVENUE				
External Revenue	1,631.16	68,894.58	-	70,525.74
<i>Previous Year</i>	1,893.45	71,940.38	-	73,833.83
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
TOTAL REVENUE	1,631.16	68,894.58	-	70,525.74
<i>Previous Year</i>	1,893.45	71,940.38	-	73,833.83
SEGMENT RESULT	1,443.53	20,825.78	-	22,269.31
<i>Previous Year</i>	1,705.99	27,273.63	-	28,979.62
Unallocated Corporate Expenses (net)	-	-	-	(4,114.35)
<i>Previous Year</i>	-	-	-	(2,902.47)
Operating profit	-	-	-	18,154.96
<i>Previous Year</i>	-	-	-	26,077.15
Interest expense	-	-	-	(5,018.68)
<i>Previous Year</i>	-	-	-	(3,124.03)
Interest income	-	-	-	2,958.16
<i>Previous Year</i>	-	-	-	653.87
Income taxes	-	-	-	(5,093.11)
<i>Previous Year</i>	-	-	-	(7,991.33)
Net Profit	-	-	-	11,001.34
<i>Previous Year</i>	-	-	-	15,615.65
OTHER INFORMATION				
Segment Assets	2,079.99	318,137.14	-	320,217.13
<i>Previous Year</i>	2,222.64	220,482.05	0.56	222,705.24
Unallocated Corporate Assets	-	-	-	22,454.13
<i>Previous Year</i>	-	-	-	63,093.24
TOTAL ASSETS				342,671.26
<i>Previous Year</i>	-	-	-	285,798.49
Segment Liabilities	603.04	207,137.33	-	207,740.37
<i>Previous Year</i>	589.88	148,131.26	24.18	148,745.32
Unallocated Corporate Liabilities	-	-	-	8,764.03
<i>Previous Year</i>	-	-	-	7,745.71
TOTAL LIABILITIES				216,504.40
<i>Previous Year</i>	-	-	-	156,491.02
Capital Expenditure	-	2,350.03	-	2,902.32
<i>Previous Year</i>	39.45	9,150.57	-	9,347.78
Depreciation	58.10	783.06	-	1,005.38
<i>Previous Year</i>	51.12	695.96	-	870.44

Notes:

The segment result for Projects, Project Management and Development activity is arrived at after considering an interest of ₹ 1,504.08 lakhs (Previous year ₹ 1,879.23 lakhs), as it formed part of the cost of projects according to the method of accounting followed by the Company.

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 Hinodaya Industries Limited	Mahindra Engineering & Chemical Products Limited Mahindra & Mahindra Financial Services Limited Tech Mahindra Limited Mahindra Integrated Business Solutions Private Limited
Joint Ventures Mahindra Water Utilities Limited Mahindra Inframan Water Utilities Private Limited Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	
Associates Kismat Developers Private Limited Topical Builders Private Limited	

Key Management Personnel

Managing Director and Chief Executive officer - Ms. Anita Arjundas.
Mr. B. K. Subbaiah (Upto June 30, 2013)
Mr. Sanjay Srivastava (From July 01, 2013)
Ms. Sangeeta Prasad (Upto April 15, 2013)
Mr. S. Chandru (From April 16, 2013)

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, 2014

(₹ in lakhs)

Nature of Transactions	Enterprise controlling the Company	Companies under common control including Fellow Subsidiaries	Individual	Key Management Personnel
Rendering of Services	1,520.89	0.12		-
<i>Previous Year</i>	<i>2,851.35</i>	<i>0.12</i>	-	-
Receiving of services	373.11	207.03		-
<i>Previous Year</i>	<i>625.54</i>	<i>145.06</i>	-	-
Sale of Goods	-	-		-
<i>Previous Year</i>		-	<i>100.61</i>	<i>62.81</i>
Remuneration	-	-		373.49
<i>Previous Year</i>	-	-		<i>349.38</i>
Reimbursement made to parties	290.83	-		-
<i>Previous Year</i>	<i>20.30</i>	-	-	-
Purchase of Goods		6.34		
<i>Previous Year</i>		<i>15.59</i>		
Dividend Paid	1,250.77	-		-
<i>Previous Year</i>	<i>1,250.77</i>	-	-	-
Advance Received				-
<i>Previous Year</i>			<i>8.12</i>	<i>8.12</i>
Receivables	2,017.68	2.46		-
<i>Previous Year</i>	<i>2,274.99</i>	<i>2.46</i>	-	-
Payables	2,202.19	11.13		-
<i>Previous Year</i>	<i>5,683.33</i>	<i>582.91</i>	-	-

The significant related party transactions are as under:

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakhs)	Enterprises under the Common Control of the Company / Fellow subsidiaries	Amount (₹ in lakhs)	Key Management of Personnel	Amount (₹ in lakhs)
Rendering of Services	Mahindra & Mahindra Limited	1,520.89	Mahindra EPC Services Private Limited	0.12		
Receiving of Services	Mahindra & Mahindra Limited	373.11	Mahindra Consulting Engineers Limited	93.98		
			Bristle Cone India Limited	25.39		
			Mahindra Holidays and Resorts Limited	82.46		
Remuneration					Ms. Anita Arjundas	202.56
					Mr. Sanjay Srivastava	77.35
					Mr. S. Chandru	67.06
Expenses Reimbursement	Mahindra & Mahindra Limited	290.83				
Purchase of goods	-	-	Mahindra Hinodaya Industries Limited	5.52		
Dividend Paid	Mahindra & Mahindra Limited	1,250.77				
Receivables	Mahindra & Mahindra Limited	2,017.68	Mahindra Consulting Engineers Limited	2.46		
Payables	Mahindra & Mahindra Limited	2,202.19	Bristle Cone India Limited	5.09		
			Mahindra Holidays & Resorts Limited	4.33		
			Mahindra Consulting Engineers Limited	1.49		

- 36) The Subsidiary Company, Mahindra Infrastructure Developers Ltd, has entered into Solid Waste Treatment Agreement on 17 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 19 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 20 June, 2009. The particulars of the facilities as on 20 June, 2009 to be transferred to TTD on acceptance of the termination by them are given below:

(₹ in lakhs)

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 ₹16.90 lakhs (2013: ₹ 18.76 lakhs) and its current liabilities is ₹ 90.59 lakhs (2013: ₹ 70.35 lakhs).

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

(₹ in lakhs)

Particulars	Continuing Operation		Discontinuing Operation		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Total revenue	17.49	5.58	2.66	2.52	20.15	8.10
Increase/(decrease) in the inventory	—	—	(1.86)	(1.76)	(1.86)	(1.76)
Personnel Expenses	(8.95)	(8.05)	(2.45)	(2.45)	(11.40)	(10.50)
Other Expenses	(7.66)	(5.93)	(2.78)	(2.56)	(10.44)	(8.49)
Depreciation Expenses	(0.02)	(0.12)	-	-	(0.02)	(0.12)
Diminution in the value of business unit	-	-	(21.51)	-	(21.51)	-
Profit/(Loss) for the year before taxation	0.86	(8.43)	(25.93)	(4.26)	(25.07)	(12.65)

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
 - Sector 59, Gurgaon
 - Bannerghatta Road, Bangalore
- ii) Project for providing potable drinking water and sewerage facilities at Tirpur, 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%
Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	India	Residential Development	50.00%

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

	Current Year ₹ lakhs	Previous year ₹ lakhs
Current assets	35,283.63	2287.86
Non-current assets	33.12	69.98
Total	35,316.75	2357.85
Current liabilities	1,851.56	309.91
Non-current liabilities	16,024.46	5.51
Total	17,876.02	315.42
Income	742.55	774.74
Expenses	455.13	354.34

38) Details of Associates

Name of Associate	Country of Incorporation	% of Ownership Holding
Kismat Developers Private Limited	India	42.86%
Topical Builders Private Limited	India	50.00%

39) Earnings per share

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

	Current Year ₹ lakhs	Previous Year ₹ lakhs
A Net Profit After Tax	10,062.92	14,136.51
Less : Dividend on Non Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	—	—
Profit available for Equity Shareholders	10,062.92	14,136.51
B Weighted Average number of Equity Shares of ₹ 10/- each.....	408.41	408.35
C Basic and Diluted Earnings per Share (₹)	24.64	34.61

40) The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

As per our Report attached hereto

For and on behalf of
B. K. Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Padmini Khare Kaicker
Partner

Membership No.: 44784

Mumbai : 22nd April, 2014

Suhas Kulkarni
Company Secretary

For and on behalf of the Board

Arun Nanda *Chairman*
Uday Y. Phadke *Director*
Sanjiv Kapoor *Director*
Shailesh Haribhakti *Director*
Anil Harish *Director*
Prakash Hebalkar *Director*
Anita Arjundas *Managing Director & CEO*

Folio No./DP ID/ Client ID No.	
No. of Shares Held	
Email id	

ATTENDANCE SLIP

I/We record my/our presence at the 15th Annual General Meeting of the Company at Y. B. Chavan Centre, Gen. Jagannathrao Bhonsale Marg, Near Sachivalya Gymkhana, Mumbai – 400 021 on Thursday, 7th August, 2014 at 3.00 p.m.

NAME OF THE MEMBER (S)	
SIGNATURE OF THE MEMBER (S)	
NAME OF THE PROXY	
SIGNATURE OF THE PROXY	

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue. Joint Members may obtain additional slip on request.

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

FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No/Client Id/DP ID	

I/We, being the member(s) of Mahindra Lifespace Developers Limited holding.....shares of the Company, hereby appoint :

1	Name		
	Address		
	E-mail id		Signature
	Or failing him		
2	Name		
	Address		
	E-mail id		Signature
	Or failing him		
3	Name		
	Address		
	E-mail id		Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th Annual General Meeting of the Company, to be held on Thursday, 7th August, 2014 at 3.00 p.m. at Y. B. Chavan Centre, Gen. Jagannathrao Bhonsale Marg, Near Sachivalya Gymkhana, Mumbai – 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended March 31 st 2014
2.	To declare dividend on Equity Shares
3.	Re-appointment of Mr. Arun Nanda, who retires by rotation
4.	Appointment of and fixing of remuneration of the Auditors M/s. B K Khare & Co, Chartered Accountants, Mumbai
5.	Appointment of Mr. Shailesh Haribhakti as an Independent Director
6.	Appointment of Mr. Sanjiv Kapoor as an Independent Director
7.	Appointment of Mr. Anil Harish as an Independent Director
8.	Appointment of Dr. Prakash Hebalkar as an Independent Director
9.	Appointment and Remuneration of Managing Director & CEO
10.	Borrowing Limits under Section 180(1)(c) of the Companies Act, 2013
11.	Maintenance of the Register of Members and related books at a place other than the Registered Office of the Company
12.	Private Placement of Non-Convertible Debentures and /or other Debt Securities

Signed this.....day of.....2014

Signature of Member :..... Signature of Proxy holder(s) :.....

Affix a Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

Spreading smiles across India

Aqualily Villas, MWC Chennai



aqualily

Mahindra World City, Chennai

Iris Court - Phase 1, MWC Chennai



IRIS COURT

Mahindra World City, Chennai

Angelica tower - Eminente,
Goregaon, Mumbai



EMINENTE

Goregaon (W), Mumbai

Aura, Gurgaon



aura

Gurgaon

Splendour, Bhandup, Mumbai



splendour

Bhandup(W), Mumbai



Our Presence:

Bangalore | Chennai | Delhi NCR | Hyderabad | Jaipur | Mumbai | Nagpur | Pune

Corporate Office: Mahindra Lifespace Developers Limited, CIN L45200MH1999PLC118949

5th Floor, Mahindra Towers, Worli, Mumbai - 400 018, India. | Tel.: 022 - 6747 8600 / 6747 8601 | Fax: 022 - 2497 5084 | Toll free: 1800 102 3455

Email: homes@mahindralifespaces.com | Website: www.mahindralifespaces.com