

DIRECTOR'S REPORT

Directors' Report to the Members

Your Directors present their Second Report together with the audited financial statements of your Company for the year ended on 31st March, 2016.

FINANCIAL HIGHLIGHTS

(Amount in Rs. lakh)

Particulars	For the year ended 31 st March 2016	For the period from 22 nd December, 2014 till 31 st March, 2015
Total Income	-	-
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	(133.02)	(1.10)
Less: Depreciation	-	-
Profit/(Loss) Before Finance Cost and Taxation	(133.02)	(1.10)
Less: Finance Cost	-	-
Profit/(Loss) Before Taxation	(133.02)	(1.10)
Less: Provision for Taxation	-	-
Profit/(Loss) for the year after Taxation	(133.02)	(1.10)
Add: Balance of Profit/(Loss) for earlier years	(1.10)	-
Balance carried forward to the Balance Sheet	(134.12)	(1.10)

Dividend

Your Directors have not recommended any dividend as the company is yet to start its commercial operations.

Reserves

Loss for the year has been carried forward and no amount has been transferred to Reserves as the company has not made any profits during the year. During the year the Company issued 68,000,000 equity shares of Rs. 10 each to M/s. Sumitomo Corporation, Japan at a premium of Rs. 1.323 per share. The premium amounting to Rs.90,000,000/- (Rupees Nine Crores Only) is reflected in Securities Premium Account as on 31st March 2016.

Operations/State of the company's affairs

Your Company was incorporated as a subsidiary of Mahindra World City Developers Limited (MWCDL) in FY 2015. During this financial year, MWCDL signed a JV agreement with Sumitomo Corporation, Japan (SC) in a 60:40 partnership in your company to develop an Industrial Park in North Chennai on the NH-5 (Chennai-Kolkata highway). Sumitomo Corporation has infused Rs. 77 crores as equity & share premium into your company in January 2016.

The location of the Industrial Park is in proximity to Ponneri, one of the cities in Tamil Nadu shortlisted for smart cities and is situated in the influence zone of the Chennai-Bangalore Industrial Corridor (CBIC) and Chennai-Vizag Industrial Corridor (CVIC).

The first phase will comprise 264 acres with a focus on manufacturing industries. A state support agreement has been signed with the Govt of Tamil Nadu in September 2015 at the Global Investors Meet (GIM) to provide facilitation support to the project.

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

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

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

Share Capital

During the year, authorised equity share capital of your company has been increased from Rs. 5 Lakhs to Rs. 170 crores and Paid-up equity share capital of the company has been increased from Rs. 5 Lakhs to Rs. 170 crores.

Following the Joint venture agreement between MWCDL & Sumitomo Corporation, Japan, during the year, equity shares amounting to Rs. 1,019,500,000 were allotted at par to MWCDL on right basis and equity shares amounting to Rs. 680,000,000 were allotted to Sumitomo Corporation at a premium of Rs. 1.323 per share.

Presently, the 60% (Rs. 102 crores) of the paid-up share capital of your Company is held by Mahindra World City Developers Limited and 40% (Rs. 68 crores) is held by Sumitomo Corporation, Japan.

During the year, the Company has neither issued any equity shares with differential rights or any sweat equity share nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

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

Networth

The net worth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 3.9 lakh and Rs.177.66 crore respectively.

Holding Company

Your Company is a subsidiary of Mahindra World City Developers Ltd (MWCDL) and consequently is a subsidiary of Mahindra Lifespace Developers Limited and a subsidiary company of the ultimate holding company Mahindra & Mahindra Limited.

Subsidiaries, Joint Ventures and Associate companies

No company became or ceased to be a Subsidiary/Associate/ Joint Venture company of the Company during the year.

Board of Directors

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Anita Arjundas	00243215	Director
Ms.Sangeeta Prasad	02791944	Director
Mr. S Chandru	00243025	Director
Mr. Eisuke Nakanishi	07410922	Director
Mr. Akito shiraishi	07418849	Director

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas (DIN: 00243215) and Ms.Sangeeta Prasad (DIN: 02791944) Non-Executive and Non-Independent Directors retire by rotation at the Second Annual General Meeting of the Company and being eligible have offered themselves for re-appointment. Ms. Anita Arjundas and Ms. Sangeeta Prasad are not disqualified from being re-appointed as Director, by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year the following were appointed as additional directors of the Company:

Sr. no.	Name of the Person	Date of Appointment	Designation
1	Mr. Eisuke Nakanishi	11 th February, 2016	Non-Executive Non-Independent Director
2	Mr. Akito Shiraishi	11 th February, 2016	Non-Executive Non-Independent Director
3	Mr. Ajay Sethi	13 th April, 2016	Independent Director
4	Mr. Ravi Santhanam	13 th April, 2016	Independent Director
5	Mr. C. V. Krishnan	13 th April, 2016	Independent Director

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

Key Managerial Personnel

The following were appointed as the key managerial personnel of the company. The Company is in process of identifying a suitable candidate for the position of the Company Secretary.

Sr. No.	Name of the person	Date of Appointment	Designation
1	Shyamsundar Kalyanasundaram	13 th April, 2016	Chief Executive Officer
2	Siddarth Chandrasekhar	11 th February, 2016	Chief Financial Officer

Committees of the Board

Audit Committee

Considering the applicability of provisions of Audit Committee based on the financial statement for the financial year ended 31st March, 2016, the Audit Committee was constituted with effect from 13th April 2016 comprising of three independent Directors, namely Mr. C V Krishnan, Mr. Ravi Santhanam, Mr. Ajay Sethi and two Non-Executive Non-Independent Director, Ms. Anita Arjundas and Mr. Akito Shiraishi. Mr. C.V.Krishnan is the Chairman of the Audit Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management.

Nomination and Remuneration Committee

Considering the applicability of provisions of Nomination and Remuneration Committee based on the financial statement for the financial year ended 31st March, 2016, the , Nomination and Remuneration Committee was constituted on 5th April, 2016 comprising of Ms. Sangeeta Prasad, Mr. Akito Shiraishi and Mr. S. Chandru. The Committee was re-constituted w.e.f. 13th April, 2016, comprising of two independent directors, namely Mr. Ravi Santhanam, Mr. Ajay Sethi and two non-executive non-independent directors, Ms. Sangeeta Prasad and Mr. Akito Shiraishi. Ms. Sangeeta Prasad is the Chair person of the Committee.

The following **policies** of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as required under Section 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 1, Annexure 2 and Annexure 3**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 1**)
2. Policy on remuneration of Directors (**Annexure 2**)
3. Policy on remuneration of Key Managerial Personnel and Employees (**Annexure 3**)

Corporate Social Responsibility (CSR)

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

Meetings

During the year, Seven Board Meetings were convened on 18th April 2015, 14th July 2015, 16th October 2015, 7th December 2015, 30th December 2015, 13th January 2016 and 11th February, 2016.

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

Sr. no.	Name of the Director	No. of Board meetings attended
1	Ms. Anita Arjundas	7
2	Ms Sangeeta Prasad	5
3	Mr. S Chandru	7
4	Mr. Eisuke Nakanishi*	1
5	Mr. Akito Shiraishi*	1

Note: * Appointed with effect from 11th February, 2016

The previous Annual General Meeting of the Company was held on 14th July, 2015.

Code of Conduct

The Company has adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the financial year 2015-16, received declarations under the Codes from the Board members of the Company affirming compliance with the respective Codes.

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2016 and of the loss of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements.

Auditors

M/s. Deloitte Haskins and Sells LLP, Chartered Accountants, Chennai were appointed as auditors for a term of five consecutive

years from the conclusion of 1st Annual General Meeting held on 14th July, 2015 till the conclusion of the 6th Annual General meeting of the Company to be held in 2020.

As of 31st March, 2016, paid up share capital of the Company was Rs.170 crores, i.e. more than Rs. 10 Crores stipulated in Section 139(2) of the Companies Act, 2013 and as such the provision of the said Section relating to rotation of Auditors are now applicable to the Company from the financial year 2016-17.

Pursuant to change in applicability of the provisions, instead of considering ratification of appointment of Auditors, it is proposed to appoint them by rotation under provisions of Section 139(2) of the Companies Act, 2013. As of date, Auditors have completed 1 year since their first appointment.

Accordingly, in terms of Section 139(2) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for a term of five consecutive years from the conclusion of the 2nd Annual General Meeting till the conclusion of the 7th Annual General Meeting of the Company to be held in calendar year 2021 (subject to ratification of their appointment at every AGM).

As required under the provisions of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a written consent and certificate from the above auditors whose appointment is proposed to be approved, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Section.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

As of 31st March, 2016, the requirements of having cost auditor and Internal Auditor are presently not applicable to your Company.

Secretarial Auditor

The Board has appointed Ms. M. Kavitha Surana of M/s. M.K.Surana & Co. practising Company Secretary, to conduct the secretarial audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended 31st March, 2016 is annexed herewith and marked as **Annexure 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Vigil Mechanism

The provisions with respect to establishment of Vigil Mechanism are not applicable to the Company. However, as corporate governance, the Audit Committee and the Board of Directors at its meeting held on 13th April, 2016 has established Vigil Mechanism by adopting by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational

process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company. The Whistle Blower Policy of the Company is attached herewith as **Annexure 5**.

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

As your Company is engaged in the business of developing Industrial Parks, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The Company has not made any investment during the year.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company. The Directors draw attention to Note no. 8.1 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

During the year, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013, from the public or its employees.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Holding Company, Mahindra Life Space Developers Limited.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 6** to this report.

Employee Remuneration

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

of Managerial Personnel) Rules, 2014 are not applicable to your Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 7** and forms part of this Report.

General

During the year, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

No fraud has been reported during the audit conducted by the Statutory Auditor and Secretarial Auditor of the Company.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank the Shareholders and bankers and all stakeholders for the support received from them during the year.

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on appointment of Directors and Senior Management

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Industrial Park Chennai Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team / Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Manager based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on remuneration of Directors

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra Industrial Park Chennai Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to become a major player in Indian Real Estate Sector, to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Manager

Remuneration of the Manager reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Manager, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the Manager shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of Manager.

The term of office and remuneration of Manager is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Manager in accordance with the provisions of Schedule V of the Companies Act, 2013.

If a Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration for Manager is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him/ her fairly and responsibly. The remuneration to the Manager comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended/approved by the Remuneration Committee/Board.

Directors

The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Non-Independent Director who receives remuneration from the holding company or any other group company is not paid any sitting fees or any remuneration. In addition to the above the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance of the applicable statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Manager and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report as per statutory requirements in this regard.

Sd/-
Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2016-17.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

Sd/-

Anita Arjundas

Chairperson

DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 4 SECRETARIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,
Mahindra Industrial Park Chennai Limited
Ground Floor, "Mahindra Towers",
17/18, Patulous Road,
Chennai – 600002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra Industrial Park Chennai Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Mahindra Industrial Park Chennai Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra Industrial Park Chennai Limited for the financial year ended on 31.03.2016, according to the provisions of The Companies Act, 2013 (the Act) and the rules made thereunder and we report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company.

We have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations to the company. The list of major head/groups of Acts, Laws and Regulations as applicable to the company is given below

- (i) The Right to Fair Compensation & Transparency in land Acquisition, Rehabilitation & Resettlement Act, 2013.
- (ii) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations.
- (iii) The Air (Prevention and Control of Pollution) Act, 1981
- (iv) The Competition Act, 2002
- (v) The Environment Protection Act, 1986
- (vi) The Public Liability Insurance Act, 1991
- (vii) The Registration Act, 1908
- (viii) The Water (Prevention and Control of Pollution) Act, 1974

- (ix) The Stamp Acts as applicable at various locations.
- (x) The Electricity Act, 2003.
- (xi) The Foreign Exchange Management Act, 1999
- (xii) The Income Tax Act, 1961 and Rules thereunder
- (xiii) The Indian Stamp Act, 1899.
- (xiv) The Information technology Act, 2000
- (xv) The Negotiable Instruments Act, 1881
- (xvi) Shops & Establishment Act, as applicable at various locations

During the Audit Period, the below mentioned laws **are not applicable** to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of Secretarial Standards on Board Meeting and General Meeting issued by the Institute of Company Secretaries of India and notified

by Ministry of Corporate Affairs. The said Secretarial Standards have been followed by the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As on 31.03.2016, the Board consists of Ms. Anita Arjundas, Mr. Sethuraman Chandru, Ms. Sangeeta Prasad, Mr. Eisuke Nakanishi, Mr. Akito Shiraiishi as Directors and Mr. Chandrasekhar Siddharthas CFO (KMP).

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, by the company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the following events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has taken place –

- The Company got incorporated on 22.12.2014 by filing forms INC-7, DIR-12, INC-22 which were filed with ROC on 18.12.2014.
- The Company has made pursuant to Section 184(1) of the Companies Act, 2013 read with Rule 9(1) of the Companies (Meeting of Board and its Powers) Rules, 2014, to take note and record by the Board about disclosure of interest in Form MBP-1 received from Directors of the Company by filing Form MGT-14 on 20.05.2015.
- The Board of Directors approved the Financial Statements (Balance sheet of the company as at 31st March 2015 and the Profit & Loss Account for the year ended March 31.03.2015 pursuant to Section 179(3) read with Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014 Form MGT-14 has been filed on 20.05.2015.
- The Board of Directors approved the Board's Report along with the other reports, annexure and attachments for the financial year ended 31st March 2015 pursuant to Section 179(3) read with Rule 8 of Companies (Meetings of Board and its Powers) Rules, 2014. The necessary Form MGT-14 has been filed on 20.05.2015.
- The Company had appointed Deloitte Haskins & Sells LLP as Statutory Auditor of the Company for a period of Five years from 01.04.2015 to 31.03.2020 in the AGM held on 14.07.2015. Necessary Form ADT-1 has been filed on 29.07.2015.
- The Company had filed Annual Return pursuant to Section 92 of the Companies Act, 2013 and necessary Form MGT-7 has been filed on 28.10.2015.
- The Company had filed Financial Statements for the year ending 31.03.2015 with the Registrar of Companies on 30.10.2015.
- The Board of Directors in its Board Meeting held on 7th December 2015 decided to increase the Authorized Share Capital from Rs. 5 Lakhs to Rs.170 Crores and recommend consequent amendment of the Memorandum of Association of the Company subject to shareholder's approval. The necessary Form MGT-14 has been filed with ROC on 06.01.2016.
- The Shareholders' approval was accorded in the EGM held on 7th December 2015 (shorter notice EGM) to increase Authorized Share Capital from Rs.5 Lakhs to Rs.170 Crores and consequent amendment of the Memorandum of Association of the Company. The necessary Form MGT-14 and SH-7 has been filed with ROC on 23.12.2015.
- The Shareholders' approval was accorded in the EGM held on 7th December 2015 to the Board pursuant to 180(1)(c) of Companies Act, 2013 to borrow money which shall exceed Rs.250 Crores and necessary form MGT-14 has been filed with ROC on 06.01.2016.
- The Shareholders' approval was accorded in the EGM held on 7th December 2015 to the Board pursuant to 180(1)(a) of Companies Act, 2013 to create charge/mortgage/hypothecation on all or any part of the movables and/or immovable properties of the company both present and future by the Board to secure borrowings of the Company which at any time shall not exceed Rs. 250 Crores and necessary form MGT-14 has been filed with ROC on 06.01.2016.
- Pursuant to the Provision of Section 179(3) of the Companies Act, 2013, read with Rule 8 of Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors at its meeting held on 7th December 2015, unanimously approved purchase of 264.03 acre of land at NH-5, Chennai, Tamil Nadu from Mahindra World City Developers Limited ("MWCDL") the Holding company as per the terms and conditions stated in the Sale Deed and the consideration shall be paid partly by issue of rights shares, preferential allotment to Sumitomo Corporation and bank loan.
- Pursuant to the Provisions of Section 62(1)(a), 179(3) of the Companies Act 2013, the Board of Directors at its meeting held on 7th December 2015, an offer of 10,19,50,000 Equity Shares of face Value of Rs.10/- each aggregating to Rs. 101.95 Crores was made to Mahindra World City Developers Limited, the Existing shareholder of the company holding 100% of the entire paid up capital of the company on a Right basis for Consideration other than Cash. i.e. towards part consideration for acquisition of 264.03 acres of land at NH-5, Chennai from Mahindra World City developers Limited and necessary Form MGT-14 has been filed with ROC on 06.01.2016.
- Pursuant to the Provisions of 62(1)(a), 179(3) of the Companies Act 2013, the Board of Directors at its meeting held on 30th December 2015 approved and allotted 10,19,50,000

Equity shares to M/s. Mahindra World City Developers Limited on rights basis for consideration other than cash and necessary Form MGT-14 and PAS-3 has been filed with ROC on 22.01.2016 and 23.01.2016 respectively.

- Pursuant to the Provisions of Section 42, 62(1)(C) of the Companies Act 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) 2014, Foreign Exchange Management Act, 1999, the Board of Directors at its meeting held on 30th December 2015 approved issue of 6,80,00,000 Equity shares of Rs.10/- each at a premium of Rs.1.32/- per share for an aggregate consideration of Rs. 77,00,00,000/- to non-existing shareholder M/s. Sumitomo Corporation, Japan on a Preferential basis and necessary Form MGT-14 has been filed with ROC on 22.01.2016. Shareholder's approval was also accorded for the same in the EGM held on 30th December 2015 and necessary Form MGT-14 has been filed with ROC on 23.01.2016.
- Pursuant to the Provisions of 42, 62(1)(C), 39(4) of the Companies Act 2013, read with Rule 12 and 14 Companies (Prospectus and Allotment of Securities) Rules 2014, Form PAS-4 and Form PAS-5 was filed along with the Return of Allotment Form PAS-3 for allotment of 68,000,000 Equity Shares to Sumitomo Corporation Japan. The necessary Form PAS-3 has been filed with ROC on 25.01.2016.
- Pursuant to the Provisions of RBI Guidelines, Foreign Exchange Management Act, 1999 (as amended), FDI Guidelines issued by the Government of India and provisions relating to automatic route there under (collectively, the "Act") the company also filed **Annexure – 6** and Form FC- GPR with RBI which is still pending for approval.
- Shareholders' approval was accorded in the EGM held on 11th February 2016 for Alteration of Articles of the Company to align with the Joint Venture Agreement signed by the company with Mahindra World City Developers Limited and Sumitomo Corporation, Japan. Necessary form MGT-14 has been filed with ROC on 11.03.2016.
- Pursuant to Section 179, 203 of Companies Act, 2013, read with the Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Chandrasekhar Siddarth was appointed as Chief Financial Officer of the Company with effect from 11.02.2016 and necessary Form DIR-12, Form MGT-14 and Form MR-1 was filed with ROC on 11.03.2016.

- Pursuant to provision of Section 161 of the Companies Act, 2013, Mr. Akito Shiraishi and Mr. Eisuke Nakanishi were appointed as Additional Directors in the Board Meeting held on 11.02.2016 and Form DIR-12 was filed with ROC on 11.03.2016. Their appointments were regularized as DIRECTORS in the Extra-Ordinary General Meeting held on 11.02.2016 (EGM held at a shorter notice) and necessary Form DIR-12 and MGT-14 was filed with ROC on 11.03.2016.
- Pursuant to Sections 77, 78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014, Charge was created on Immovable Property with HDFC Bank Limited for an amount of Rs.150 Crores on 08.03.2016 and necessary form CHG-1 has been filed with ROC on 13.04.2016 by payment of additional fees.
- On 30th December 2016, the paid up capital of the Company got increased from RS. 5 lakhs to RS. 170 crores. Consequently, the provisions of Section 203 of the Companies Act, 2013 relating to appointment of Key Managerial Personnel became applicable to the Company. The Company, has accordingly appointed Chief Executive Officer and Chief Financial Officer of the Company on 13 April 2016 and on 11 February 2016, respectively. ***The Company is in process of identifying a suitable candidate for the position of the Company Secretary.***
- The Audit Committee and the Nomination & Remuneration Committee were not required to be constituted during the year ended 31st March 2016.

for M. K. Surana & Co.,
Company Secretaries,

M. Kavitha Surana
Proprietor
FCS 5926, C. P. No.5269

Place: Chennai
Date: 13.04.2016

This report is to be read with our letter of even date which is Annexed as **Annexure A** and forms are integral part of this report.

‘ANNEXURE A’

To,
The Members,
Mahindra Industrial Park Chennai Limited
Ground Floor, “Mahindra Towers”,
17/18, Patulous Road,
Chennai – 600002

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to expression opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for M. K. Surana & Co.,
Company Secretaries,

M. Kavitha Surana
Proprietor
FCS 5926, C. P. No.5269

Place: Chennai
Date: 13.04.2016

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

WHISTLE BLOWER POLICY

1. The Whistle Blower Policy shall come into effect from 13th April 2016.

2. Preface

Mahindra Industrial Park Chennai Limited (MIPCL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of section 177 of Companies Act, 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee.

3. Definitions

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/Act.]

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.
- d. "Employee" means every employee of the Company (whether working in India or abroad), including

the Directors in the whole time employment of the Company.

- e. "Investigators" means those persons authorised, appointed, consulted or approached by the Audit Committee and the Police.
- f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.
- g. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. Scope

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

5. Eligibility

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Procedure

- a. All Protected Disclosures should be addressed to the Audit Committee.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Audit Committee member, the same should be forwarded to the Audit Committee for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.
- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).

- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

- a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Audit Committee who would investigate/oversee the investigations.
- b. The Audit Committee may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation.

- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.
- c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower(s) may report any violation of the above Clause to the Audit Committee who shall investigate into the same and advise suitable action to the Management.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Audit Committee, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

If an investigation leads the Audit Committee to conclude that an illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed, the Audit Committee shall advise to the Management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit.

12. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a regular basis.

13. Retention of documents

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of seven year.

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/Directors unless the same is notified to the Employees/Director.

ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016:**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	Not Applicable
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Not Applicable
(iii)	the capital investment on energy conservation equipments	:	Not Applicable

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not Applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not Applicable
(iv)	the expenditure incurred on Research and Development	:	Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, an amount equivalent to Rs. 770,000,000 (Rupees Seventy Seven Crore) was received from M/s Sumitomo Corporation, Japan towards subscription of equity shares of the Company.

For and on behalf of the Board,

Sd/-

Anita Arjundas
Chairperson
DIN : 00243215

Place : Mumbai
Date : 13th April, 2016

ANNEXURE 7 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2016

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

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U45209TN2014PLC098543
2.	Registration Date	22 nd December, 2014
3.	Name of the Company	Mahindra Industrial Park Chennai Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No. 17/18 Patullos Road, Chennai 600 002 Tel. No.: 044-64522294 Fax No.: 044-28584713
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Builders – Property Developers	0403	The co. is yet to commence its operations.

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/Associate of the Company	% of shares held	Applicable Section
1.	Mahindra World City Developers Limited Address: Mahindra Towers, Ground Floor, No.17/18 Patullos Road, Chennai 600 002	U92490TN1997PLC037551	Holding	60	2(46)
2.	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Intermediate Holding Company	NIL	2(46)
3.	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding co.	NIL	2(46)

4. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**(i) Category-wise Share Holding.**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	Change during the year
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
c) State Govt(s)									
d) Bodies Corp*	–	50,000	50,000	100	–	102,000,000	102,000,000	60	99.95%
e) Banks/FI									
f) Any Other....									
Sub-total A(1):-	–	50,000	50,000	100	–	102,000,000	102,000,000	60	100%
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corp.	–	–	–	–	–				
d) Banks/FI									
e) Any Other....									
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)*	–	50,000	50,000	100	–	102,000,000	102,000,000	60	99.95%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas						68,000,000	68,000,000	40	100
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (Non Resident Individuals)									
d) Others Trust									
Sub-total (B)(2):-	–	–	–	–	–	68,000,000	68,000,000	40	100
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	–	–	–	–	170,000,000	170,000,000	100%	99.75%

Note: * Including Nominees

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
Body Corporate – Mahindra World City Developers Limited	50,000	100	Nil	102,000,000	60	Nil	99.95%

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50,000	100	50000	100
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	101,950,000	59.97	102,000,000	60
	At the end of the year	102,000,000	60	102,000,000	60

Note: 60:40

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
We can include Sumitomo here. If yes, please insert table

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 31 st March, 2015		Cumulative Shareholding during the year 31 st March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	NIL	NIL	NIL	NA
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	68,000,000	40	68,000,000	40
	At the end of the year	68,000,000	40	68,000,000	40

(v) Shareholding of Directors and Key Managerial Personnel:

SN	For each of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anita Arjundas – Director				
	At the beginning of the year	1*	0.002	1	0.002
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	–	–	–	–
	At the end of the year	1*	0.000	1	0.000
2.	Sangeeta Prasad – Director				
	At the beginning of the year	1*	0.002	1	0.002
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	–	–	–	–
	At the end of the year	1*	0.000	1	0.000

Note: * Held as nominee of the holding company Mahindra World City Developers Ltd as on 31st March, 2016.

5. INDEBTNESS

(Rs. in Crores)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	0	NIL	0
ii) Interest due but not paid	0	0	NIL	0
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	0	0	NIL	0

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
Change in Indebtedness during the financial year				
• Addition	31.50	26.14	NIL	57.64
• Reduction	0	26.14	NIL	26.14
Net Change	31.50	0	0	31.50
Indebtedness at the end of the financial year				
i) Principal Amount	31.50	0	NIL	31.50
ii) Interest due but not paid	0	0	NIL	0
iii) Interest accrued but not due	0	0	NIL	0
Total (i+ii+iii)	31.50	0	NIL	31.50

6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:** Not Applicable**B. Remuneration of other directors:** NIL**C. Remuneration to Key Managerial Personnel (KMP) other than MD/MANAGER/WTD:** NIL**7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any (give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. Directors					
Penalty	None				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board

Sd/-
Anita Arjundas
Chairperson
DIN: 243215

Mumbai, 13th April, 2016

INDEPENDENT AUDITOR'S REPORT

To The Members Of Mahindra Industrial Park Chennai Limited Report on the Financial Statements

We have audited the accompanying financial statements of **Mahindra Industrial Park Chennai Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of

material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company did not have any pending litigation which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Dated : 13th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Mahindra Industrial Park Chennai Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm’s Registration No. 117366W/W-100018

Geetha Suryanarayanan

Partner

Membership No. 29519

Place: Chennai

Date: 13th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March, 2016 on account of disputes
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm’s Registration No. 117366W/W-100018

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 13th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital.....	3	1,700,000,000	500,000
Reserves and surplus.....	4	76,588,477	(109,608)
		<u>1,776,588,477</u>	<u>390,392</u>
Non-current liabilities			
(a) Long-term borrowings.....	5	315,000,000	—
		<u>315,000,000</u>	<u>—</u>
Current liabilities			
(a) Trade Payables.....	6		
(A) Total outstanding dues of micro enterprises and small enterprises.....		—	—
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises.....		258,919,420	109,608
(b) Other current liabilities.....	7	1,953,488	—
		<u>260,872,908</u>	<u>109,608</u>
TOTAL.....		<u>2,352,461,385</u>	<u>500,000</u>
ASSETS			
Current assets			
(a) Inventories	8	2,344,210,904	—
(b) Cash and cash equivalents	9	4,844,532	500,000
(c) Short term loans and advances	10	3,405,949	—
		<u>2,352,461,385</u>	<u>500,000</u>
TOTAL.....		<u>2,352,461,385</u>	<u>500,000</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLPChartered Accountants
Firm's Registration No. 117366W/W-100018**Anita Arjundas**
Chairperson
(DIN: 00243215)**Sangeeta Prasad**
Director
(DIN: 02791944)**Geetha Suryanarayanan**
Partner
Membership No. 29519**S. Chandru**
Director
(DIN: 00243025)**Rajagopalan Santhanam**
Director
(DIN: 00237740)**Chandrasekar Siddarth**
Chief Financial OfficerPlace : Chennai
Date : 13th April, 2016Place : Mumbai
Date : 13th April, 2016

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended	For the period from
		31 st March, 2016	22 nd December, 2014 to 31 st March, 2015
		₹	₹
Revenue from operations		—	—
Total revenue		—	—
Expenses			
Cost of land and project development.....		2,326,251,301	—
Changes in inventories	11	(2,344,210,904)	—
Finance cost	12	17,959,603	—
Other expenses	13	13,301,915	109,608
Total expenses		13,301,915	109,608
Loss before tax		(13,301,915)	(109,608)
Tax expenses		—	—
Loss for the year/period		(13,301,915)	(109,608)
Basic earnings per share – Not annualised (# Previous period Not annualised)		(0.33)	(2.19)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants
Firm's Registration No. 117366W/W-100018

Geetha Suryanarayanan

Partner
Membership No. 29519

Anita Arjundas

Chairperson
(DIN: 00243215)

S. Chandru

Director
(DIN: 00243025)

Chandrasekar Siddarth

Chief Financial Officer

For and on behalf of the Board of Directors**Sangeeta Prasad**

Director
(DIN: 02791944)

Rajagopalan Santhanam

Director
(DIN: 00237740)

Place : Chennai

Date : 13th April, 2016

Place : Mumbai

Date : 13th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended	For the period from
	31 st March, 2016	22 nd December, 2014 to
	₹	31 st March, 2015
		₹
A. Cash flow from operating activities		
Net Profit before tax.....	(13,301,915)	(109,608)
<u>Adjustments for:</u>		
ROC filing fee	12,860,000	—
Operating loss before working capital changes	(441,915)	(109,608)
<u>Changes in working capital:</u>		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(1,324,710,904)	—
Short term loans and advances	(3,405,949)	—
	(1,328,116,853)	—
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables.....	258,809,812	109,608
Other long-term liabilities.....	1,953,488	—
	260,763,300	109,608
Cash generated from operations.....	(1,067,795,468)	—
Net cash (used in) operating activities (A)	(1,067,795,468)	—
B. Cash flow from financing activities		
Proceeds from the issue of Equity share capital including premium.....	770,000,000	500,000
ROC filing fee paid for increase in share capital.....	(12,860,000)	—
Proceeds from long term borrowings	315,000,000	—
Net cash from financing activities (B)	1,072,140,000	500,000
Net increase/(decrease) in Cash and cash equivalents (A+B)	4,344,532	500,000
Cash and cash equivalents at the beginning of the year.....	500,000	—
Cash and cash equivalents at the end of the year.....	4,844,532	500,000

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLPChartered Accountants
Firm's Registration No. 117366W/W-100018**Geetha Suryanarayanan**Partner
Membership No. 29519**Anita Arjundas**Chairperson
(DIN: 00243215)**S. Chandru**Director
(DIN: 00243025)**Chandrasekar Siddarth**

Chief Financial Officer

For and on behalf of the Board of Directors**Sangeeta Prasad**Director
(DIN: 02791944)**Rajagopalan Santhanam**Director
(DIN: 00237740)

Place : Chennai

Date : 13th April, 2016

Place : Mumbai

Date : 13th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note Particulars

1 Corporate information

The Company was incorporated on 22nd December, 2014 by Mahindra World City Developers Ltd (MWCDL) as a public limited company for carrying on the business of acquiring, development and maintenance of industrial parks for industrial, residential and commercial use. During the year, MWCDL entered into a Joint Venture Agreement (JVA) with Sumitomo Corporation, Japan and consequently, the operations of the Company will be managed by the joint venturers as per the terms agreed therein.

2 Significant accounting policies

Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.1 Inventories

Inventories are valued at lower of cost and net realisable value. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.2 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.5 Segment reporting

The Company has a single reportable segment namely, lease of land for properties to be constructed thereon.

2.6 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.7 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

Note 3 Share capital

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	170,000,000	1,700,000,000	50,000	500,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights (Refer Note 3.4 Below)....	170,000,000	1,700,000,000	50,000	500,000
Total	170,000,000	1,700,000,000	50,000	500,000

3.1. Reconciliation of number of shares

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
Equity Shares				
Balance as at the beginning of the year	50,000	500,000	—	—
Add : Shares issued during the year	169,950,000	1,699,500,000	50,000	500,000
Balance as at the end of the year	170,000,000	1,700,000,000	50,000	500,000

3.2. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	Equity shares with voting rights (in Nos.)	Equity shares with voting rights (in Nos.)
Mahindra World City Developers Limited, the holding company	102,000,000	50,000

3.3. Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
- Mahindra World City Developers Limited *	102,000,000	60.00%	50,000	100.00%
- Sumitomo Corporation, Japan	68,000,000	40.00%	—	0.00%
	170,000,000	100.00%	50,000	100.00%

* Shares issued during the year was for consideration other than cash

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

3.4 Terms/rights attached to Equity Shares

- The Company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.
- The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.
- Repayment of capital will be in proportion to the number of equity shares held.

Note 4 Reserves and surplus

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
a. Securities Premium account (Refer Note below)	90,000,000	—
	90,000,000	
b. (Deficit) in statement of profit and loss		
Opening balance	(109,608)	—
Loss for the year	(13,301,915)	(109,608)
Closing balance	(13,411,523)	(109,608)
Total (a + b)	76,588,477	(109,608)

Note : During the year the Company issued 68,000,000 equity shares @premium of ₹ 1.323 per share.

Note 5 Long-term borrowings

Term loans (Secured)		
from HDFC Limited	315,000,000	—
Total	315,000,000	—

- Term loan carries an interest of HDFC CPLR - 680 points. Principal to be repaid in 16 equal quarterly instalments, commencing from March 2019, after a moratorium of 36 months. Current rate of interest is 10.85%.
- Term loans are secured by equitable Mortgage by deposit of title deeds of 231 acres of land.

Note 6 Trade payables

Trade payables		
- MWCDL	258,581,920	—
- Others	337,500	109,608
Total	258,919,420	109,608

Note 7 Other current liabilities

Tax Deducted at Source	1,953,488	—
Total	1,953,488	—

Note 8 Inventories (at lower of cost and net realisable value)

Work-in-progress (representing cost of land and related expenditure including interest)	2,344,210,904	—
Total	2,344,210,904	—

Note 9 Cash and cash equivalents

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Balances with bank in current account	4,844,532	500,000
Total	4,844,532	500,000

Note 10 Short-term loans and advances

Balances with government authorities - service tax input credit	3,405,949	—
Total	3,405,949	—

Note 11 Changes in inventories

Particulars	For the year ended 31 st March, 2016 ₹	For the period from 22 nd December, 2014 to 31 st March, 2015 ₹
Inventories at the end of the year:		
Work-in-progress	2,344,210,904	—
	2,344,210,904	—
Inventories at the beginning of the year:		
Work-in-progress	—	—
	—	—
Net (increase)/decrease	(2,344,210,904)	—

Note 12 Finance cost

(i) Interest on Term loan from HDFC Limited	1,663,371	—
(ii) Interest others – Mahindra World City Developers Limited	8,758,732	—
(iii) Other Borrowing cost	7,537,500	—
Total	17,959,603	—

Note 13 Other expenses

Professional fees	70,350	—
ROC Filing Fees	12,906,462	59,608
Bank charges	103	—
Remuneration to auditors	325,000	50,000
Total	13,301,915	109,608
(i) Remuneration to the auditors comprises Statutory audit	325,000	50,000
Total	325,000	50,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 14 Disclosures under Accounting Standards

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
14.1 Details of borrowing costs inventorised		
Borrowing costs inventorised during the year.....	17,959,603	—
14.2 Contingent liabilities and commitments	Nil	Nil
14.3 Dues to Micro and Small Enterprises	Nil	Nil

Note Particulars

14.4 Related party transactions

14.4.a Details of related parties:

Description of relationship

Ultimate Holding Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra World City Developers Limited
Fellow Subsidiaries	Mahindra Consulting Engineers Limited
Key Management Personnel (KMP)	Mr. Chandrasekar Siddarth, Chief Financial Officer - From 11th February 2016
Joint Venturer (by virtue of Joint Venture Agreement between Mahindra World City Developers Limited and Sumitomo Corporation, Japan) with effect from 13 th January 2016	Sumitomo Corporation, Japan

Note: Related parties have been identified by the Management and relied upon by the auditors.

Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:

Note	Particulars	Sumitomo Corporation, Japan	Mahindra World City Developers Limited	Fellow Subsidiaries
14.4.b				
	Transactions during the year			
	Share capital issued (including premium)	770,000,000	1,019,500,000	
	Purchase of land		2,104,667,000	
	Interest on receivables		8,758,732	
	Professional Charges paid - Mahindra Consulting Engineers Limited		1,649,184	4,530,246
	Reimbursement of Expenses paid		11,283,775	
	Balance Outstanding as at the year end			
	Payables		258,581,920	

Previous years figures – Nil

Managerial Remuneration and payment to KMP is ₹ Nil.

Note 14.5 Earnings per share

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Basic		
Net loss for the year/period attributable to the equity shareholders (₹)	(13,301,915)	(109,608)
Weighted average number of equity shares (Nos.)	40,744,110	500,000
Par value per share (₹)	10	10
Earnings per share – Basic (₹)	(0.33)	(2.19)

Note 15 Previous year figures

Previous period figures are for a period of 3 months and 10 days and hence are not comparable with those of the current period of 12 months.

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP

Chartered Accountants
Firm's Registration No. 117366W/W-100018

Geetha Suryanarayanan

Partner
Membership No. 29519

Anita Arjundas

Chairperson
(DIN: 00243215)

S. Chandru

Director
(DIN: 00243025)

Chandrasekar Siddarth

Chief Financial Officer

Sangeeta Prasad

Director
(DIN: 02791944)

Rajagopalan Santhanam

Director
(DIN: 00237740)

Place : Chennai

Date : 13th April, 2016

Place : Mumbai

Date : 13th April, 2016

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Fifteenth Report together with the financials statements of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS*

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Income	422,983	6,78,900
(Loss) before Depreciation and Taxation	(10,05,734)	(1,55,71,062)
Less: Depreciation	1260	1,260
(Loss) before Taxation	(10,06,994)	(1,55,72,322)
Less: Provision for Taxation		
Current Tax	–	–
(Excess) provision for tax relating to prior years	–	–
Deferred Tax	(382)	(54,37,141)
(Loss) after Taxation	(10,06,612)	(16,01,35,181)
(Loss) brought forward from previous year	(16,07,31,204)	(5,96,023)
Balance carried to Balance Sheet	(16,17,37,816)	(16,07,31,204)
Net Worth	182.62	192.68

* Refer Note. 21 of the financial statements as the figures above include the figures from discontinuing operations.

No material changes and commitments have occurred after the closure of the year under review till the date of this report which would affect the financial position of the Company.

OPERATIONS

During the year under review, your Company's income has decreased to ₹ 4.22 Lakhs as compared to ₹ 6.78 Lakhs in the previous year.

Your Company is looking out for other lines of business opportunities in future.

DIVIDEND

In view of the losses, your Directors do not recommend dividend for the year under review.

RESERVES

The Company does not propose to transfer any amount to reserves.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ Eighteen Crores divided into Eighteen Equity Shares of ₹ 10/- each. During the year under review the Company has not issued any shares or any convertible instruments.

JOINT VENTURE/ASSOCIATE/SUBSIDIARY COMPANY

Pursuant to the Share Purchase Agreement dated 29th April, 2015, your Company has purchased 48,999 Equity Shares of ₹ 10/- each of Mahindra Water Utilities Limited ("the said Company"). Accordingly, the said Company has become the subsidiary Company of your Company with effect from 27th July, 2015.

A report on the performance and financial position of the subsidiary, associate and joint venture companies is provided in Form AOC-1 which forms part of this Annual report.

BOARD OF DIRECTORS

Presently the Board comprises of the following Directors:

Sr. No.	Director (DIN)	Designation	Executive/Non-Executive Director	Independent/Non Independent Director
1.	Ms. Anita Arjundas (DIN: 00243215)	Director	Non-Executive Director	Non Independent Director
2.	Mr. Vijay Khetan (DIN: 00465161)	Director	Non-Executive Director	Independent Director
3.	Mr. Jayant Manmadkar (DIN: 03044559)	Director	Non-Executive Director	Non Independent Director
4.	Mr. Sanjay Jain (DIN: 06446899)	Director	Non-Executive Director	Independent Director

During the year under review, Mr. S. Venkatraman (DIN: 00077193) resigned from the Board with effect from 30th September, 2015. The Board places on record its sincere appreciation for the valuable services rendered by Mr. S. Venkatraman during his tenure as Director of the Company.

With the recommendation of Nomination and Remuneration Committee, Mr. Jayant Manmadkar (DIN: 03044559) was appointed as an Additional Director of the Company with effect from 24th October, 2015 to hold office upto the ensuing Annual General Meeting. The Company has received notice pursuant to Section 160 of Companies Act, 2013 proposing the candidature of Mr. Jayant Manmadkar as a Director at the forthcoming Annual General Meeting.

Ms. Anita Arjundas (DIN: 00243215) retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer herself for re-appointment at the forthcoming Annual General Meeting.

Mr. Vijay Khetan (DIN: 00465161) and Mr. Sanjay Jain (DIN: 06446899), Independent Directors of your Company have furnished declarations that they meet the criteria of independence as provided under Section 149 of the Companies Act, 2013.

MEETINGS

The Board of Directors met four times during the year under review viz., on 27th April, 2015, 23rd July, 2015, 21st October, 2015 and 19th January, 2016.

The attendance of the Directors at the meetings of the Board was as follows:

Name of Director	Number of Board Meetings Attended
Ms. Anita Arjundas	4
Mr. Vijay Khetan	4
Mr. Jayant Manmadkar	1
Mr. Sanjay Jain	3
Mr. S. Venkatraman*	2

* Mr. S. Venkatraman resigned from the Company with effect from 30th September, 2015.

The Annual General Meeting of the Company was held on 30th July, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors based on the representation received from the Operating Management and after due enquiry, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the loss of the Company for the financial year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis; and
- that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EVALUATION OF PERFORMANCE OF DIRECTORS

The Nomination and Remuneration Committee carried out an evaluation of the overall performance of each Director covering various aspects such as performance, attendance etc.

The Board of Directors of the Company also carried out an annual evaluation of overall performance of the Independent Directors.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once during the year without the presence of the Non-Independent Directors or Chief Executive Officer or Chief Financial Officer or any other Management Personnel. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

CODES OF CONDUCT

Your Company has in place Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos.

Your Company has for the year under review, received declarations under the Codes from the Directors, Senior Management Personnel and Employees affirming compliance with the respective Codes.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Jayant Manmadkar (DIN: 03044559), Mr. Vijay Khetan (DIN: 00465161) & Mr. Sanjay Jain (DIN: 06446899) as its Members.

Pursuant to Section 177 of Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, the Audit Committee was re-constituted on 24th October, 2015 with the induction of Mr. Jayant Manmadkar and resignation of Mr. S. Venkatraman as Member of the Committee.

The Audit Committee met three times during the year under review viz., on 27th April, 2015, 23rd July, 2015 and 21st October, 2015.

The attendance at the meetings of the Audit Committee was as follows:

Name of Director	Number of Meetings Attended
Mr. Jayant Manmadkar#	0
Mr. Sanjay Jain	2
Mr. Vijay Khetan	3
Mr. S. Venkatraman*	2

Appointed with effect from 24th October, 2015

* Mr. S. Venkatraman resigned from the Company with effect from 30th September, 2015.

NOMINATION AND REMUNERATION COMMITTEE

Your Company has constituted a Nomination and Remuneration Committee and have adopted the terms of reference pursuant to provisions of Section 178 of Companies Act, 2013. The Nomination and Remuneration Committee comprises of Mr. Vijay Khetan (DIN: 00465161) (Chairman), Mr. Sanjay Jain (DIN: 06446899) and Ms. Anita Arjundas (DIN: 00243215) as its Members. The Nomination and Remuneration Committee carried out an evaluation of the performance of individual directors through a structured questionnaire process covering various aspects such as skills, performance, attendance, knowledge etc.

The Nomination and Remuneration Committee met twice during the year under review viz., on 27th April, 2015 and 21st October, 2015.

The attendance at the meetings of the Nomination and Remuneration Committee was as follows:

Name of Director	Number of Meetings Attended
Mr. Vijay Khetan	2
Mr. Sanjay Jain	2
Ms. Anita Arjundas	2

RISK MANAGEMENT POLICY

Your Company has formulated a Risk Management Policy including identification therein of the elements of risk which in the opinion of Board may threaten the existence of the Company. Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

Implementation of the risk Management Policy is expected to be helpful in managing the risks associated with the business of the Company.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES AND CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

In line with the principles of transparency and consistency and upon recommendation of the Nomination and Remuneration Committee, your Board has approved:

- Policy on the appointment/removal of directors and senior management personnel, together with the criteria for determining qualifications, positive attributes and independence of directors.
- Policy on the remuneration of directors, key managerial personnel and other employees.

These policies are provided as **Annexure I** and forms part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions relating to CSR enumerated under Section 135 of the Companies Act, 2013 are not applicable to your Company

and accordingly, your Company is not required to have a CSR policy.

KEY MANAGERIAL PERSONNEL

Pursuant to provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the KMP of your Company consists of Mr. Santosh Gupta as Chief Executive Officer, Ms. Simly Venu as Chief Financial Officer and Ms. Kinjal Vyas as Company Secretary.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai (Firm Registration Number: 117365W) retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting (AGM).

As required by the provisions of Section 139 read with Section 141 of the Companies Act, 2013, your Company has received a written consent and certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai to the effect that their reappointment, if made, would be in conformity with the conditions and criteria specified in the said sections.

The members are requested to appoint Auditors to hold office from the conclusion of forthcoming AGM till the conclusion of next AGM and fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013 details of which needs to be mentioned in this report.

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 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished as **Annexure II** and forms part of this Report.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V, applicable to the ultimate parent company Mahindra and Mahindra Limited.

The particulars of loans given, Investments made and Guarantees and securities provided are given under notes to financial statements and same form part of this Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All transactions with Related Parties during the year under review were in the Ordinary Course of Business and on Arm's Length basis.

Particulars of material contracts or arrangements or transactions with related parties referred to under Sub-section (1) of Section 188 of the Companies Act, 2013 are furnished in Form AOC 2 as **Annexure III** and the same forms part of this Report.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form **MGT 9** is provided as **Annexure IV** which forms part of this Report.

INTERNAL CONTROLS

Your Company has an adequate system of internal controls and monitoring procedures as well as adequate internal financial controls on financial statements commensurate with the size and the nature of its business. Besides the Company regularly conducts reviews to assess the adequacy of financial and operating controls for various businesses of the Company. Significant issues, if any, are brought to the attention of the Audit Committee.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied with by your Company.

SUSTAINABILITY

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ events on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
3. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
5. There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.
6. Since your Company is not a listed company the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank all the stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 25th April, 2016

ANNEXURE I TO THE DIRECTORS' REPORT

POLICY ON APPOINTMENT/REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I. APPOINTMENT OF DIRECTORS

- The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed:
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

POLICY ON THE REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

a. Policy for Remuneration of the Directors

Purpose

This Policy sets out the approach to Compensation of Directors in Mahindra Infrastructure Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

b. Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.

- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 25th April, 2016

ANNEXURE II TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy:

The Operations of your Company are not energy-intensive. However, adequate measures have been taken to reduce energy consumption.

- (ii) The steps taken by the company for utilizing alternate sources of energy:
Not Applicable

- (iii) The capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- (i) The efforts made towards technology absorption: None

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year: Not Applicable

- (iv) The expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo

- (i) The Foreign Exchange earned in terms of actual inflows during the year: Nil

- (ii) The Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 25th April, 2016

ANNEXURE III TO THE DIRECTORS' REPORT**FORM NO. AOC.2**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

(Pursuant to clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at **arm's length basis**:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any.	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra Consulting Engineers Limited	Sale of fertilizers	Event based	42,000/-	Not Applicable	—
2.	Mahindra and Mahindra Limited (Ultimate Holding Company)	Services availed	01.04.2015 to 31.03.2016	1,59,616/-	Not Applicable	—

Note: for the purpose of materiality, the following criteria have been considered.

- 10% of turnover of the Company or ₹ One hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials.
- 10% of net worth of the Company or ₹ One hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind.
- 10% of the net worth of the Company or 10% of turnover of the Company or ₹ One hundred crore, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for leasing of property of any kind.
- 10% of turnover of the Company or ₹ Fifty crores, whichever is lower is considered as material for the purpose of disclosure in respect of Contracts/transactions/arrangements for rendering of services.

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 25th April, 2016

ANNEXURE IV TO THE DIRECTORS' REPORT**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U45201MH2001PLC131942
ii)	Registration Date	10/05/2001
iii)	Name of the Company	MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED
iv)	Category/Sub-Category of the Company	Company Limited By Shares (Indian Non-Government Company)
v)	Address of the Registered office and contact details	Mahindra Towers, Worli Mumbai - 400 018, Maharashtra, India Tel: +91 22-24905633 Fax: +91 22-24900833
vi)	Whether listed Company (Yes/No)	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main product/services	NIC Code of the Product/service	% to total turnover of the company
1	—	—	—

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Mahindra Lifespace Developers Limited. Mahindra Towers, 5 th Floor, Worli, Mumbai - 400 018.	L45200MH1999PLC118949	Holding Company	100%	2(46)
2	Mahindra and Mahindra Ltd. Gateway Building, Apollo Bunder, Mumbai 400 001	L65990MH1945PLC004558	Ultimate Holding Company	—	2(46)
3	Mahindra Water Utilities Limited.* Gateway Building, Apollo Bunder, Mumbai 400 001	U45205MH1999PLC121235	Subsidiary	99%	2(87)
4	Mahindra Inframan Water Utilities Private Limited. Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018.	U90000MH2004PTC144079	Associate	50%	2(6)

* Subsidiary Company with effect from 27th July, 2015**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt.	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	1,80,00,000*	1,80,00,000*	100%	–	1,80,00,000*	1,80,00,000*	100%	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other...	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	1,80,00,000*	1,80,00,000*	100%	–	1,80,00,000*	1,80,00,000*	100%	–
(2) Foreign									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	1,80,00,000	1,80,00,000	100%	–	1,80,00,000	1,80,00,000	100%	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	1,80,00,000	1,80,00,000	100%	–	1,80,00,000	1,80,00,000	100%	–

* Includes 6 shares held by nominees of Mahindra Lifespace Developers Limited jointly with Mahindra Lifespace Developers Limited.

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Lifespace Developers Limited	1,79,99,994	100%	—	1,79,99,994	100%	—	0%
2.	Mahindra Lifespace Developers Limited jointly with Mr. Roshan Gandhi**	1	0%	—	1	0%	—	0%
3.	Mahindra Lifespace Developers Limited jointly with Mr. Ulhas Bhosale**	1	0%	—	1	0%	—	0%
4.	Mahindra Lifespace Developers Limited jointly with Mr. Suhas Kulkarni **	1	0%	—	1	0%	—	0%
5.	Mahindra Lifespace Developers Limited jointly with Mr. Basant Jain **	1	0%	—	1	0%	—	0%
6.	Mahindra Lifespace Developers Limited jointly with Ms. Anita Arjundas **	1	0%	—	1	0%	—	0%
7.	Mahindra Lifespace Developers Limited jointly with Mr. Narayan Shankar **	1	0%	—	1	0%	—	0%
	Total	1,80,00,000	100%	—	1,80,00,000	100%	—	0%

** Jointly held with Mahindra Lifespace Developers Limited to comply with the statutory provisions of Companies Act with regard to minimum number of members.

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	1,80,00,000	100%	1,80,00,000	100%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change	—	No Change	—
	At the end of the year	1,80,00,000	100%	1,80,00,000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	Not Applicable				

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year				
1	Ms. Anita Arjundas ***	1	0%	1	0%
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	No Change			
	At the end of the year	1	0%	1	0%

*** Shares held as nominee of Mahindra Lifespace Developers Limited jointly with Mahindra Lifespace Developers Limited.

V. INDEBTEDNESS:

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

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: Not Applicable

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
	Gross Salary		
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	– As % of Profit	Nil	Nil
	– Others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act	–	–

B. Remuneration of other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Mr. Jayant Manmadkar (w.ef. 24 th October 2015)	Total Amount
		Mr. Sundaram Venkatraman (upto 30 th September, 2015)	Ms. Anita Arjundas	Mr. Vijay Khetan	Mr. Sanjay Jain		
1.	Independent Directors						
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil	Nil
2.	Other Non-Executive Directors						
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total B = (1+2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil
	Ceiling as per the Act	–					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Executive Officer	Company Secretary	Chief Financial Officer	
		Mr. Santosh Gupta	Ms. Kinjal Vyas	Ms. Simly Venu	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	– As % of Profit	Nil	Nil	Nil	Nil
	– Others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	3,00,000	Nil	3,00,000
	Total	–	3,00,000	–	3,00,000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
B. DIRECTORS					
Penalty	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

For and on behalf of the Board

Anita Arjundas
Chairperson

Mumbai, 25th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit

also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government in terms of Section 143(11) of the Act, we

give in Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the the CARO 2016 Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 117365W

Place: Mumbai
Date: 25th April, 2016

Uday M. Neogi
Partner
Membership No. 30235

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
Firm’s Registration No. 117365W

Uday M. Neogi

Partner

Place: Mumbai

Date: 25th April, 2016

Membership No. 30235

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHINDRA INFRASTRUCTURE DEVELOPERS LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a program of verification of fixed assets once in every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. The last physical verification was carried out in March, 2015, accordingly no physical verification of fixed assets was carried out by the Management during the year.
- (c) According to the information and explanations given to us and the records examined by us, we report that the building has been constructed by the Company on the leasehold land pursuant to the lease agreement dated 17th January, 2003 between Tirumala Tirupati Devasthanams and the Company, where the Company is the lessee in the agreement, however the book value of the building as at 31st March, 2016 is Rs. Nil, refer Note 21 to the financial statements.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted any loans or provided guarantees and security under Sections 185 and 186 of the Companies Act, 2013.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business/activities, reporting under clause (vi) of the CARO 2016 Order is not applicable.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) According to the records of the Company, there are no dues of Income-tax, Sales Tax, Service Tax, Duty

of Customs, Duty of Excise, Value Added Tax which have not been deposited as at 31st March, 2016 on account of any dispute.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and Government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, there is no amount payable as a managerial remuneration under the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
Firm's Registration No. 117365W

Uday M. Neogi
Partner

Place: Mumbai
Date: 25th April, 2016

Membership No. 30235

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 st March, 2016		As at 31 st March, 2015	
		₹	₹	₹	₹
A EQUITY AND LIABILITIES					
1 Shareholders' funds:					
(a) Share capital	3	18,00,00,000		18,00,00,000	
(b) Reserves and surplus	4	(16,17,37,816)		(16,07,31,204)	
			1,82,62,184		1,92,68,796
2 Non-current liabilities:					
(a) Deferred tax liabilities	20		624		1,006
3 Current liabilities:					
(a) Trade payables					
(A) total outstanding dues of micro and small enterprises	17	–		–	
(B) total outstanding dues of payables other than micro and small enterprises		1,20,75,833		1,18,66,810	
(b) Other current liabilities	5	7,38,143		10,80,987	
			1,28,13,976		1,29,47,797
TOTAL			3,10,76,784		3,22,17,599
B ASSETS					
1 Non-current assets:					
(a) Fixed assets					
Tangible assets	6	2,031		3,291	
(b) Non-current investments	7	7,98,989		7,49,990	
(c) Long-term loans and advances	8	24,58,481		24,20,381	
			32,59,501		31,73,662
2 Current assets:					
(a) Inventories	9	–		3,71,004	
(b) Trade receivables	10	2,21,13,421		2,21,13,421	
(c) Cash and cash equivalents	11	48,09,768		55,20,794	
(d) Short-term loans and advances ...	8	8,04,216		8,04,508	
(e) Other current assets	12	89,878		2,34,210	
			2,78,17,283		2,90,43,937
TOTAL			3,10,76,784		3,22,17,599

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants
Firm's Registration No. 117365W

Uday M. Neogi

Partner

Membership No. 30235

Kinjal Vyas

Company Secretary

ACS: 35527

Place: Mumbai

Date: 25th April, 2016

Santosh J. Gupta

Chief Executive Officer

Simly Venu

Chief Financial Officer

Place: Mumbai

Date: 25th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas

Chairman (DIN: 00243215)

Mr. Vijay Khetan

Director (DIN: 00465161)

Mr. Sanjay Jain

Director (DIN: 06446899)

Place: Mumbai

Date: 25th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
A CONTINUING OPERATIONS:			
1 Revenue from operations (gross).....		—	—
Less: Excise duty		—	—
Revenue from operations (net).....		—	—
2 Other income.....	13	3,80,983	4,92,839
3 Total revenue (1+2)		3,80,983	4,92,839
4 EXPENSES			
(a) Employee benefits expense	14	—	10,56,943
(b) Depreciation expense	6	1,260	1,260
(c) Other expenses.....	15	9,64,894	12,52,285
Total expenses		9,66,154	23,10,488
5 Loss before exceptional item and taxation (3-4)		(5,85,171)	(18,17,649)
6 EXCEPTIONAL ITEM:			
Diminution in the value of long-term investment.....	23	—	15,00,00,000
7 Loss before taxation (5-6).....		(5,85,171)	(15,18,17,649)
8 Tax expense:			
(a) Current tax		—	—
(c) Deferred tax.....	21	(382)	(373)
		(382)	(373)
9 Loss from continuing operations (7-8).....		(5,84,789)	(15,18,17,276)
B DISCONTINUING OPERATIONS:			
10 (i) Loss from discontinuing operations (before tax)	21	(4,21,823)	(1,37,54,673)
(ii) Tax expense of discontinuing operations - deferred tax....	21	—	(54,36,768)
11 Loss from discontinuing operations [10(i)-10(ii)]		(4,21,823)	(83,17,905)
C TOTAL OPERATIONS			
12 Loss for the year (9+11)		(10,06,612)	(16,01,35,181)
13 Earnings per share (of ₹ 10 each)	19		
Basic/diluted:			
(i) Continuing operations.....		(0.0325)	(8.4343)
(ii) Total operations.....		(0.0559)	(8.8964)

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants
Firm's Registration No. 117365W

Uday M. Neogi

Partner

Membership No. 30235

Kinjal Vyas

Company Secretary

ACS: 35527

Place: Mumbai

Date: 25th April, 2016

Santosh J. Gupta

Chief Executive Officer

Simly Venu

Chief Financial Officer

Place: Mumbai

Date: 25th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas

Mr. Vijay Khetan

Mr. Sanjay Jain

Chairman (DIN: 00243215)

Director (DIN: 00465161)

Director (DIN: 06446899)

Place: Mumbai

Date: 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
A Cash flow from operating activities:		
Net loss before taxation.....	(5,85,171)	(15,18,17,649)
Adjustments to reconcile net loss to net cash flow from operating activities:.....		
Depreciation expense.....	1,260	1,260
Provision for diminution in the value of investments.....	–	15,00,00,000
Sundry balances written off.....	–	1,10,417
Interest income.....	(3,80,983)	(4,92,839)
Operating loss from continuing operations before working capital changes Changes in	(9,64,894)	(21,98,811)
Trade and other payables.....	(1,23,674)	13,14,937
Cash generated from continuing operations.....	(10,88,568)	(8,83,874)
Income taxes (paid).....	(38,100)	(49,760)
Net cash flow used in continuing operations.....	(11,26,668)	(9,33,634)
Net cash flow used in discontinued operations.....	(60,674)	(1,08,445)
Net cash flow used in operating activities.....	(11,87,342)	(10,42,079)
B Cash flow from investing activities:		
Refund of inter-corporate deposit given.....	–	30,00,000
Interest received.....	5,25,315	3,72,052
Purchase of long-term investments		
Subsidiary.....	(48,999)	–
Net cash flow from continuing operations.....	4,76,316	33,72,052
Net cash flow from discontinued operations.....	–	–
Net cash flow from investing activities.....	4,76,316	33,72,052
C Cash flow from financing activities:		
Net cash flow from continuing operations.....	–	–
Net cash flow from discontinued operations.....	–	–
Net cash flow from financing activities.....	–	–
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(7,11,026)	23,29,973
Cash and cash equivalents at the beginning of the year.....	55,20,794	31,90,821
Cash and cash equivalents at the end of the year.....	48,09,768	55,20,794
Reconciliation of Cash and cash equivalents with Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Note 11).....	48,09,768	55,20,794
Cash and cash equivalents at the end of the year.....	48,09,768	55,20,794
See accompanying notes forming part of the financial statements		

In terms of our report attached

For **Deloitte Haskins & Sells**Chartered Accountants
Firm's Registration No. 117365W**Uday M. Neogi**

Partner

Membership No. 30235

Kinjal Vyas

Company Secretary

ACS: 35527

Place: Mumbai

Date: 25th April, 2016**Santosh J. Gupta**

Chief Executive Officer

Simly Venu

Chief Financial Officer

Place: Mumbai

Date: 25th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas

Chairman (DIN: 00243215)

Mr. Vijay Khetan Director (DIN: 00465161)**Mr. Sanjay Jain** Director (DIN: 06446899)

Place: Mumbai

Date: 25th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1 Corporate Information

Mahindra Infrastructure Developers Limited ("the Company") is a public company incorporated in India on 10th May, 2001 under the provisions of the Companies Act, 1956. The Company is in the business of development of infrastructure projects and infrastructure related services.

Note 2 Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c) Fixed Assets (Tangible)

(i) All Fixed Assets are carried at cost less accumulated depreciation. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying assets upto the date the asset is ready for use.

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

(ii) Depreciation on an asset (other than impaired assets) is calculated on Straight Line Method at the rate 11.31% p.a. which is based on useful life of 9 years determined on the basis of technical evaluation by the Management of the Company and is different from the useful life of 15 years indicated in part C of schedule II to the 2013 Act. (Refer note 21).

d) Impairment of assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

e) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

f) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

g) Investments

Long-term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments.

h) Inventories

Inventories are stated at cost and net realisable value, whichever is lower. Cost is arrived at on first-in first-out basis and includes overheads on absorption basis, where appropriate.

i) Revenue Recognition

Revenue on account of sale of services is recognised under the Completed Service Contract Method to the extent it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend income is recognised in the Statement of Profit and Loss when the right to receive payment is established.

Interest Income is accounted for on time proportion basis.

j) Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation and carry forward of losses and items relating to capital losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

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

k) Segment reporting

The Company has a single reportable segment namely development of infrastructure projects and infrastructure related services for the purpose of Accounting Standard 17 on Segment Reporting.

Note 3 Share capital

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
(b) Issued, subscribed and fully paid-up shares				
Equity shares of ₹ 10 each	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
Notes (i) to (iv) below				

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
Opening balance	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
Add: Issued during the year	—	—	—	—
Closing balance	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000

The company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(ii) Terms/rights attached to equity shares:

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the amount paid up on equity shares held by the shareholders.

(iii) Details of shares held by the holding company:

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
Mahindra Lifespace Developers Limited, the holding company, including 6 shares jointly held with its nominees	1,80,00,000	1,80,00,000

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

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	% holding	Number of shares	% holding
Mahindra Lifespace Developers Limited the holding company, including 6 shares jointly held with its nominees	1,80,00,000	100%	1,80,00,000	100%

Note 4 Reserves and surplus

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deficit in the Statement of Profit and Loss		
Opening balance	(16,07,31,204)	(5,96,023)
Add: Loss for the year.....	(10,06,612)	(16,01,35,181)
Closing balance	(16,17,37,816)	(16,07,31,204)

Note 5 Other current liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
(a) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Service Tax, etc.)	7,38,143	8,80,987
(ii) Deposit refundable (Note 18)*	–	2,00,000
	7,38,143	10,80,987

* Deposit received from Mahindra Lifespace Developers Limited pursuant to Section 160(1) of the 2013 Act.

Note 6 Fixed assets

	Gross Block			Accumulated Depreciation and impairment				Net Block
	Balance as at 1 st April, 2015	Addition	Balance as at 31 st March, 2016	Balance as at 1 st April, 2015	Depreciation expense for the year (Note 21)	Impairment losses (Note 21)	Balance as at 31 st March, 2016	Balance as at 31 st March, 2016
Tangible assets	₹	₹	₹	₹	₹	₹	₹	₹
(a) Building	31,58,995	–	31,58,995	31,58,995	–	–	31,58,995	–
	(31,58,995)	(–)	(31,58,995)	(3,14,363)	(–)	(28,44,632)	(31,58,995)	(–)
(b) Plant and equipment	1,94,82,323	–	1,94,82,323	1,94,79,032	1,260	–	1,94,80,292	2,031
	(1,94,82,323)	(–)	(1,94,82,323)	(25,96,298)	(1,260)	(1,68,81,474)	(1,94,79,032)	(3,291)
(c) Furniture and fixtures	28,189	–	28,189	28,189	–	–	28,189	–
	(28,189)	(–)	(28,189)	(17,933)	(–)	(10,256)	(28,189)	(–)
(d) Vehicles	96,000	–	96,000	96,000	–	–	96,000	–
	(96,000)	(–)	(96,000)	(48,371)	(–)	(47,629)	(96,000)	(–)
(e) Office equipment	9,500	–	9,500	9,500	–	–	9,500	–
	(9,500)	(–)	(9,500)	(9,500)	(–)	(–)	(9,500)	(–)
(f) Computer	1,35,277	–	1,35,277	1,35,277	–	–	1,35,277	–
	(1,35,277)	(–)	(1,35,277)	(1,30,495)	(–)	(4,782)	(1,35,277)	(–)
Total	2,29,10,284	–	2,29,10,284	2,29,06,993	1,260	–	2,29,08,253	2,031
<i>Previous year</i>	<i>(2,29,10,284)</i>	<i>(–)</i>	<i>(2,29,10,284)</i>	<i>(31,16,960)</i>	<i>(1,260)</i>	<i>(1,97,88,773)</i>	<i>(2,29,06,993)</i>	<i>(3,291)</i>

Previous year's figures are in brackets and italics.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 7 Non-current investments

Particulars

Long-term Investments (At cost, unless otherwise specified):

Non-trade and fully paid-up unless otherwise specified

(a) Investment in equity instruments - unquoted

of subsidiary

₹ 10 per share in Mahindra Water Utilities Limited
(subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)

of joint ventures

₹ 10 per share in Mahindra Inframan Water Utilities Private Limited

₹ 10 per share in Mahindra Water Utilities Limited

(joint venture upto 26 July, 2015, subsequently it has become subsidiary)

of associates

₹ 10 per share in Rathna Bhoomi Enterprises Private Limited

of other entity

₹ 10 per share in New Tirupur Area Development Corporation Limited (Note 23)

Less: Provision for diminution in value of investments

Sub total

(b) Investment in preference shares - unquoted

of associates

₹ 10 per share in Rathna Bhoomi Enterprises Private Limited

Less: Provision for diminution in value of investment

Sub total

Total

Aggregate amount of unquoted investments (net of provisions)

	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
Long-term Investments (At cost, unless otherwise specified):				
Non-trade and fully paid-up unless otherwise specified				
(a) Investment in equity instruments - unquoted				
of subsidiary				
₹ 10 per share in Mahindra Water Utilities Limited (subsidiary with effect from 27 July, 2015, prior to that it was a joint venture)	98,999	5,48,999	—	—
of joint ventures				
₹ 10 per share in Mahindra Inframan Water Utilities Private Limited	24,999	2,49,990	24,999	2,49,990
₹ 10 per share in Mahindra Water Utilities Limited (joint venture upto 26 July, 2015, subsequently it has become subsidiary)	—	—	50,000	5,00,000
of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	500	5,000	500	5,000
of other entity				
₹ 10 per share in New Tirupur Area Development Corporation Limited (Note 23)	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
		15,08,03,989		15,07,54,990
Less: Provision for diminution in value of investments		15,00,05,000		15,00,05,000
Sub total		7,98,989		7,49,990
(b) Investment in preference shares - unquoted				
of associates				
₹ 10 per share in Rathna Bhoomi Enterprises Private Limited	1,19,250	11,92,500	1,19,250	11,92,500
Less: Provision for diminution in value of investment		11,92,500		11,92,500
Sub total		—		—
Total		7,98,989		7,49,990
Aggregate amount of unquoted investments (net of provisions)		7,98,989		7,49,990

Note 8 Loans and advances

Particulars

Unsecured, considered good

(a) Security deposits

(b) Advance income tax including fringe benefit tax (net of provisions ₹ 42,51,646)

(As at 31 March 2015 ₹ 42,51,646)

(c) Prepaid expenses

(d) Balance with government authorities (service tax credit receivable)

	Non-current		Current	
	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹	₹	₹
Unsecured, considered good				
(a) Security deposits	1,26,200	1,26,200	—	—
(b) Advance income tax including fringe benefit tax (net of provisions ₹ 42,51,646)	23,32,281	22,94,181	—	—
(As at 31 March 2015 ₹ 42,51,646)				
(c) Prepaid expenses	—	—	15,398	15,690
(d) Balance with government authorities (service tax credit receivable)	—	—	7,88,818	7,88,818
	24,58,481	24,20,381	8,04,216	8,04,508

Note 9 Inventories

Particulars

At lower of cost and net reliable value (Note 21)

(a) Finished goods

As at 31 st March, 2016	As at 31 st March, 2015
₹	₹
—	3,71,004
—	3,71,004

Note 10 Trade receivables

Unsecured, considered good

(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment.....

2,21,13,421	2,21,13,421
2,21,13,421	2,21,13,421

Note 11 Cash and cash equivalents

(a) Balances with banks

in current accounts

in term deposit accounts

2,85,092	2,52,479
45,24,676	52,68,315
48,09,768	55,20,794

The balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is

Note: Balances with bank include term deposits with remaining maturity of more than 12 months from the balance sheet date.....

48,09,768	55,20,794
16,15,178	—

Note 12 Other current assets

Particulars

(a) Interest accrued but not due on term deposit accounts

As at 31 st March, 2016	As at 31 st March, 2015
₹	₹
89,878	2,34,210
89,878	2,34,210

Note 13 Other income

(a) Interest income on

Bank deposits.....

Interest on inter-corporate deposits

For the year ended 31st March, 2016

For the year ended 31 st March, 2015
₹
3,80,983
—
3,80,983

Note 14 Employee benefits expenses

(a) Secondment Charges (including service tax)

(b) Staff welfare

10,33,299
23,644
10,56,943

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 15 Other expenses

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
(a) Professional charges	5,59,948	3,95,321
(b) Stamp and filing fees.....	24,000	25,400
(c) Sundry balances written off.....	–	1,10,417
(d) Payment to auditors (Note below)	3,72,125	7,05,433
(e) General and miscellaneous expenses.....	8,821	15,714
	9,64,894	12,52,285
Note		
Payment to auditors (including service tax):		
For audit	3,72,125	3,65,170
For other service.....	–	3,37,080
Reimbursement of expenses	–	3,183
	3,72,125	7,05,433

Note 16 Contingent liabilities (to the extent not provided for)

Guarantee/Counter Guarantee given by the Company:

Amount in ₹

	Amount of Guarantee outstanding		Maximum liability of the Company	
	2016	2015	2016*	2015
For Subsidiary Company (subsidiary with effect from 27 th July, 2015, prior to that it was a joint venture)	18,00,00,000	18,00,00,000	18,00,00,000	9,00,00,000

* During the year, the Company has acquired 48,999 shares of Mahindra Water Utilities Limited from United Utilities International Limited @ ₹ 1/- per share vide Share Purchase Agreement dated 29th April 2015. Consequently, as per the same agreement value of performance guarantee given by the Company to New Tirupur Area Development Corporation Limited increases to ₹ 18,00,00,000/- (previous year ₹ 9,00,00,000/-)

Note 17 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

No Companies have been identified under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2016 and hence the disclosure as required by Notification No. G.S.R. 719 (E), dated 16th November, 2007 issued by the Ministry of Corporate Affairs is not applicable.

Note 18 Related party transactions

The Company has given the following relevant disclosures in pursuance of the Accounting Standard 18 "Related Party Disclosures"

Enterprises Controlling the Company

1	Mahindra & Mahindra Limited	Ultimate Holding Company
2	Mahindra Lifespace Developers Limited	Holding Company

Subsidiary

1	Mahindra Water Utilities Limited (subsidiary with effect from 27 th July, 2015, prior to that it was a joint venture)
---	--

Fellow Subsidiary

1	Mahindra Consulting Engineers Limited
---	---------------------------------------

Joint Ventures

1	Mahindra Inframan Water Utilities Private Limited
2	Mahindra Water Utilities Limited (joint venture upto 26 th July, 2015, subsequently it has become subsidiary)

Details of transactions with related parties during the year and balance as at 31st March, 2016

In ₹

Transactions with related parties during the year

Nature of transactions	Enterprises controlling the Company		Fellow Subsidiary	Joint Venture
	Ultimate Holding Company	Holding Company	Mahindra Consulting Engineers Limited	Mahindra Water Utilities Limited
Interest income on inter-corporate deposit	–	–	–	–
	(–)	(–)	(–)	(48,205)
Sale of goods	–	–	42,000	–
	(–)	(–)	(1,85,500)	(–)
Deposit refundable	–	–	–	–
	(–)	(2,00,000)	(–)	(–)
Deposit repaid	–	2,00,000	–	–
	(–)	(–)	(–)	(–)
Professional Fees (including service tax)	1,59,616	–	–	–
	(2,67,918)	(–)	(–)	(–)
Secondment Charges (including service tax)	–	–	–	–
	(–)	(10,33,299)	(–)	(–)
Refund of inter-corporate deposit given	–	–	–	–
	(–)	(–)	(–)	(30,00,000)

Balance as at 31st March, 2016

In ₹

Nature of transactions	Enterprises controlling the Company		Subsidiary	Fellow Subsidiary	Joint Venture
	Ultimate Holding Company	Holding Company	Mahindra Water Utilities Limited	Mahindra Consulting Engineers Limited	Mahindra Water Utilities Limited
Maximum liability to the Company in respect of guarantee outstanding	–	–	18,00,00,000	–	–
	(–)	(–)	(–)	(–)	(9,00,00,000)
Receivables	–	–	2,19,13,260	–	–
	(–)	(–)	(–)	(–)	(2,19,13,260)
Payables	13,66,869	83,40,671	–	–	–
	(12,21,230)	(85,40,671)	(–)	(–)	(–)

1. Previous year's figures are in brackets and italics.
2. During the year, there were no amounts required to be written off or written back in respect of debts due from or to related parties.
3. Related parties have been identified by the Management.

Note 19 Computation of "Earnings Per Share"

The computation of the "Earnings per share" in line with Accounting Standard 20 is as under:

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
(a) Net loss after tax from continuing operations available for equity shareholders (₹)	(5,84,789)	(15,18,17,276)
(b) Net loss after tax from total operations available for equity shareholders (₹)	(10,06,612)	(16,01,35,181)
(c) Nominal value per share (₹)	10	10
(d) Weighted average number of equity shares (₹)	1,80,00,000	1,80,00,000
(e) Basic/Diluted earnings per share (₹)		
Continuing operations	(0.0325)	(8.4343)
Total operations	(0.0559)	(8.8964)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 20 Deferred tax liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deferred tax liabilities		
Difference between book depreciation and tax depreciation	624	1,006
Deferred tax liabilities	624	1,006

Note 21 Discontinuing Operations:

Solid Waste Treatment Agreement ("the Agreement") executed on 17 January, 2003 with Tirumala Tirupati Devasthanams (TTD) for operating a solid waste treatment plant ("the project") at Tirumala, has been terminated by the Company with effect from 19th June, 2009. Discussions are on with TTD for resolving all the pending issues post termination in accordance with the terms of the Agreement. The project has not been operating since the termination date. The Company has a right to claim the written down value of the fixed assets as of the termination date and an appropriate compensation from TTD in terms of the Agreement. Accordingly, no depreciation on the fixed assets of the project was provided after the date of termination and prior to impairment of fixed asset made during the previous year. The particulars of the project as on the date of termination to be transferred to TTD on acceptance of the termination by them are given below:

Amount in ₹

Description of assets	Written down value of the assets
Building	28,44,632
Plant & Machinery and Office equipment	1,68,81,474
Computer	4,782
Furniture and fixtures	10,256
Vehicles	47,629
Total	1,97,88,773

At present the Company is in discussion to sell this plant to third party and all the fixed assets are valued to ₹ Nil as a part of the said process.

The carrying amount of long-term loans and advances, current assets and current liabilities pertaining to the above discontinuing operation are ₹ 1,26,200 (as at 31.03.2015: ₹ 1,26,200), ₹ 2,15,559 (as at 31.03.2015: ₹ 5,86,855) and ₹ 19,28,990 (as at 31.03.2015: ₹ 19,39,137) respectively.

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

In ₹

Particulars	Continuing operations		Discontinuing operations		Total	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Revenue from Operations	–	–	42,000	1,85,500	42,000	1,85,500
Other Income	3,80,983	4,92,839	–	561	3,80,983	4,93,400
Total Revenue	3,80,983	4,92,839	42,000	1,86,061	4,22,983	6,78,900
Changes in inventories*	–	–	(3,71,004)	(9,81,513)	(3,71,004)	(9,81,513)
Employee Benefits Expense	–	(10,56,943)	(33,317)	(1,68,074)	(33,317)	(12,25,017)
Depreciation Expense	(1,260)	(1,260)	–	–	(1,260)	(1,260)
Impairment of fixed assets*	–	–	–	(1,26,93,602)	–	(1,26,93,602)
Other Expenses	(9,64,894)	(12,52,285)	(59,502)	(97,545)	(10,24,396)	(13,49,830)
Total Expenses	(9,66,154)	(23,10,488)	(4,63,823)	(1,39,40,734)	(14,29,977)	(1,62,51,222)
Loss before exceptional item and taxation	(5,85,171)	(18,17,649)	(4,21,823)	(1,37,54,673)	(10,06,994)	(1,55,72,322)
Exceptional item: Diminution in the value of long-term investment (Note 25)	–	(15,00,00,000)	–	–	–	(15,00,00,000)
Loss before taxation	(5,85,171)	(15,18,17,649)	(4,21,823)	(1,37,54,673)	(10,06,994)	(16,55,72,322)
Current tax	–	–	–	–	–	–

For Deloitte Haskins & Sells

Chartered Accountants
Firm's Registration No. 117365W

Uday M. Neogi
Partner
Membership No. 30235
Place: Mumbai
Date: 25th April, 2016

Kinjal Vyas
Company Secretary
ACS: 35527

Santosh J. Gupta
Chief Executive Officer
Simly Venu
Chief Financial Officer

Place: Mumbai
Date: 25th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas Chairman (DIN: 00243215)
Mr. Vijay Khetan Director (DIN: 00465161)
Mr. Sanjay Jain Director (DIN: 06446899)

Place: Mumbai
Date: 25th April, 2016

Particulars	Continuing operations		Discontinuing operations		Total	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Deferred tax benefit	(382)	(373)	–	(54,36,768)	(382)	(54,37,141)
Loss after taxation	(5,84,789)	(15,18,17,276)	(4,21,823)	(83,17,905)	(10,06,612)	(16,01,35,181)

* During the previous year, the Management made impairment of fixed assets and write down of inventories as the discussions with TTD has not been very fruitful and encouraging. The provision made for diminution in the value of the business unit in earlier years of ₹ 70,95,171 was adjusted against the said impairment of fixed assets.

Note 22 Information pertaining to Joint Ventures

The Company's share of the assets, liabilities, income and expenses of the jointly controlled entities for the year ended 31st March, 2016 are as follows:

In ₹

	2016*	2015	2016	2015
Name of Joint Venture	Mahindra Water Utilities Limited	Mahindra Water Utilities Limited	Mahindra Inframan Water Utilities Private Limited	Mahindra Inframan Water Utilities Private Limited
	Unaudited	Unaudited	Audited	Audited
% of interest	50%	50%	50%	50%
Country of incorporation	India	India	India	India
Non-current liabilities	–	20,43,485	–	–
Current liabilities	–	3,57,14,096	82,881	10,207
Non-current assets	–	14,71,75,999	39,076	39,057
Current assets	–	11,31,56,370	3,93,539	3,82,725
Revenue	3,30,56,658	8,35,96,963	23,616	32,786
Employee benefits expense	74,89,159	2,40,90,909	–	–
Finance costs	8,87,600	4,95,775	–	–
Depreciation and amortisation expense	1,05,810	6,87,058	–	–
Other expenses	72,04,792	4,53,78,434	85,455	13,031
Profit/(Loss) before tax	1,73,69,298	1,29,44,788	(61,840)	19,754
Income tax expense	42,88,215	42,56,289	–	6,104
Profit/(Loss) after tax	1,30,81,083	86,88,499	(61,840)	13,650

* Mahindra Water Utilities Limited has become subsidiary with effect from 27th July, 2015 and therefore figures related to income and expenses for the current year are disclosed proportionately from the unaudited financial statements for the half year ended 30th September 2015.

Note 23 The Capital of New Tirupur Area Development Corporation Limited (NTADCL) as on 31st March, 2015 has been almost fully eroded by past losses. It was exploring the option of supplying substantial volume of industrial water to a textile park proposed to be set up by the State Government which would have contributed substantially to its topline. Based on forthcoming information there are likely to be delays and the possibility of recovering the past losses of the company does not seem very promising. In view of this, the company has provided for its entire investment of ₹ 15,00,00,000 in the equity shares of NTADCL during the previous year. Based on the review, the Company would like to continue with the same position during the current year also.

Note 24 The Company has only made provisions in respect of investment in NTADCL and the assets of the project. There is no intention of disposing off this investment. Also the Company can continue its current operations with its own cash resources for a period of atleast one year. Hence the accounts of the Company for the year ended 31st March, 2016 have been prepared on the basis of going concern.

Note 25 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Form AOC-I

**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Mahindra Water Utilities Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	1,000,000
5.	Reserves & surplus	500,772,764
6.	Total assets	561,927,901
7.	Total Liabilities	60,155,137
8.	Investments	280,962
9.	Turnover	189,520,341
10.	Profit before taxation	86,973,881
11.	Provision for taxation	30,350,691
12.	Profit after taxation	56,623,190
13.	Proposed Dividend	NIL
14.	% of shareholding	98.99%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	Joint Venture	Associate
Name of associates/Joint Ventures	Mahindra Inframan Water Utilities Private Limited	Rathna Bhoomi Enterprises Private Limited
1. Latest audited Balance Sheet Date	31.03.2016	31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	50%	50%
No.	24,999	500
Amount of Investment in Associates/Joint Venture	249,990	5000
Extend of Holding%	50%	50%
3. Description of how there is significant influence	Note A	Note A
4. Reason why the associate/joint venture is not consolidated		
5. Net worth attributable to shareholding as per latest audited Balance Sheet	349,735	11,22,219
6. Profit/Loss for the year		
i. Considered in Consolidation	(61,840)	(3843)
ii. Not Considered in Consolidation	(61,840)	(3843)

Note A: There is significant influence due to percentage (%) of Share Capital

1. Names of associates or joint ventures which are yet to commence operations.

2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For Deloitte Haskins & Sells

Chartered Accountants
Firm's Registration No. 117365W

Uday M. Neogi

Partner

Membership No. 30235

Kinjal Vyas

Company Secretary

ACS: 35527

Place: Mumbai

Date: 25th April, 2016

Santosh J. Gupta

Chief Executive Officer

Simly Venu

Chief Financial Officer

Place: Mumbai

Date: 25th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas

Chairman (DIN: 00243215)

Mr. Vijay Khetan

Director (DIN: 00465161)

Mr. Sanjay Jain

Director (DIN: 06446899)

Place: Mumbai

Date: 25th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Twentieth report together with the audited financial statement of your Company for the financial year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS (STAND-ALONE)

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	5,828.52	15,567.10
Profit/(Loss) Before Depreciation, Finance Costs and Taxation.....	1,607.78	5,097.41
Less: Depreciation.....	15.14	1.31
Profit/(Loss) Before Finance Cost and Taxation.....	1,592.64	5,096.10
Less: Finance Cost.....	949.22	896.59
Profit/(Loss) Before Taxation.....	643.42	4,199.51
Less: Provision for Taxation.....	144.07	148.11
Profit/(Loss) for the year after Taxation.....	499.35	4,051.39
Add: Balance of Profit/(Loss) for earlier years.....	2,331.33	(710.84)
Less: Debenture Redemption Reserve.....	489.58	—
Amount available for appropriation.....	2,341.10	3,340.55
Depreciation on Transition Adjustment.....	—	0.52
Interim Dividend on Equity Shares.....	—	1,008.70
Balance carried forward.....	2,341.10	2,331.33

DIVIDEND

With a view to conserve the resources of the Company for its growth plan, the Directors have not recommended dividend for financial year 2015-2016.

RESERVES

Out of balance of Profit for earlier years, the Company has transferred ₹ 489.58 lakh to Debenture Redemption Reserve account. The Profit for the year ₹ 499.35 lakh has been carried forward to P & L account.

OPERATIONS

The Company is engaged as a co-developer in developing a residential township at Mahindra World City, Chennai. Its current developments include 'Iris Court' and 'Nova'. Additionally, the Company has approximately 139 acres to be developed in phases for offering products in different formats and segments in the Mahindra World City, Chennai.

'Iris Court' is spread over 18 acres with an estimated total saleable area of 0.86 million square feet, 95% of which has been sold upto March, 2016. With the completion of the last phase – 3B during the year, the construction of the entire project has been completed and handover are underway.

'Nova', spread over 7 acres with an estimated saleable area of 0.54 million square feet was launched in the year 2013-14. During the year, the Company launched phases 2A & 2B of the project with 194 units and 175 units respectively. 49% of the launched area has been sold as of March, 2016. The Construction of Phase 1 has been completed while phase 2A

& 2B are progressing as per schedule.

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

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

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

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 60 crore and paid-up share capital of the Company is ₹ 50.435 crore. The paid-up equity capital of the Company is held by Mahindra Lifespace Developers Limited (MLDL) and Mahindra World City Developers Limited in the ratio of 73.36:25.78 respectively.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

NON-CONVERTIBLE DEBENTURES

On 31st August, 2015, the Company had issued and allotted 750 – Secured Unlisted Rated Redeemable 9.6 per cent YTM, Non-Convertible Debentures (NCDs) with a face value of ₹ 10,00,000 (Rupees Ten lakh only) each for cash at par, aggregating ₹ 75 crore (Rupees Seventy Five crore) vide Series I, Series II, and

Series III on Private Placement basis. The proceeds of the NCDs issue have been fully utilised for the purposes of the issue.

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 7,374.83 lakh and ₹ 7,874.18 lakh respectively.

HOLDING COMPANY

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

SUBSIDIARIES COMPANY, JOINT VENTURE AND ASSOCIATE COMPANIES

Mahindra Residential Developers Limited (MRDL) continues to be a subsidiary of your Company and consequently a subsidiary company of, Mahindra Lifespace Developers Limited and of the ultimate holding company Mahindra & Mahindra Limited. During the year, no company has become/ceased to be subsidiary/associate or joint venture company of your Company.

MRDL project 'Aquality' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments with an estimated saleable area of 1.57 million square feet of which 1.39 million square feet has been launched and 1.01 million square feet has been sold upto March 2016. MRDL has completed the construction of Villas, 3 Phases of apartments 2C1 which was completed during the year, taking the total completed area under the project to 1.23 million square feet. Construction for the next phase of apartments (2C2) covering 0.16 million square feet is progressing as per schedule.

CONSOLIDATED FINANCIAL STATEMENTS

During the year, the Board of Directors reviewed the affairs of Mahindra Residential Developers Limited, subsidiary of your company. In accordance with Section 129(3) of the Companies Act, 2013 and applicable accounting standard, we have prepared audited consolidated financial statement, which is attached along with the financial statement of the Company. Further, a statement containing salient features of the financial statement of the subsidiary in the prescribed format AOC-1 is also attached to the financial statement.

BOARD OF DIRECTORS

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive Non-Independent Director
Mr. R. Santhanam	00237740	Independent Director
Mr. M. S. Jagan	02002827	Independent Director
Mr. S. Chandru	00243025	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. S. Chandru (DIN: 00243025) a Non-Executive and Non-Independent Director retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. However, Mr. S. Chandru has expressed his desire not to seek re-appointment. Accordingly, the Board recommended that the vacancy, so created on the Board of Directors of the Company, be not filled. The Board placed on record its deep appreciation of the valuable services rendered by Mr. S. Chandru during his tenure as a Director of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas retires by rotation at the forthcoming Annual General Meeting of the Company and has offered herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, the Board of Directors at its meeting held on 13th April, 2016 had appointed Ms. Sangeeta Prasad (DIN: 02791944) as an Additional Non-Executive Non-Independent Director of the Company with effect from 13th April, 2016. In terms of said Section and Articles of Association of the Company, Ms. Sangeeta Prasad holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Ms. Sangeeta Prasad's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Ms. Sangeeta Prasad as Director of the Company at the ensuing Annual General Meeting of the Company. Pursuant to Section 160 of the Act, the company has received notice from shareholders along with prescribed deposit proposing candidature of Ms. Sangeeta Prasad as Director of the Company.

Accordingly, appointment of Ms. Sangeeta Prasad as Director of the Company is proposed at the ensuing Annual General Meeting for shareholders approval.

All the above Directors are not disqualified from being appointed/re-appointed as Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

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

KEY MANAGERIAL PERSONNEL

As at 31st March, 2016, the Key Managerial Personnel of the Company comprise of following:

Sr. No	Key Managerial Personnel	Designation
1.	Mr. Jayantt Manmadkar	Manager
2.	Mr. Sivarajan Kumar Tulluri	Chief Financial Officer
3.	Mr. Ankit Shah	Company Secretary

During the year, Ms. K. Bharathy and Ms. Arti Shinde resigned from the position of Chief Financial Officer and Company Secretary of the Company with effect from 31st October, 2015 and 15th October, 2015, respectively. The Board places on record its sincere appreciation of their association with the Company.

Consequent to above resignations, Mr. Sivarajan Kumar Tulluri and Mr. Ankit Shah were appointed as the Chief Financial Officer and the Company Secretary of the Company with effect from 13th January, 2016 and 16th October, 2015, respectively.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors, namely Mr. M. S. Jagan, Mr. R. Santhanam and one Non-Executive Non-Independent Director, Ms. Anita Arjundas. Mr. M. S. Jagan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairman and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

On 17th April, 2015, the Board constituted CSR Committee comprising of one Independent Director, Mr. M. S. Jagan and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Mr. S. Chandru. Ms Anita Arjundas is the Chairperson of the Committee.

During the year, the Company contributed ₹ 32.17 lakh towards Corporate Social Responsibility. The annual report on the CSR activities providing brief details on CSR policy and CSR initiatives undertaken by the Company during the year is attached herewith at **Annexure 1** to this Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of two Independent Directors, namely Mr. R. Santhanam, Mr. M. S. Jagan and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Mr S. Chandru. Mr. R. Santhanam is the Chairman of the Committee.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as required under Section 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2**, **Annexure 3** and **Annexure 4**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3**)
3. Policy on remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once without the presence of the Non-Independent Director(s) or Chief Financial Officer or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and

that Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof, and Chairperson of the Company was carried out by Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. Structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices, etc. were circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

MEETINGS

During the year, four meetings of the Board of Directors and Audit Committee were convened and held on following dates:

17th April, 2015, 14th July, 2015, 16th October, 2015 and 13th January, 2016.

During the year, three meetings of Nomination & Remuneration Committee (NRC) were convened and held on the following dates:

17th April, 2015, 16th October, 2015 and 13th January, 2016.

During the year, three meeting of Corporate Social Responsibility (CSR) Committee were convened and held on the following dates:

14th July, 2015, 16th October, 2015 and 13th January, 2016.

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

Sr. No.	Name of the Director	Board meetings attended	Audit Committee meetings attended	NRC meetings attended	CSR Committee meetings attended
1.	Ms. Anita Arjundas	4	4	3	3
2.	Mr. S Chandru	4	4	3	3
3.	Mr. R. Santhanam	4	4	3	—
4.	Mr. M S Jagan	4	4	3	3

The previous Annual General Meeting of the Company was held on 14th July, 2015.

CODE OF CONDUCT

The Company has adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the financial year 2015-16, received declarations under the Codes from the Board members and Independent Directors of the Company affirming compliance with the respective Codes.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board reviews the internal control systems with the auditors.

VIGIL MECHANISM/WHISTLE BLOWER MECHANISM

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company. The Whistle Blower Policy of the Company is attached herewith as **Annexure 5**.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company 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. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

AUDITORS

M/s. A. F. Ferguson & Co., Chartered Accountants, (Reg No. 112066W) Chennai, 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. A. F. Ferguson & Co., Chartered Accountants, Chennai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 21st Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity within the limits specified in the said Section.

Accordingly, the Board of Directors recommends to the shareholders for approval of re-appointment of M/s. A. F. Ferguson & Co., Chartered Accountants, Chennai, as the Statutory Auditors of the Company to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

The requirements of having cost auditor are presently not applicable to your Company.

SECRETARIAL AUDITOR

The Board has appointed M/s M.K. Surana & Co, Practising Company Secretary, to conduct the secretarial audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended 31st March, 2016 is annexed herewith and marked as **Annexure 6** to this Report.

The Secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

As your Company is engaged in the business of developing residential units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The particulars of investment are provided in the financial statement at note no.12.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement with related parties referred to in sub-

section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

During the year, the Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 7** to this report.

EMPLOYEE REMUNERATION

Being an Unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 8** and forms part of this Report.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

The Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

SUSTAINABILITY

The Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

GENERAL

- During the year, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- No fraud has been reported during the audit conducted by the Statutory Auditor and Secretarial Auditor of the Company.

CAUTIONARY STATEMENT

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

ACKNOWLEDGMENT

The Directors would like to thank all shareholders, customers, bankers, contractors and suppliers of the Company for the support received from them during the year.

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 1**THE ANNUAL REPORT ON CSR ACTIVITIES****I. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

The Company is driven by its mission of 'Transforming urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. Our current focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Mahindra Group's core purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.

2. The composition of the CSR Committee

The CSR Committee of the Company comprise of Ms. Anita Arjundas (Chairperson of the Committee), Mr. M. S. Jagan, Independent Director and Mr. S. Chandru, Non-Executive Non-Independent Director of the Company.

3. Average net profit of the Company for last three financial years.

The average net profit of the Company for the last three financials years- ₹ 1,608.28 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Prescribed CSR Spend (2% of above amount) - ₹ 32.17 lakh

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 32.17 lakh
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below,

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Nanhi Kali – sponsored Girl child education	Education	Chennai	16.09	Direct expenditure: 16.09	16.09	Implementing Agency: KC Mahindra Education Trust
2.	School Expansion	Education	Chennai	8.05	Direct expenditure: 8.05	8.05	Mahindra World School Educational Trust
3.	Project Haryali – Tree Plantation	Environment	Chennai	3.05	Direct expenditure: 3.05	3.05	World Vision
4.	Skill development for Self Help Group - Skill development & financial planning for SHG activities	Education	Chennai	2.98	Direct expenditure: 2.98	2.98	World Vision
5.	Flood Relief to flood affected families in the nearby vicinity of Mahindra World City, Chennai	Health	Chennai	2.00	Direct expenditure: 2.00	2.00	–

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Anita Arjundas

(Chairperson of Board and CSR Committee)

Mumbai, 13th April, 2016**S. Chandru**

(Member of CSR Committee)

Mumbai, 13th April, 2016

ANNEXURE 2

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means Mahindra Integrated Township Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are/will be members of its Core Management Team/ Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

II. APPOINTMENT OF DIRECTORS

1. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
 - a. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

- b. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
- c. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

2. Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

III. REMOVAL OF DIRECTORS

1. If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non - adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

IV. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 13th April, 2016

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

I. PURPOSE

This Policy sets out the approach to Compensation of Directors in Mahindra Integrated Township Limited.

II. POLICY STATEMENT

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

III. NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of Committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC

may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

IV. EXECUTIVE DIRECTORS:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of the applicable statutes and regulations.

Mumbai, 13th April, 2016

Anita Arjundas
Chairperson
DIN : 00243215

ANNEXURE 4**POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

This Policy shall be effective from the financial year 2014 - 15.

OBJECTIVE

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

STANDARDS

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas

(KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a. The increment that needs to be paid for different performance ratings as well as grades.
 - b. The increment for promotions and the total maximum increment.
 - c. The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai: 13th April, 2016

ANNEXURE 5

WHISTLE BLOWER POLICY

1. THE WHISTLE BLOWER POLICY SHALL COME INTO EFFECT FROM 1ST APRIL 2014.

2. PREFACE

Mahindra Integrated Township Limited (MITL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of Section 177 of Companies Act, 2013 ("the Act" or "Act"), the Company has been mandated to establish a vigil mechanism for Directors and employees of the Company to report to the Management, instances of unethical behaviour, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee.

3. DEFINITIONS

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/ Act.]

- a. **"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b. **"Codes"** mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. **"Director"** means a Director as defined under Section 2(34) of the Companies Act, 2013.
- d. **"Employee"** means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.

- e. **"Investigators"** means those persons authorised, appointed, consulted or approached by the Audit Committee and the Police.
- f. **"Protected Disclosure"** means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.
- g. **"Subject"** means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. **"Whistle Blower"** means a Director or Employee making a Protected Disclosure under this Policy.

4. SCOPE

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

5. ELIGIBILITY

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. PROCEDURE

- a. All Protected Disclosures should be addressed to the Audit Committee.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Audit Committee member, the same should be forwarded to the Audit Committee for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.
- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).

- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. INVESTIGATION

- a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Audit Committee who would investigate/oversee the investigations.
- b. The Audit Committee may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation.

- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. PROTECTION

- a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.
- c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower(s) may report any violation of the above Clause to the Audit Committee who shall investigate into the same and advise suitable action to the Management.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. DISQUALIFICATIONS

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. INVESTIGATORS

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Audit Committee, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. DECISION

If an investigation leads the Audit Committee to conclude that an illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed,

the Audit Committee shall advise to the Management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit.

12. REPORTING

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a regular basis.

13. RETENTION OF DOCUMENTS

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

14. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/Directors unless the same is notified to the Employees/Director.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Place: Mumbai
Date: 13th April, 2016

ANNEXURE 6

SECRETARIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Integrated Township Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mahindra Integrated Township Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Mahindra Integrated Township Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra Integrated Township Limited for the financial year ended on 31.03.2016, according to the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and we report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below.

- | | |
|--|---|
| (i) The Right to Fair Compensation & Transparency in land Acquisition, Rehabilitation & Resettlement Act, 2013. | (v) The Air(Prevention and Control of Pollution) Act, 1981 |
| (ii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996. | (vi) The Competition Act, 2002 |
| (iii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Welfare Cess Act 1996. | (vii) The Central Sales Tax, 1956 |
| (iv) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations | (viii) The Central Excise Act at various locations as applicable |
| | (ix) The Consumer Protection Act, 1986 |
| | (x) The Ownership Flats & Apartment Ownership Act as applicable at various locations |
| | (xi) The Environment Protection Act, 1986 |
| | (xii) The Public Liability Insurance Act, 1991 |
| | (xiii) The Registration Act, 1908 |
| | (xiv) The Special Economic Zone Act, 2005 and rules thereunder |
| | (xv) The Water(Prevention and Control of Pollution) Act, 1974 |
| | (xvi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. |
| | (xvii) The Child Labour (Prohibition & Regulation) Act, 1986 |
| | (xviii) The Contract Labour (Regulation & Abolition) Act, 1970 |
| | (xix) The Employee's Compensation Act, 1923 |
| | (xx) The Employees' Provident Funds and Miscellaneous Provision Act, 1952 |
| | (xxi) The Employees State Insurance Act, 1948 |
| | (xxii) The Employers' Liability Act, 1938 |
| | (xxiii) The Equal Remuneration Act, 1855 |
| | (xxiv) The Indian Fatal Accidents Act, 1855 |
| | (xxv) The Industrial Disputes Act, 1947 |
| | (xxvi) The inter State Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979 |
| | (xxvii) The Maternity Benefit Act, 1961 |
| | (xxviii) The Minimum Wages Act, 1948 |
| | (xxix) The payment of Bonus Act, 1965 |
| | (xxx) The payment of Gratuity Act, 1972 |
| | (xxxi) The payment of Wages Act, 1936 |
| | (xxxii) The Personal Injuries (Compensation Insurance) Act, 1963 |

- (xxxiii) The Private Security Agency (Regulation) Act, 2005
- (xxxiv) The Stamp Acts as applicable at various locations.
- (xxxv) The Co-operative Societies Act, as applicable at various locations
- (xxxvi) Shops & Establishment Act, as applicable at various locations.
- (xxxvii) The Cyber Law
- (xxxviii) The Foreign Exchange Management Act, 1999
- (xxxix) The Income Tax Act, 1961 and Rules thereunder
- (xxxx) The Indian Stamp Act, 1899
- (xli) The Information technology Act, 2000
- (xlii) The Intellectual Property Act
- (xliii) The Negotiable Instruments Act, 1881
- (xliv) The Prevention of Corruption Act, 1988
- (xlv) The Prevention of Money Laundering Act, 2002
- (xlv) The Service Tax (Chapter V of Finance Act, 1994) and Rules
- (xlvii) The Standards of Weights and Measures Act 1976
- (xlviii) The Wealth Tax Act, 1956
- (xlvix) Value Added Tax as applicable for various states
- (xlx) The State Labour Laws as applicable at various locations

During the Audit Period, the below mentioned laws are not applicable to the Company as the Company is not listed on any of the Stock Exchanges:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of Secretarial Standards on Board Meeting and General Meeting issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs. The said Secretarial Standards have been followed by the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. As on 31.03.2016, the Board of Directors consists of Ms. Anita Arjundas, Chairperson, Non-Executive Non-Independent Director, Mr. Sethuraman Chandru, Non-Executive Non-Independent Director, Mr. Murari Swamimalai Jagan, Independent Director and Mr. Rajagopalan Santhanam, Independent Director.

As on 31.03.2016, the Key Managerial Personnel of the Company comprise of Mr. Sivararajan Tulluri as Chief Financial Officer, Mr. Ankit Manoj Shah as Company Secretary and Mr. Jayant Bhalchandra Manmadkar as Manager.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, except following specific events/actions, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has taken place –

- Pursuant to Section 180(1)(a) of the Companies Act, 2013, Shareholders' at the Extra-Ordinary General Meeting held on 16th October 2015 granted authority to the Board of Directors under section 180(1)(a) of the Companies Act, 2013 for creation of charge on the assets of the Company upto the limit not exceeding Rs. 600 crores and necessary e-form MGT-14 was filed with the ROC on 07.11.2015.
- Ms. K Bharathy resigned from the position of Chief Financial Officer of the Company with effect from 31.03.2015 and necessary e-form DIR-12 was filed with ROC on 07.11.2015 by payment of Additional Fees.
- Ms. Arti Ramesh Chandra Batavia resigned from the post of Company Secretary of the Company with effect from 15.10.2015 and necessary e-form DIR-12 was filed with ROC on 07.11.2015.
- Pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 and 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Ankit Manoj Shah was appointed as Company Secretary of the Company with effect from 16.10.2015 and necessary e-forms MGT-14 (by payment of additional fees), DIR-12 and MR-1 was filed with ROC on 17.11.2015, 07.11.2015 and 18.11.2015 respectively.
- Pursuant to Section 203 of Companies Act, 2013, Mr. Sivaranjan Tulluri was appointed as Chief Financial Officer of the Company with effect from 13.01.2015 and necessary e-forms DIR-12 MR -1 and MGT-14 was filed with ROC on 03.02.2016, 03.02.2016 and 05.02.2016 respectively.
- Shareholders' Approval was accorded in the EGM held on 14.07.2015 to the Board pursuant to Section 42 and 71 of the Companies Act, 2013 to Issue non-convertible Debentures via Private Placement amounting to Rs. 150,00,00,000/- to such persons/ Financial Institutions/ Banks/Mutual Funds/ Body Corporate/ Companies/ any other entities on such terms and conditions as the Board may think deem fit during a period of One year from date of shareholders' approval and necessary e-form MGT-14 has been filed with ROC on 10.08.2015.
- Pursuant to section 42 read with rule 14(1) and section 42(7) read with rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company has issued Private Placement offer letter in PAS -4 and Information memorandum in PAS-5 respectively for issue of 750, 7% Secured Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/- and necessary e-form GNL-2 has been filed with ROC on 30.09.2015.
- Pursuant to section 39(4), 42 (9) and Section 71 of the Companies Act, 2013 and Rule 12 and 14 Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company had allotted 750,7% Secured Redeemable Non-Convertible Debentures of a face value of Rs.10,00,000/- to M/s. ICICI Prudential Regular Saving Plan on 31.08.2015 and the necessary e-form PAS -3 has been filed with ROC on 30.09.2015. The necessary Debenture certificates were issued, Debenture Redemption Reserve was created and charge was also created in Form CHG-9 and was filed with ROC on 28.11.2015.
- Pursuant to Section 135, Section 134(3)(o) and Section 206 of the Companies Act 2013, the Company received a notice from Registrar of Companies (ROC), Chennai on 31.03.2016 to furnish the information with respect to compliance of Corporate Social Responsibility for the year 2014-2015. The Company had submitted its reply to ROC, Chennai on 06.04.2016, submitting that CSR provisions were not applicable to the Company for the financial year 2014-2015. No further queries with regard to the above reply have been received from ROC till date.
- Show Cause Notice was received from the Commissioner of Central Excise dated 13.10.2015 with respect to Service Tax demand of Rs. 24.96 crore denying exemption under notification no. 1/2006 dated 01.03.2006 and No. 26/2012 dated 20.06.2012. The Company had filed Writ Petition in High Court, Madras challenging the show cause notice and obtained an order of status quo whereby the Commissioner of Central Excise is restrained from taking any further action pursuant to the show cause notice dated 13.10.2015. The interim order is still in force. Counter is yet to be filed by the Commissioner of Central Excise.

Place: Chennai

Date: 13.04.2016

For M K Surana & Co.,

Company Secretaries,

M. Kavitha Surana

Proprietor

FCS No. 5926, C. P. No. 5269

‘ANNEXURE A’

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to expression opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 13.04.2016

For M. K. Surana & Co.,
Company Secretaries,

M. Kavitha Surana
Proprietor
FCS No. 5926, C. P. No. 5269

ANNEXURE 7

(1) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	<p>: 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 Building. Green building increases the resource efficiency (energy, water, and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and removal i.e. the complete building life cycle.</p> <p>Steps taken for energy conservation:</p> <ol style="list-style-type: none"> 1. Energy efficient Building envelops for walls and roofs 2. Solar water heating system 3. Heat Reflective paint 4. Adoption of solar street lighting for landscape areas 5. Adoption of high efficient pumps, motors 6. Group control mechanism for lifts 7. LED lamps for common areas & pathways 8. Timer based controller for landscape lighting
(ii)	the steps taken by the company for utilising alternate sources of energy;	<p>: –</p>
(iii)	the capital investment on energy conservation equipments	<p>: It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/green investments.</p> <p>During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself.</p> <p>These expenditures are mainly for:</p> <ol style="list-style-type: none"> 1. Use of energy efficient building envelops & fenestration 2. Heat reflective paint, 3. Low flow fixtures, 4. Sewage treatment plant, 5. Rain water harvesting system, 6. Organic waste converter, 7. Energy efficient equipments such as pumps and motors, etc. 8. Solar hot water systems, 9. Energy efficient lighting fixtures such as LED's

(2) TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has adopted various alternate materials, methods like use of Glazy putty and use of light weight aggregate 'Cinder' for sunk filling and introduced automation in few activities for process improvement like adoption of Boom lifts for carrying out external painting activity
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Process improvement, Product Improvement
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	–
(iv)	the expenditure incurred on Research and Development	:	–

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there are no foreign exchange earnings. The details of foreign exchange outgo is furnished in note no. 25 to Accounts.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 13th April, 2016

ANNEXURE 8**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31ST March, 2016

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

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U74140TN1996PLC068288
2.	Registration Date	24.06.1996
3.	Name of the Company	Mahindra Integrated Township Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamil Nadu, India – 603002.Tel: +91 44 67455001
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	All equity shares of the Company are held in physical mode. For Non-Convertible Debentures, the Company has appointed M/s. Sharepro Services (I) Pvt. Limited, as the Registrar and Transfer Agent of the Company having its office at 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel.: 022-67720300.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	100

**As per National Industrial Classification- Ministry of Statistics and Programme Implementation.
on the basis of Gross Turnover.*

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	73.36	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)
3.	Mahindra Residential Developers Limited Address: Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamil Nadu, India – 603002.	U45200TN2008PLC066292	Subsidiary Company	100	2(87)(ii)

4. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp		5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	0.00
e) Banks/FI	—	—	—	—	—	—	—	—	—
f) Any Other...	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	—	5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	0.00
(2) Foreign									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FI	—	—	—	—	—	—	—	—	—
e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	—	5,00,00,000	5,00,00,000	99.14	—	5,00,00,000	5,00,00,000	99.14	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	—	—	—	—	—	—	—	—	—
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh		60,000	60,000	0.12	—	60,000	60,000	0.12	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	—	3,75,000	3,75,000	0.72	—	3,75,000	3,75,000	0.72	0.00
c. Others (Non Resident Individuals)	—	—	—	—	—	—	—	—	—
d. Others-Trust	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	—	4,35,000	4,35,000	0.84	—	4,35,000	4,35,000	0.84	0.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	—	4,35,000	4,35,000	0.84	—	4,35,000	4,35,000	0.84	0.00
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A + B + C)	—	5,04,35,000	5,04,35,000	100	—	5,04,35,000	5,04,35,000	100	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Lifespace Developers Ltd	3,69,99,994	73.37	0.00	3,69,99,994	73.37	0.00	0.00
2.	Mahindra Lifespace Developers Ltd & Arun Nanda	1	0.00	0.00	1	0.00	0.00	0.00
3.	Mahindra Lifespace Developers Ltd & Mario Nazareth	1	0.00	0.00	1	0.00	0.00	0.00
4.	Mahindra Lifespace Developers Ltd & Roshan Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
5.	Mahindra Lifespace Developers Ltd & Sangeeta Prasad	1	0.00	0.00	1	0.00	0.00	0.00
6.	Mahindra Lifespace Developers Ltd & Ulhas Bhosale	1	0.00	0.00	1	0.00	0.00	0.00
7.	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	1	0.00	0.00	1	0.00	0.00	0.00
8.	Mahindra World City Developers Limited	1,30,00,000	25.77	0.00	1,30,00,000	25.77	0.00	0.00
	Total	5,00,00,000	99.14	0.00	5,00,00,000	99.14	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anita Arjundas – Director				
	At the beginning of the year	1,00,001*	0.20	1,00,001*	0.20
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the End of the year	1,00,001	0.20	1,00,001	0.20
2.	S. Chandru – Director				
	At the beginning of the year	25,000	0.05	25,000	0.05
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the End of the year	25,000	0.05	25,000	0.05

Note:

***Out of total 1,00,001 shares, 1 share is jointly held with Mahindra Lifespace Developers Limited (first shareholder) and balance in individual capacity.**

None of the Key Managerial Personnel holds any shares in the Company.

5. INDEBTNESS

Indebtness of the company including outstanding/accrued but not due for payment

(₹ in lakh)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	8,470.00	Nil	8,470.00
ii) Interest due but not paid	Nil	344.98	Nil	344.98
iii) Interest accrued but not due	Nil	160.35	Nil	160.35
Total (i + ii + iii)	Nil	8,975.33	Nil	8,975.33

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	8576.33	Nil	Nil	8576.33
• Reduction	Nil	7370.00	Nil	7370.00
Net Change	8576.33	7370.00	Nil	1206.33
Indebtedness at the end of the financial year				
i) Principal Amount	8576.33	1100.00	Nil	9676.33
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	307.81	3.03	Nil	310.84
Total (i + ii + iii)	8884.14	1103.03	Nil	9987.17

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

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

B. Remuneration of other Directors:

Sr. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Ravi Santhanam	M S Jagan	
1.	Independent Directors			
	* Fees for attending board/committee meetings	1.30	1.30	2.60
	* Commission	Nil	Nil	Nil
	* Others, please specify	Nil	Nil	Nil
	Total (1)	1.30	1.30	2.60
2.	Other Non-Executive Directors	Nil	Nil	Nil
	* Fees for attending board/committee meetings	Nil	Nil	Nil
	* Commission	Nil	Nil	Nil
	* Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B) = (1 + 2)	1.30	1.30	2.60
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager/ Whole Time Director: **None of the Key Managerial Personnel draw any remuneration from the Company.****7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. Company	NONE				
Penalty					
Punishment					
Compounding					
B. Directors	NONE				
Penalty					
Punishment					
Compounding					
C. Other Officers in Default	NONE				
Penalty					
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 13th April, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INTEGRATED TOWNSHIP LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA INTEGRATED TOWNSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company did not have any pending litigation which would impact its financial position.
 2. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Chennai, 13th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mahindra Integrated Township Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

A. F. Ferguson & Co

Chartered Accountants

Firm’s Registration No. 112066W

Geetha Suryanarayanan

Partner

Membership No. 29519

Chennai, 13th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on 31st March, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not taken loans or borrowings from Financial Institutions and government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has not raised any money from public during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

A. F. Ferguson & Co
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Chennai, 13th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
a. Share capital	3	5,043.50	5,043.50
b. Reserves and surplus	4	2,830.68	2,331.33
2. Non Current Liabilities:			
a. Long term borrowings	5	7,500.00	5,770.00
b. Long term provisions	6	133.39	—
3. Current Liabilities:			
a. Trade payables.....	7		
(i) Total outstanding dues to Micro Enterprises and Small Enterprises		191.42	150.93
(ii) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises		2,180.79	2,627.01
b. Other current liabilities.....	8	2,169.02	3,083.53
c. Short term borrowings.....	9	2,176.33	2,700.00
d. Short term provisions.....	10	125.90	101.60
Total		22,351.03	21,807.90
B. ASSETS			
1. Non Current Assets			
a. Tangible fixed assets.....	11	74.25	2.22
b. Non current investments.....	12	6,630.48	6,630.48
c. Long term loans and advances.....	13	787.33	692.52
2. Current Assets			
a. Inventories	14	10,282.87	9,235.51
b. Trade receivables	15	670.47	1,288.38
c. Cash and cash equivalents	16	308.12	1,119.23
d. Short term loans and advances	17	761.38	924.69
e. Other current assets	18	2,836.13	1,914.87
Total		22,351.03	21,807.90

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

T Sivaranjan Kumar
Chief Financial Officer

Ankit Shah
Company Secretary
(ACS: 26552)

For and on behalf of the Board of Directors

Ms. Anita Arjundas
Chairperson
(DIN: 00243215)

Mr. M S Jagan
Independent Director
(DIN: 02002827)

Place: Mumbai
Date: 13th April, 2016

Mr. Ravi Santhanam
Independent Director
(DIN: 000237740)

Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
A. INCOME			
Revenue from operations.....	19	5,327.21	13,483.99
Other Income.....	20	501.31	2,083.11
		<u>5,828.52</u>	<u>15,567.10</u>
B. EXPENDITURE			
Project Costs	21	4,231.97	8,954.68
Changes in Inventories	22	(1,047.36)	494.84
Finance Costs.....	23	949.22	896.59
Depreciation.....	11	15.14	1.31
Other expenses	24	1,036.13	1,020.17
		<u>5,185.10</u>	<u>11,367.59</u>
C. Profit before tax		643.42	4,199.51
Current tax.....		144.07	544.45
Less : MAT Credit entitlement		–	(396.33)
Profit for the year.....		499.35	4,051.39
Earnings per share : (₹)			
Basic/(Diluted)	29	0.99	8.03

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

T Sivaranjan Kumar
Chief Financial Officer

Ankit Shah
Company Secretary
(ACS: 26552)

For and on behalf of the Board of Directors

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Non-Independent Director
(DIN: 00243025)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
₹ in lacs		
A. Cash flow from operating activities		
Profit before tax	643.42	4,199.51
Adjustments for:		
Dividend income	–	(1,600.00)
Deferred Lease Rent provision	1.45	–
Depreciation	15.14	1.31
Defect Liability Provision	24.30	101.84
Finance Costs	949.22	896.59
Interest income	(28.21)	(8.97)
Operating profit before working capital changes	1,605.32	3,590.28
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(973.67)	563.64
Trade Receivables	617.91	10.14
Long term loans and advances	(19.92)	4.00
Short-term loans and advances	163.31	(345.65)
Other Current assets	(921.34)	(1,805.11)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(405.74)	1,050.48
Short term provisions	–	(60.24)
Other current liabilities	(720.01)	(972.85)
	(2,259.46)	(1,555.59)
Cash generated from/(used) in operations	(654.14)	2,034.69
Income taxes paid (net of refunds)	(218.97)	(501.18)
Net cash flow from/(used in) operating activities	(873.11)	1,533.51
B. Cash flow from investing activities:		
Purchase of fixed assets	(87.18)	–
Interest received	28.31	8.87
Dividend received	–	1,600.00
Net cash from/(used in) investing activities	(58.87)	1,608.87
C. Cash flow from financing activities:		
Inter Corporate Deposits received	–	1,800.00
Proceeds from Non Convertible Debentures – Secured	7,500.00	–
Cash Credit – Secured	1,076.33	–
Repayment of Inter Corporate Deposits	(1,600.00)	(8,370.00)
Bank balances not considered as Cash and Cash Equivalents	(0.66)	7.09
Term Loan taken	–	8,370.00
Term Loan repaid	(5,770.00)	(2,600.00)
Finance costs	(1,085.46)	(699.23)
Payment of Dividend	–	(1,008.70)
Net cash from/(used in) financing activities	120.21	(2,500.84)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(811.77)	641.54
Cash and Cash Equivalents at the Beginning of the Year	985.07	343.53
Cash and Cash Equivalents at the End of the Year	173.30	985.07
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet	308.12	1,119.23
Less: Bank balances not considered as Cash and Cash Equivalents	134.82	134.16
	173.30	985.07

See accompanying notes forming part of the financial statements

In terms of our report attached

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

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Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016

1. Corporate Information

The Company was incorporated on 26th June, 1996.

The Company is a Co-developer, approved under Special Economic Zone Act, 2005, engaged in development of township including residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. Accordingly the Company is entitled to 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis.

2. Significant Accounting Policies

a) Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

c) Inventories

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the company.

d) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Revenue Recognition

Income from development of residential infrastructure is accounted on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors, have been relied upon by them, as these are of a technical nature.

The Company has adopted "The Guidance note for Accounting of Real Estate Transactions(Revised 2012)" applicable to all projects in

real estate which have commenced on or after 1st April, 2012 and relating to projects where revenue is being recognized for the first time on or after 1st April, 2012.

Accordingly revenues are recognized only when all the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained.
- Expenditure incurred on construction & development cost is not less than 25% of the estimated construction and development costs excluding land cost.
- Atleast 25% of the saleable project area is secured by contracts or agreements with buyers.
- Atleast 10% of the total revenue as per the agreements of lease are realized at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

g) Other income

Interest & Guarantee Commission income are accounted on accrual basis.

Dividend income is accounted for when the right to receive it is established.

h) Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.

i) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013; lease hold improvements are depreciated over the period of lease.

j) Investments

Long term investments are carried at cost. Diminution in the value of investments, other than temporary, is provided for.

k) Foreign currency transactions and translations

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the Statement of Profit and Loss.

l) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016

m) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

n) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

o) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

p) Service tax Input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credit.

3. SHARE CAPITAL

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	Value of Shares ₹ in lakh	Number of shares	Value of Shares ₹ in lakh
Authorised				
Equity shares of ₹ 10 each.....	<u>60,000,000</u>	<u>6,000.00</u>	<u>60,000,000</u>	<u>6,000.00</u>
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each.....	<u>50,435,000</u>	<u>5,043.50</u>	<u>50,435,000</u>	<u>5,043.50</u>
	<u>50,435,000</u>	<u>5,043.50</u>	<u>50,435,000</u>	<u>5,043.50</u>

3a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares	Value of Shares ₹ in lakh	No of Shares	Value of Shares ₹ in lakh
Balance as at the beginning of the year.....	50,435,000	5,043.50	50,435,000	5,043.50
Balance as at the end of the year.....	50,435,000	5,043.50	50,435,000	5,043.50

3b. Equity Shares: The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

3c. Details of Share held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares held	Percentage of Holding	No of Shares held	Percentage of Holding
Equity Shares				
Mahindra Lifespace Developers Limited, Holding Company	37,000,000	73.36%	37,000,000	73.36%
Mahindra World city Developers Limited, Fellow subsidiary.....	13,000,000	25.78%	13,000,000	25.78%

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹ in lakh	₹ in lakh

4. RESERVES & SURPLUS

a. Debenture Redemption Reserve

Balance at the beginning of the year	—	—
Additions during the year	489.58	—
	489.58	—

b. Surplus in statement of Profit & Loss

Balance at the beginning of the year	2,331.33	(710.84)
Less: Debenture Redemption Reserve	(489.58)	—
Add: Profit for the year.....	499.35	4,051.39
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 29).....	—	(0.52)
Less: Interim dividend (Refer Note 4a)	—	(1,008.70)
Dividend Distribution Tax (DDT) on the above. Refer Note 4(b)	—	—
Balance at the end of the period/ year.....	2,830.68	2,331.33

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016

- 4a. The Board of Directors at their meeting held on 29th September, 2014 recommended an interim dividend of ₹ 2 per equity share amounting to ₹ 1,008.70 lakhs.

Particulars	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
4b. Dividend Distribution Tax on the above Equity Dividend of ₹ 1,008.70 lacs	-	171.43
Dividend Distribution Tax credit available in respect of the Dividend Tax on the Interim dividend received from the Wholly Owned Subsidiary, Mahindra Residential Developers Limited on 30 th May, 2014, based on provisions under subsection (1A) of Section 115 O of the Income Tax Act 1961	-	(171.43)

5. LONG TERM BORROWINGS

Term loan from Mahindra Lifespace Developers Limited, holding company (unsecured)	-	5,770.00
Non Convertible Debentures (Secured)	7,500.00	-
Total	7,500.00	5,770.00

- 5.1. During the previous financial year, Mahindra Lifespace Developers Limited has converted Inter Corporate Deposit into an Unsecured Term Loan repayable by 31st March, 2019, with interest @ 12.5% p.a. payable on a quarterly basis. The Term loan has been repaid in full during the year.

5.2. Non Convertible Debentures (Secured)

The terms and conditions of the Secured Non Convertible Debentures issued by the Company are summarised below

Series	I	II	III
Face Value of the Debentures (₹ in lakhs)	2,500.00	2,500.00	2,500.00
Total Redemption Premium (₹ in lakhs)	214.32	299.64	393.68
Rate of Interest Payable Annually	7%	7%	7%
Maturity Date (one time repayment in full including Redemption Premium)	31-Aug-18	31-Aug-19	31-Aug-20

The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company.

Particulars	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
6. LONG TERM PROVISIONS		
Provision for Premium on NCD Redemption	131.94	-
Deferred Rental Provision	1.45	-
Total	133.39	-

11. FIXED ASSETS

₹ in lakh

Particulars	Gross block			Accumulated Depreciation				Net block	
	As at 1 st April, 2015	Additions	As at 31 st March, 2016	As at 1 st April, 2015	Transitional Adjustment	For the period	As at 31 st March, 2016	As at 31 st March, 2016	As at 31 st March, 2015
Computer	2.06	-	2.06	2.06	-	-	2.06	-	-
(Previous year)	(2.06)	-	(2.06)	(1.13)	(0.52)	(0.41)	(2.06)	-	-
Furniture & Fixture ..	-	71.07	71.07	-	-	12.27	12.27	58.80	-
(Previous Year)	-	-	-	-	-	-	-	-	-
Electrical Instal.	-	10.10	10.10	-	-	0.93	0.93	9.17	-
(Previous Year)	-	-	-	-	-	-	-	-	-
Office Equipment	4.01	6.00	10.01	1.79	-	1.94	3.73	6.28	(2.22)
(Previous Year)	(4.01)	-	(4.01)	(0.89)	-	(0.90)	(1.79)	(2.22)	(3.04)
Total	6.07	87.17	93.24	3.85	-	15.14	18.99	74.25	(2.22)
Previous Year	6.07	0	6.07	2.02	0.52	1.31	3.85	2.22	-

Particulars	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
7. TRADE PAYABLES		
Trade Payables		
Related Parties (Deputation charges & office establishment expenses)	362.84	378.84
Others	1,302.47	1,774.12
Retention Money	706.90	624.98
Total	2,372.21	2,777.94
8. OTHER CURRENT LIABILITIES		
Interest accrued & due on borrowings	-	344.98
Interest accrued & not due on borrowings	3.03	160.35
Interest accrued & not due on NCD ...	307.81	-
Statutory remittances – withholding taxes	43.80	64.17
Service tax payable	-	-
Other contractual liabilities	944.01	2,057.46
Advance received from related parties	11.84	11.84
Advance received from customers	272.07	189.24
Income received in advance	225.75	109.30
Deposits from customers*	360.71	146.19
Total	2,169.02	3,083.53

*8.1. Amounts collected from customers towards Corpus Fund and advance towards water/electricity charges, transferable to Home owner's Association upon formation.

9. SHORT TERM BORROWINGS

HDFC Bank – CC Limit (secured)	1,076.33	-
Inter Corporate Deposits received from Related parties (unsecured)		
Mahindra Logistics Limited @ 12% interest p.a.	-	1,000.00
Mahindra Lifespace Developers Limited	-	-
Mahindra Residential Developers Limited @ 11% interest p.a. (repayable on demand)	1,100.00	1,700.00
Total	2,176.33	2,700.00

- 9.1 During the year, Company has obtained Secured Cash Credit Limit from HDFC Bank Ltd for ₹ 25 crs @ Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts.

10. SHORT TERM PROVISIONS

Defect Liabilities	125.90	101.60
Total	125.90	101.60

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016

Particulars	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh	Particulars	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
12. NON CURRENT INVESTMENTS			20. OTHER INCOME		
Long term, Trade (at cost)			Interest on deposit with bank	7.13	8.09
Mahindra Residential Developers Limited, Subsidiary Company			Interest – Others	21.08	0.88
250,000 equity shares of ₹ 10 each fully paid up	6,629.48	6,629.48	Dividend Income from subsidiary	–	1,600.00
10,000 Preference shares of ₹ 10 each fully paid up	1.00	1.00	Guarantee Commission from Mahindra Lifespace Developers Limited	435.75	435.75
Total	6,630.48	6,630.48	Other income	3.65	15.88
			Cancellation income/Transfer charges	33.70	22.51
13. LONG TERM LOANS & ADVANCES			Total	501.31	2,083.11
Deposits with Mahindra World City Developers Limited	86.43	66.51	21. PROJECT COSTS		
Advance Income tax (net of provisions)	288.43	200.65	Land and construction costs	3,756.08	8,485.11
MAT credit entitlement	411.72	424.61	Architect Fees	12.51	64.29
Security Deposit	0.75	0.75	Site Expenses & other overheads	72.48	36.56
Total	787.33	692.52	Project management fees	298.55	300.00
			Interest	73.69	68.72
14. INVENTORIES			Approval and consultancy charges	18.66	–
Construction work in progress (including leasehold land)	8,845.03	8,439.81	Total	4,231.97	8,954.68
Construction materials	205.28	524.48	22. Changes in inventories		
Finished Units – Stock in Trade	1,232.56	271.22	<u>Inventories at the end of the year:</u>		
Total	10,282.87	9,235.51	Construction materials	205.28	524.48
			Work-in-progress	8,845.03	8,439.81
15. TRADE RECEIVABLES (Unsecured, considered good)			Finished Units – Stock in Trade	1,232.56	271.22
Trade receivables – outstanding for more than six months from the date they were due for payment	72.68	308.46	<u>Inventories at the beginning of the year:</u>		
Other trade receivables	597.79	979.92	Construction materials	524.48	512.21
Total	670.47	1,288.38	Work-in-progress	8,439.81	9,218.14
			Finished units – stock in trade	271.22	–
16. CASH AND CASH EQUIVALENTS			Net (increase)/decrease	(1,047.36)	494.84
Balances with banks			23. FINANCE COSTS		
– Cash on hand	0.02	–	Interest on borrowing from bank	63.23	–
– In current accounts	173.28	385.06	Interest on borrowings – related parties	505.09	965.31
– In Interim Dividend Account a/c	–	0.01	Other borrowing costs	14.80	–
– In Fixed deposits with maturity less than 3 months	–	600.00	Interest on Non Convertible Debentures	307.85	–
– In Earmarked Account*	134.82	134.16	Redemption Premium on Non Convertible Debenture	131.94	–
Total	308.12	1,119.23	Less : Allocated to project	(73.69)	(68.72)
			Total	949.22	896.59
* Collected from customers and to be transferred to Home Owners' Association upon formation.			24. OTHER EXPENSES		
17. SHORT TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)			Operation and maintenance expenses	200.09	183.17
Mobilisation advances – Secured by Bank guarantees from vendors	131.83	368.92	Legal & professional fees	34.66	11.49
Supplier advances	169.02	425.99	Advertisement, marketing and business development	322.84	318.53
Advances – Others	0.30	0.50	Brokerage	29.83	41.08
Deposits – others	90.46	32.97	Rent	13.78	–
Balance with Govt authorities (Service tax)	369.77	96.31	Repairs and Maintenance	67.76	77.40
Total	761.38	924.69	Deputation Charges	210.88	144.00
			Auditors remuneration		
18. OTHER CURRENT ASSETS			Audit fees	7.25	7.50
Unbilled revenue	2,836.13	1,914.77	Other services	3.10	2.10
Interest Accrued on Fixed Deposit	–	0.10	Reimbursement of expenses/ levies	0.02	–
Total	2,836.13	1,914.87	Office establishment expenses	84.69	124.89
			Expenditure on Corporate Social Responsibility	32.17	–
Particulars	For the year ended 31st March, 2016 ₹ in lakh	For the year ended 31st March, 2015 ₹ in lakh	Provision for defect liability	24.30	101.84
19. REVENUE FROM OPERATIONS			Miscellaneous expenses	4.76	8.17
Income from Projects	5,327.21	13,483.99	Total	1,036.13	1,020.17
Total	5,327.21	13,483.99	25. Expenditure incurred in foreign currency		
			Travel expenses	3.21	–
			Exhibition participation charges	9.06	5.61
			Total	12.27	5.61
			26. Details of borrowing costs inventorised	73.69	68.72

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016**27. Related party transactions:****a) Names of related parties and nature of relationship where control exists:**

Ultimate holding company:	Mahindra & Mahindra Limited
Holding company:	Mahindra Lifespace Developers Limited
Wholly owned subsidiary company:	Mahindra Residential Developers Limited

Fellow Subsidiaries with whom transactions have been entered during the year:

Mahindra World City Developers Limited (MWCDL)
Mahindra Holidays & Resorts India Limited (MHRIL)
Mahindra Logistics Limited (MLL)

Key Management Personnel

Designation	Name	With effect from
Manager under the Companies Act	Jayantt Manmadkar	21 st January, 2015
Chief Financial Officer	Sivaranjan Kumar Tulluri	13 th January, 2016
Company Secretary	Ankit Shah	16 th October, 2015

Note: Related Parties are as identified by the Management and relied upon by the auditors.

b) The related party transactions are as under:

₹ in lakh

Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Subsidiary
			MWCDL	MHRIL	MLL	
Inter Corporate Deposit received		— (—)	— (—)		— (1000.00)	— (800.00)
Inter Corporate Deposit repaid		— (—)	— (—)	— (—)	1000.00 (—)	600.00 (—)
Term loan repaid		5770.00 (2600.00)				
Guarantee commission income		435.75 (435.75)				
Interest expense		287.63 (808.85)	— (—)	— (—)	57.86 (0.33)	159.60 (156.13)
Administration expenses billed						68.92 (—)
Consultancy charges (Information Technology & Manpower Deputation Charges)	18.51 (0.65)	508.86 (444.00)				
Office establishment expenses		45.23 (124.79)		— (1.03)		
Maintenance charges			226.70 (211.67)			
Water charges			39.42 (68.30)			
Rent, EB & Maintenance charges			55.24 (—)			
Marketing expenses						44.00 (—)
Project expenses (purchase of material)						— (15.18)
Interim dividend paid		— (740.00)	— (260.00)			
Interim dividend received						— (1600.00)
Balances at year end						
Deposits (Rent & Maintenance)			86.42 (66.51)			
Inter-corporate deposits		— (5770.00)			— (1000.00)	1100.00 (1700.00)
Payables	0.08 (12.53)	318.76 (883.17)			— (0.30)	44.00 (—)
Interest payable on Inter Corporate Deposits						3.03 (—)

Figures in brackets are in respect of the previous year.

Remuneration to KMP is ₹ Nil.

28. Details of Lease arrangements:

The Company has taken Marketing & Administration Office space under operating Lease which are cancellable in nature. Accordingly no disclosures on future lease rentals have been made.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH, 2016**29. Earnings per share:**

	For the year ended 31st March, 2016 ₹ in lakh	For the year ended 31st March, 2015 ₹ in lakh
Profit after tax for the year	499.34	4051.39
Weighted average number of equity shares (Nos. lakh) – Basic and diluted	504.35	504.35
Basic and diluted Earnings Per Share (₹)	0.99	8.03

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Sr. No.	Particulars	For the year ended 31st March, 2016 ₹ in lakh	For the year ended 31st March, 2015 ₹ in lakh
1.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	191.42	150.93
2.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
4.	The amount of interest due and payable for the year	–	–
5.	The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
6.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

31. Provisions:

The Company has made provision towards defect liability obligations based on the estimate, details of which are given below:

As at 1 st April, 2015	Additions	Utilisation	As at 31 st March, 2016*
101.60	24.30	–	125.90

* Expected to be incurred within a year

- 32.** (i) The Company does not have any pending litigations which would impact its financial position as at balance sheet date.
(ii) The Company does not have any material foreseeable losses on the long term contracts as at balance sheet date.
(iii) The company did not enter into any derivative contracts during the year.
(iv) There are no amounts required to be transferred to Investor Education and Protection Fund by the Company during the year.
- 33.** The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to a 100% deduction of its income from SEZ, under the Income Tax Act, 1961 upto Assessment year 2019-20. However the SEZ profits are subject to Minimum Alternate Tax.
- 34.** The Company operates in a single segment, namely development of Township including residential infrastructure.
- 35.** Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

For **A. F. Ferguson & Co.**
Chartered Accountants
Firm's Registration No. 112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

T Sivaranjan Kumar
Chief Financial Officer

Ankit Shah
Company Secretary
(ACS: 26552)

For and on behalf of the Board of Directors

Ms. Anita Arjundas
Chairperson
(DIN: 00243215)

Mr. M S Jagan
Independent Director
(DIN: 02002827)

Place: Mumbai
Date: 13th April, 2016

Mr. Ravi Santhanam
Independent Director
(DIN: 000237740)

Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Ninth report together with the audited financial statement of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	3,383.06	6,769.24
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	566.43	1,764.63
Less : Depreciation	—	—
Profit/(Loss) Before Finance Cost and Taxation	566.43	1,764.63
Less : Finance Cost	—	2.91
Profit/(Loss) Before Taxation	566.43	1,761.72
Less : Provision for Taxation	114.68	369.26
Profit/(Loss) for the year after Taxation	451.75	1,392.46
Add : Balance of Profit/(Loss) for earlier years	3,352.78	3,832.24
Dividend on preference and equity shares (including tax on distributed profits)	—	1,871.92
Balance carried forward	3,804.53	3,352.78

Dividend

With a view to conserve the resources of the Company for its growth plan, the Directors have not recommended dividend for financial year 2015-2016.

Reserves

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

Operations

The Company's project 'Aquality' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments with an estimated saleable area of 1.57 million square feet of which 1.39 million square feet has been launched and 1.01 million square feet has been sold upto March 2016. The Company has completed the construction of Villas, 3 Phases of apartments have been completed including 2C1 which was completed during the year, taking the total completed area under the project to 1.23 million square feet. Construction for the next phase of apartments (2C2) covering 0.16 million square feet is progressing as per schedule.

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

The financial statement for the year under review have been prepared on the basis of going concern status of the Company. During the year, no revision was made with respect to previous financial statement of the Company.

Share Capital

The Authorised share capital of the Company is ₹ 50 lakh consisting of equity share capital of ₹ 45 lakh and preference share capital of ₹ 5 lakh. The paid up equity capital is ₹ 25 lakh and paid up preference share capital is ₹ 1 lakh. The entire paid up share capital of the Company is held by Mahindra Integrated Township Limited.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

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

Network

The network of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 8,814.11 lakh and ₹ 9,265.86 lakh respectively.

Holding Company

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

During the year, no company became/ceased to be subsidiary/associate or joint venture company of the Company. Therefore, the requirement of consolidated financial statement are not applicable to the Company.

Board of Directors

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
Ms. Sangeeta Prasad	02791944	Chairperson, Non-Executive Non-Independent Director
Mr. Raghunath Murti	00082761	Independent Director
Mr. Sanjay Jain	06446899	Independent Director
Mr. Sanjiv Kapoor	00004005	Independent Director
Mr. Jayantt Manmadkar	03044559	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. Jayantt Manmadkar (DIN: 03044559) a Non-executive and Non-independent Director retires by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Jayantt Manmadkar is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 149(7) of the Act, declaration from all the Independent Directors is received affirming their independence in accordance with the section 149(6) of the Act.

Key Managerial Personnel

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

Committees of the Board

Audit Committee

The Audit Committee comprises of two independent directors, namely Mr. Sanjay Jain, Mr. Raghunath Murti and one Non-Executive Non-Independent director, Mr. Jayantt Manmadkar. Mr. Sanjay Jain is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility (CSR)

The CSR Committee comprises of one independent director, Mr. Raghunath Murti and two Non-Executive Non-Independent Directors, Ms. Sangeeta Prasad and Mr. Jayantt Manmadkar. Ms. Sangeeta Prasad is the Chairperson of the Committee.

During the year, the Company contributed Rs. 46.71 lakhs towards Corporate Social Responsibility. The annual report on the CSR activities providing brief details on CSR

policy and CSR initiatives undertaken by the Company during the year is attached herewith at **Annexure 1** to this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprise of two Independent Directors, namely Mr. Raghunath Murti and Mr. Sanjay Jain and two Non-Executive Non-Independent Directors, Ms. Sangeeta Prasad and Mr. Jayantt Manmadkar. Mr. Raghunath Murti is the Chairman of the Committee.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2**, **Annexure 3** and **Annexure 4**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3**)
3. Policy on remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

Meeting of Independent Directors

The Independent Directors of the Company met once without the presence of the Non-Independent Director(s) or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and that Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings

During the year, five meetings of the Board of Directors were convened and held on following dates:

16th April 2015, 10th July 2015, 15th October, 2015, 19th January, 2016 and 23rd March, 2016.

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

16th April 2015, 10th July 2015, 15th October, 2015 and 19th January, 2016.

During the year, one meeting of Nomination & Remuneration Committee was convened and held on 16th April, 2015.

During the year, three meetings of the Corporate Social Responsibility Committee were convened and held on 16th April, 2015, 15th October, 2015, 19th January, 2015. The Previous Annual General Meeting was held on 14th July, 2015.

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

Sr. No.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Ms. Sangeeta Prasad	5	–	1	3
2.	Mr. Jayantt Manmadkar	5	4	1	3
3.	Mr. Sanjiv Kapoor	3	–	–	–
4.	Mr. Sanjay Jain	4	4	1	–
5.	Mr. Raghunath Murti	4	4	1	3

The previous Annual General Meeting of the Company was held on 14th July, 2015.

Code of Conduct

The Company had adopted Code of Conduct (“the Code/s”) for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company’s business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company’s ethos.

The Company has for the financial year 2015-2016, received declarations under the Codes from the Board members, Independent Directors of the Company affirming compliance with the respective Codes.

Directors’ Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board reviews the internal control systems with the auditors.

Vigil Mechanism/Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company’s policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company. The Whistle Blower Policy of the Company is attached herewith as **Annexure 5**.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. The Company 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. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

At the 7th Annual General Meeting held on 22nd July 2014 M/s. Deloitte Haskins & Sells., Chartered Accountants (Reg No: 008072S), Chennai, were appointed as Auditors for a term of 5 consecutive years from the conclusion of the 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the calendar year 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. Accordingly, the members are requested to ratify the appointment of Statutory Auditors from the conclusion of the 9th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in 2019.

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. Deloitte Haskins & Sells, Chartered Accountants, Chennai, proposed to be re-appointed as Auditors, that their appointment if made, would be in conformity within the limits specified in the said Section.

The Auditor’s Report does not contain any qualification, reservation or adverse remark or disclaimer and therefore does not call for any further comments.

The requirements of having secretarial auditor and cost auditor are presently not applicable to the Company.

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

As the Company is engaged in the business of developing residential units, the provisions of Section 186 of the

Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the loans and advances are provided in the financial statement at **Note no. 12**.

During the year, there are no investment made by the Company attracting the provisions of Section 186 of the Companies Act, 2013.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

During the year, the Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the holding company Mahindra Lifespace Developers Limited.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 6** to this report.

Employee Remuneration

Being an unlisted company, the details of employee remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 7** and forms part of this Report.

Safety, Health and Environmental Performance

The Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

Sustainability

The Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

General

- During the year, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- No fraud has been reported during the audit conducted by the Statutory Auditor of the Company.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors and suppliers of the Company for the support received from them during the year.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 1

THE ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The company has mission of: 'Transforming Urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. In addition to the past investments in CSR initiatives which are mostly in the areas of education, public health and environment, which also include sustainability initiatives to reduce energy and resource use. This is reflected in Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". We undertake endeavour for inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life.

2. The composition of the CSR Committee

The CSR Committee of the Company comprise of Ms. Sangeeta Prasad (Chairperson), Mr. Raghunath Murti, Independent Director and Mr. Jayant Manmadkar, Non-executive Non-Independent Director.

3. Average net profit of the company for last three financial years.

The average net profit of the Company for the last three financials years- **Rs. 2,336.66 lakh**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Prescribed CSR Spend (2% of above amount)- Rs. 46.71 lakh

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: Rs. 46.71 lakh
- b. Amount unspent, if any: Nil
- c. Manner in which the amount spent during the financial year is detailed below:

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Nanhi Kali – sponsored Girl child education	Education	Chennai	23.36	Direct expenditure: 23.36	23.36	Implementing Agency : KC Mahindra Education Trust
2.	School Expansion	Education	Chennai	15.97	Direct expenditure: 11.7	15.97	Mahindra World School Educational Trust
3.	Project Haryali – Tree Plantation	Environment	Chennai	1.39	Direct expenditure: 1.39	1.39	World Vision
4.	Supporting Primary Health Center	Health	Chennai	5.00	Direct expenditure: 5	5.00	World Vision

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
5.	Flood Relief to flood affected families in the nearby vicinity of Mahindra World City, Chennai	Health	Chennai	1.00	Direct expenditure: 1	1.00	–

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Sangeeta Prasad (Chairperson of Board and CSR Committee) Mumbai, 13 th April, 2016	Jayant Manmadkar (Member of CSR Committee) Mumbai, 13 th April, 2016
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ANNEXURE 2

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

A. DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means Mahindra Residential Developers Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“HR” means the Human Resource department of the Company.

“Key Managerial Personnel” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are/will be members of its Core Management Team/ Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

B. APPOINTMENT OF DIRECTORS

1. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
 - a. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

- b. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
- c. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

2. Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

C. REMOVAL OF DIRECTORS

1. If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

D. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Board/Chairperson based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

A. PURPOSE

This Policy sets out the approach to Compensation of Directors in Mahindra Residential Developers Limited.

B. POLICY STATEMENT

We have a well-defined Compensation policy for Directors including the Chairman of the Company. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

C. NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of

committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

D. EXECUTIVE DIRECTORS

The remuneration to Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually/half yearly by the NRC based on their performance.

The remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company may also grant Stock Options to the Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company, if any, and subject to the compliance of in the applicable statutes and regulations.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 4

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the financial year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a. The increment that needs to be paid for different performance ratings as well as grades.
 - b. The increment for promotions and the total maximum increment.
 - c. The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it in tune with the market.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 5

WHISTLE BLOWER POLICY

1. The Whistle Blower Policy shall come into effect from 1st April 2014.

2. Preface

Mahindra Residential Developers Limited (MRDL) ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics, honesty, integrity and ethical conduct. Towards this end, the Company has adopted three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees (collectively referred to as "Codes" or "the Codes") and various Policies under the helm of Corporate Governance which inter alia include Policy on Disaster Management, Environment & Pollution, Human Resources, Insider Trading, Investor Relations, etc. (collectively referred to as "Policies") which lays down the principles and standards that should govern the actions of the Company and its Employees. Any actual or potential violation of the Code/Policies, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the Employees/Directors in pointing out such violations of the Code/Policies cannot be undermined.

Further, as per the provisions of sub-section 9 of section 177 of Companies Act, 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code or Policies.

Accordingly, this Whistle Blower Policy ("the Policy" or "this Policy") has been formulated with a view to provide a mechanism for Directors and Employees of the Company to approach the Audit Committee.

3. Definitions

The definitions of the key terms used in this Policy are given below. [Terms not defined herein below shall have the meaning assigned to them under the Codes/Policies/ Act.]

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.

- d. "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.
- e. "Investigators" means those persons authorised, appointed, consulted or approached by the Audit Committee and the Police.
- f. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes or Policies or any improper activity.
- g. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. Scope

- a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator.
- c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

5. Eligibility

All the Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company.

6. Procedure

- a. All Protected Disclosures should be addressed to the Audit Committee.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Audit Committee member, the same should be forwarded to the Audit Committee for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit Committees shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

- a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Audit Committee who would investigate/oversee the investigations.
- b. The Audit Committee may at their discretion, consider involving any Investigators for the purpose of investigation.
- c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation

report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- j. Subjects have a right to be informed of the outcome of the investigation.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

- a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.
- c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.
- d. A Whistle Blower(s) may report any violation of the above Clause to the Audit Committee who shall investigate into the same and advise suitable action to the Management.
- e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

- a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to

be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior and observance of legal and professional standards.
- c. Investigations would be launched only after a preliminary review by the Audit Committee, as the case may be, which establishes that:
 - i. the alleged act constitutes an improper or unethical activity or conduct; and
 - ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

If an investigation leads the Audit Committee to conclude that an illegal or unethical behaviour, actual or suspected

fraud or violation of the Company's Codes or Policies or any improper activity has taken place/has been committed, the Audit Committee shall advise to the Management of the Company to take such disciplinary or corrective action as the Audit Committee may deem fit.

12. Reporting

A report with number of complaints received under this Policy and their outcome shall be placed before the Audit Committee on a regular basis.

13. Retention of documents

All Protected Disclosures in writing or documented alongwith the results of investigation relating thereto shall be retained by the Company for a minimum period of seven year.

14. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification would be binding on the Employees/ Directors unless the same is notified to the Employees/ Director.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 6

1. CONSERVATION OF ENERGY

(i)	the steps taken or impact on conservation of energy;	:	<p>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 Building. Green building increases the resource efficiency (energy, water, and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and removal i.e. the complete building life cycle.</p> <p>Steps taken for energy conservation:</p> <ol style="list-style-type: none"> 1. Energy efficient building envelopes for walls and roofs 2. Solar water heating system 3. Heat Reflective paint 4. Adoption of solar street lighting for landscape areas 5. Adoption of high efficient pumps, motors 6. Group control mechanism for lifts 7. LED lamps for common areas & pathways 8. Timer based controller for landscape lighting
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Adoption of Solar hot water systems.
(iii)	the capital investment on energy conservation equipments	:	<p>It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/green investments.</p> <p>During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself.</p> <p>These expenditures are mainly for:</p> <ol style="list-style-type: none"> 1. Use of energy efficient building envelopes & fenestration 2. Heat reflective paint, 3. Low flow fixtures, 4. Sewage treatment plant, 5. Rain water harvesting system, 6. Organic waste converter, 7. Energy efficient equipments such as pumps and motors, etc. 8. Solar hot water systems, 9. Energy efficient lighting fixtures such as LED's

2. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has adopted various alternate materials, methods during the year which includes use of Vinyl flooring, Rubber flooring, Fiber based concrete, Pre-cut and pre-polished door shutters.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Process improvement, Product Improvement
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	–
(iv)	the expenditure incurred on Research and Development	:	–

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there are no foreign exchange earnings. The details of foreign exchange outgo is furnished in Note no. 20 to Accounts.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

ANNEXURE 7**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2016

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

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45200TN2008PLC066292
2.	Registration Date	01 February 2008
3.	Name of the Company	M/S. Mahindra Residential Developers Limited.
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamilnadu, India – 603002. Tel: +91 44 67455001
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	–

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	100

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra Integrated Township Limited Address: Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamilnadu, India – 603002.	U74140TN1996PLC068288	Holding Company	100	2 (46)
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Intermediate Holding Company	–	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)

4. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**(i) Category-wise Share Holding:**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
d) Bodies Corp.	–	250,000	250,000	100	–	250,000	250,000	100%	0.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	250,000	250,000	100	–	250,000	250,000	100%	0.00
(2) Foreign									
a) NRI – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1) + (A)(2)	–	250,000	250,000	100%	–	250,000	250,000	100%	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	250,000	250,000	100%	–	250,000	250,000	100%	0.00

(ii) Shareholding of Promoters (Equity)

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Integrated Township Limited	2,49,930	100	–	2,49,930	100	–	0.00
2.	Mahindra Integrated Township Limited and Ms. Anita Arjundas	10	0.00	–	10	0.00	–	0.00
3.	Mahindra Integrated Township Limited and Mr. Sethuraman Chandru	10	0.00	–	10	0.00	–	0.00
4.	Mahindra Integrated Township Limited and Mr. Rajendra Joshi	10	0.00	–	10	0.00	–	0.00
5.	Mahindra Integrated Township Limited and Mr.R. Eswaran	10	0.00	–	10	0.00	–	0.00
6.	Mahindra Integrated Township Limited and Mr. K. Shyam Sundar	10	0.00	–	10	0.00	–	0.00
7.	Mahindra Integrated Township Limited and Ms. Sangeeta Prasad	10	0.00	–	10	0.00	–	0.00
8.	Mahindra Integrated Township Limited and Ms. K Bharathy	10	0.00	–	10	0.00	–	0.00
	Total	2,50,000	100	–	2,50,000	100	–	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the Shareholding of Promoter Group

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

(v) Shareholding of Directors and Key Managerial Personnel:

For each of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sangeeta Prasad – Director At the beginning of the year	10*	0.00	10*	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
At the end of the year	10*	0.00	10*	0.00

* Jointly held with Mahindra Integrated Township Limited (first shareholder).

5. INDEBTEDNESS

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i + ii + iii)	NIL	NIL	NIL	NIL

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration of other directors:

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Raghunath Murti	Sanjay Jain	Sanjiv Kapoor	
1.	Independent Directors				
	• Fee for attending board/committee meetings	1.10	1.10	0.60	2.8
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	1.10	1.10	0.60	2.8
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1 + 2)	1.10	1.10	0.60	2.8
	Total (A)	NA	NA	NA	NA
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/Whole Time Director: Not Applicable

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give details)
A. Company					
Penalty	NONE				
Punishment					
Compounding					
B. Directors					
Penalty	NONE				
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 13th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA RESIDENTIAL DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 21 to the financial statements).
 - ii. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mahindra Residential Developers Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm’s Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, as applicable. In our opinion and according to the information and explanations given to us, the Company has not made any investments or given guarantees or securities during the year.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - (c) The details of dues of Income Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount Unpaid
				(₹ in lakh)	
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax – Appeals	AY 2012-13	393.42	122.19
			AY 2013-14	368.44	47.61

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government. The Company has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital.....	3	26.00	26.00
Reserves and surplus.....	4	9,239.86	8,788.11
Current Liabilities			
Trade payables.....	5		
(i) Total outstanding dues to Micro Enterprises and Small Enterprises		186.10	162.06
(ii) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises.....		1,823.07	2,159.59
Other current liabilities	6	1,989.06	2,146.14
Short-Term provisions.....	7	185.37	188.26
Total		13,449.46	13,470.16
ASSETS			
Non-Current Assets			
Long term loans and advances.....	8	409.96	918.94
Current Assets			
Inventories	9	8,960.79	7,656.80
Trade receivables	10	311.46	406.49
Cash and cash equivalents	11	341.11	464.39
Short-Term loans and advances.....	12	2,109.52	2,801.61
Other current assets.....	13	1,316.62	1,221.93
Total		13,449.46	13,470.16

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration No. 008072S

Geetha Suryanarayanan

Partner

Membership No. 29519

Place: Chennai

Date: 13th April, 2016

For and on behalf of the Board of Directors

Sangeeta Prasad

Chairperson

(DIN: 02791944)

Raghunath Murti

Director

(DIN: 00082761)

Sanjay Jain

Director

(DIN: 06446899)

Sanjiv Kapoor

Director

(DIN: 00004005)

Jayant Manmadkar

Non-Executive

Non-Independent Director (DIN: 03044559)

Place: Mumbai

Date: 13th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
INCOME			
Revenue from operations.....	14	3,139.92	6,418.79
Other income.....	15	243.14	350.45
		3,383.06	6,769.24
EXPENDITURE			
Projects costs.....	16	3,520.74	5,169.84
Changes in inventories.....	17	(1,303.99)	(837.32)
Finance costs.....	18	–	2.91
Other expenses.....	19	599.88	672.09
		2,816.63	5,007.52
Profit before tax		566.43	1,761.72
Tax expense			
Current tax		114.68	369.26
Profit for the year		451.75	1,392.46
Earnings per Share (Basic/Diluted)		180.70	–

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Firm's Registration No. 008072S

Geetha Suryanarayanan

Partner

Membership No. 29519

Place: Chennai

Date: 13th April, 2016

For and on behalf of the Board of Directors

Sangeeta Prasad Chairperson (DIN: 02791944)**Raghunath Murti** Director (DIN: 00082761)**Sanjay Jain** Director (DIN: 06446899)**Sanjiv Kapoor** Director (DIN: 00004005)**Jayant Manmadkar** Non-Executive
Non-Independent Director (DIN: 03044559)

Place: Mumbai

Date: 13th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
A. Cash Flow from Operating Activities		
Profit before tax	566.43	1,761.72
Adjustments for:		
Finance costs.....	–	2.91
Defect liability provision	6.19	77.47
Interest and dividend income	(206.14)	(294.29)
Operating Profit before Working Capital Changes.....	366.48	1,547.81
Changes in Working Capital:		
Adjustments for (Increase)/Decrease in operating assets:		
Inventories	(1,303.99)	(837.32)
Trade receivables	95.03	2,121.14
Long-Term loans and advances.....	550.00	(477.97)
Short-Term loans and advances and other current assets.....	(549.91)	408.06
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade payables.....	(312.48)	(11.24)
Other current liabilities	(157.08)	(1,543.71)
Short term provisions.....	(9.08)	(2.23)
	(1,687.51)	(343.27)
Cash (Used in)/Generated from Operations.....	(1,321.03)	1,204.54
Net income tax paid.....	(155.70)	(429.33)
Net Cash generated from/(Used in) Operating Activities	(1,476.73)	775.21
B. Cash Flow from Investing Activities:		
Intercompany deposit given		
– Given	–	(800.00)
– Repaid	600.00	–
Term Loan:		
– Given	–	(100.00)
– Repaid.....	550.00	1,100.00
Investments in Mutual funds made.....	(503.00)	–
Mutual fund Investments redeemed	503.00	–
Bank balances not considered as Cash and Cash Equivalents		
– Redeemed.....	(113.75)	689.88
Interest and dividend received.....	203.45	300.29
Net Cash generated from/(Used in) Investing Activities	1,239.70	1,190.17
C. Cash Flow from Financing Activities:		
Repayment of term loan to HDFC Limited	–	(300.00)
Finance costs.....	–	(2.91)
Dividend and dividend tax paid.....	–	(1,871.92)
Net Cash generated from/(Used in) Financing Activities	–	(2,174.83)
Net (Decrease) in Cash and Cash Equivalents (A+B+C)	(237.03)	(209.45)
Cash and Cash equivalents at the beginning of the year.....	310.02	519.47
Cash and Cash Equivalents at the End of the Year	72.99	310.02
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet.....	341.11	464.39
Less: Bank balances not considered as Cash and Cash Equivalents	268.12	154.37
	72.99	310.02

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Director	(DIN: 00082761)
Sanjay Jain	Director	(DIN: 06446899)
Sanjiv Kapoor	Director	(DIN: 00004005)
Jayant Manmadkar	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 13th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

1. Corporate Information

The Company was incorporated on 1st February, 2008.

The Company is a Co-developer approved under Special Economic Zone Act, 2005, engaged in development of residential infrastructure in Mahindra World City SEZ and giving it on perpetual lease. Accordingly the Company is entitled to a 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. The level of activity carried out by the Company depends on the number of projects handled and accordingly the revenue from operations may not be comparable on a year-to-year basis.

2. Significant Accounting Policies

a) Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

c) Inventories:

Inventories are valued at lower of cost and net realizable value.

The cost of construction materials is determined on the basis of the weighted average method.

Construction work in progress includes cost of land, construction costs and allocated interest and expenses attributable to the projects undertaken by the Company.

d) Cash and cash equivalents (for purposes of Cash Flow Statement)

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

e) Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

f) Revenue Recognition:

Income from development of residential infrastructure is recognized on the percentage of completion method which necessarily involves technical estimates of the percentage of completion of each contract, and costs to completion of the contract, on the basis of which profits/losses are accounted. Such estimates, made by the management and certified to the auditors have been relied upon by them, as these are of a technical nature.

The Company has adopted "The Guidance note for Accounting of Real Estate Transactions (Revised 2012)" applicable to all projects in real estate which have commenced on or after 1st April, 2012 and relating to projects where revenue is being recognized for the first time on or after 1st April, 2012.

Accordingly revenues are now recognized only when all the following conditions are met:

- All critical approvals necessary for commencement of the project have been obtained.
- Expenditure incurred on construction & development cost is not less than 25% of the estimated construction and development costs excluding land cost.
- At least 25% of the saleable project area is secured by contracts or agreements with buyers.
- At least 10% of the total revenue as per the agreements of lease are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

g) Other income

Interest income is accounted on accrual basis.

h) Foreign currency transactions and translations

Foreign exchange transactions are recorded at exchange rates prevailing on the date of the transactions. The exchange gain/loss arising on settlement of such transactions is adjusted to the profit and loss account.

Monetary assets and liabilities denominated in foreign currency are translated at exchange rates prevailing at the Balance sheet date and gain or loss arising out of such translation is adjusted to the Statement of Profit and Loss.

i) Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/reverse share splits and bonus shares, as appropriate.

j) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

k) Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

l) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credit.

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹ in lakh	₹ in lakh
3. Share Capital		
Authorized		
450,000 Equity Shares of ₹ 10 each.....	45.00	45.00
50,000 Preference Shares of ₹ 10 each....	5.00	5.00
	<u>50.00</u>	<u>50.00</u>
Issued, Subscribed and Paid up		
250,000 Equity Shares of ₹ 10 each....	25.00	25.00
10,000 Tranche I Preference shares of ₹ 10 each.....	1.00	1.00
	<u>26.00</u>	<u>26.00</u>

3a. Rights, preferences and restrictions attached to shares/warrants

Equity Shares: The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Every shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

Preference Shares: The Company has one class of preference shares having a par value of ₹ 10 per share, redeemable upon payment of dividend of ₹ 2,324.50 Lacs and at the option of the Preference shareholder. The preference dividend has been fully paid as on March 31, 2015. The preference shareholder has not exercised the option for redemption as on the Balance sheet date. Preference shareholder carries all rights including rights to distribution of the Company, other than voting rights.

3b. There is no change in the number of shares and amount outstanding during the current year.

3c. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares	Percentage of Holding	No of Shares	Percentage of Holding
Equity Shares				
Mahindra Integrated Township Limited, Holding Company	2,50,000	100%	2,50,000	100%
Preference Shares				
Mahindra Integrated Township Limited, Holding Company	10,000	100%	10,000	100%

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹ in lakh	₹ in lakh
4. Reserves and Surplus		
Securities Premium Account.....	5,435.33	5,435.33
Surplus in Statement of Profit & Loss		
Balance at the beginning of the year.....	3,352.78	3,832.24
Add: Profit for the Year	451.75	1,392.46
Less: Appropriations:		
Interim dividend on preference shares	—	1,324.50
Interim dividend on equity shares	—	275.50
Tax on interim dividend	—	271.92
Balance at the end of the year ...	<u>3,804.53</u>	<u>3,352.78</u>
	<u>9,239.86</u>	<u>8,788.11</u>
5. Trade Payables		
Trade Payables		
— Related parties - deputation charges & office establishment (Refer Note 23).....	470.42	224.63
— Others	902.58	1,096.04
Retention money.....	636.17	1,000.98
	<u>2,009.17</u>	<u>2,321.65</u>
6. Other Current Liabilities		
Withholding taxes payable.....	19.87	26.58
Income received in advance.....	—	435.16
Advance from customers	62.93	208.68
Other liabilities	1,640.10	1,299.16
Deposits from customers *	266.16	176.56
	<u>1,989.06</u>	<u>2,146.14</u>
* Note 6.1 - Amounts collected from Customers towards Corpus fund and advance towards water/electricity charges, transferable to Home owners' Association upon formation.		
7. Short Term Provisions		
Defect liabilities	185.37	188.26
	<u>185.37</u>	<u>188.26</u>
8. Long Term Loans and Advances (Unsecured, considered good)		
Operation & maintenance deposits - with related party (Refer Note 23)	23.07	23.07
12% Unsecured loan given to related party (Refer Note 23)	—	550.00
Security deposits	0.77	0.77
Advance payment of tax (Net)	386.12	345.10
	<u>409.96</u>	<u>918.94</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh	Particulars	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
9. Inventories			15. Other Income		
Construction work in progress (Including Leasehold Land)	2,606.00	5,188.36	Interest on:		
Construction materials.....	615.66	364.61	– Deposits with banks.....	5.62	57.67
Finished units.....	5,739.13	2,103.83	– Intercompany deposits with related party (Refer Note 23).....	195.95	236.53
	<u>8,960.79</u>	<u>7,656.80</u>	Dividend from mutual funds.....	3.98	0.09
			Profit on redemption of mutual fund investment.....	0.59	–
10. Trade Receivables (Unsecured, considered good)			Interest from customers	2.67	–
Trade receivables outstanding for more than six months from the date they were due for payment.....	66.41	56.34	Scrap sale	5.82	15.84
Other trade receivables	245.05	350.15	Other income - sale of materials.....	–	15.18
	<u>311.46</u>	<u>406.49</u>	Cancellation/Transfer income	28.51	25.14
				<u>243.14</u>	<u>350.45</u>
11. Cash and Bank Balances			16. Project Costs		
Cash on hand	0.01	0.01	Land and construction costs.....	3,167.28	4,634.03
Balances with banks			Architect fees	14.32	57.77
– on Current accounts	72.98	210.01	Project management fees	109.87	214.24
– on Deposit accounts (Maturing within 3 months).....	–	100.00	Other expenses.....	229.27	263.80
– on Earmarked deposit accounts/ Current account*.....	268.12	154.37		<u>3,520.74</u>	<u>5,169.84</u>
	<u>341.11</u>	<u>464.39</u>	17. Changes in Inventories		
			Inventories at the end of the year:		
			Construction materials.....	615.66	364.61
			Work-in-progress.....	2,606.00	5,188.36
			Finished units.....	5,739.13	2,103.83
				<u>8,960.79</u>	<u>7,656.80</u>
			Inventories at the beginning of the year:		
			Construction materials.....	364.61	1,193.80
			Work-in-progress.....	5,188.36	3,744.86
			Finished Units	2,103.83	1,880.82
				<u>7,656.80</u>	<u>6,819.48</u>
			Net (increase)/decrease.....	<u>(1,303.99)</u>	<u>(837.32)</u>
12. Short Term Loans and Advances (Unsecured, considered good unless stated otherwise)			18. Finance Costs		
Mobilisation advances - secured by bank guarantee from vendors.....	110.72	310.66	Interest on term loan	–	2.59
Supplier advances	180.19	276.32	Interest on delayed payment of service tax	–	0.32
Service tax input credit.....	671.81	511.83		<u>–</u>	<u>2.91</u>
Expenses recoverable from holding company	44.00	–	19. Other Expenses		
Security deposits	2.80	2.80	Legal & professional fees.....	30.70	9.88
Inter corporate deposits to related party (Refer Note 23).....	1,100.00	1,700.00	Deputation charges	135.18	156.00
	<u>2,109.52</u>	<u>2,801.61</u>	Auditors remuneration		
			– Audit fees	5.75	5.50
13. Other Current Assets			– Other services.....	2.90	1.90
Interest accrued on intercompany deposits to related party (Refer Note 23)	3.03	–	– Reimbursement of expenses/ levies.....	0.02	0.02
Interest accrued on deposits with banks.....	–	0.34	Rates and taxes	0.79	0.61
Unbilled revenue.....	1,313.59	1,221.59	Repairs and maintenance *	0.49	47.63
	<u>1,316.62</u>	<u>1,221.93</u>	Advertisement, marketing and business development	229.96	174.75
			Brokerage.....	15.42	24.73
			Travelling & conveyance	3.86	2.20
			Office establishment.....	102.16	124.80
			Expenditure on Corporate Social Responsibility	46.72	44.06
			Provision for defect liability (Refer Note 26)	6.19	77.47
14. Revenue from Operations			Miscellaneous expenses	19.74	2.54
Income from projects	3,139.92	6,418.79		<u>599.88</u>	<u>672.09</u>
	<u>3,139.92</u>	<u>6,418.79</u>			

* March 2015 includes ₹ 47.42 lacs incurred towards maintenance of completed residential units

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
20. Expenditure in Foreign Currency:		
Travel	3.21	0.44
Exhibition and Participation Charges.....	5.95	3.93
Professional Services	5.00	–
	14.16	4.37

21. Contingent Liability:

Disputed Income Tax Demands under appeal.....	270.03	121.05
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Note: The Company does not have any other pending litigations which would impact its financial position as on 31st March, 2016.

- 22.** (i) The Company did not have material foreseeable losses on long term contracts.
(ii) The Company did not enter into any derivative contracts during the year.
(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

23. Related party transactions:**a) Names of related parties and nature of relationship where control exists:**

Ultimate Parent Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra Integrated Township Limited

Fellow Subsidiary (including Sub-subsidiaries) with whom transactions have been entered during the year

- Mahindra World City Developers Limited (MWCDL)
- Mahindra Holidays & Resorts India Limited (MHRIL)
- EPC Mahindra Industries Limited (EPCMIL)

Note: Related Parties are as identified by the Management and relied upon by the auditors.

The related party transactions are as under:

	₹ in lakh			
Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Interest Income			159.60 (156.13)	
– MWCDL				36.35 (80.40)
Sale of Materials			– (15.18)	
Marketing Expenses Claimed			44.00 (–)	
Purchase of Materials/Services	10.45 (27.22)			
– MHRIL				– (1.00)
– EPCMIL				4.90 (–)
Deputation Charges		296.91 (324.00)		
Office establishment		45.25 (124.80)	68.92 (–)	
Maintenance Charges				
– MWCDL				66.71 (133.13)

	₹ in lakh			
Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Inter Corporate Deposit (ICD) given			– (800.00)	
ICD recovered			600.00 (–)	
Long Term Loans Given				
– MWCDL				– (100.00)
Long Term Loans Refunded by				
– MWCDL (ICD converted to loan)				550.00 (1100.00)
Dividend Paid				
– Preference Dividend			– (1324.50)	
– Equity Dividend			– (275.50)	
Balances at year end:				
Receivables:				
Deposits				
– MWCDL				23.07 (23.07)
Other receivables			44.00 (–)	
Interest on ICD			3.03 (–)	
Inter Corporate Deposit			1,100.00 (1,700.00)	
Long Term Loans				
– MWCDL				– (550.00)
Payables:				
– EPCMIL	0.18 (3.72)	470.24 (220.91)		4.80 (–)

Figures in brackets are in respect of the previous year.

24. Earnings per share: (in ₹ lakh unless otherwise stated):

Particulars	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
Profit after Tax	451.75	1,392.46
Less: Preference dividend and tax payable thereon (Refer Note 24.1).....	–	1,392.46
Profit available to equity shareholders	451.75	–
Number of equity shares (Nos.)	250,000	250,000
Earnings Per Share (₹)	180.70	–

24.1 Since profits for equity shareholders would be available only after payment of dividends to preference shareholders which was fully paid by March 31, 2015, EPS is ₹ NIL for the previous year.

25. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

₹ in lakh			
Sr. No.	Particulars	2015-16	2014-15
1.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	186.10	162.06
2.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	—	—

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

₹ in lakh			
Sr. No.	Particulars	2015-16	2014-15
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
4.	The amount of interest due and payable for the year	–	–
5.	The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
6.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

25. Provisions:

The Company has made provision for defect liability obligations based on an estimates, details of which are given below:

₹ in lakh			
As at 1 st April, 2015	Additions	Utilization	As at 31 st March, 2016*
188.26 (113.02)	6.19 (77.47)	9.08 (2.23)	185.37 (188.26)

* Expected to be incurred within a year. Figures in brackets relate to previous year.

- 26.** The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to 100% deduction of its SEZ income under the Income Tax Act, 1961 up to Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable and current tax expense has been computed under these provisions.
- 27.** The Company operates in a single segment, namely development of residential infrastructure.
- 28.** Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Director	(DIN: 00082761)
Sanjay Jain	Director	(DIN: 06446899)
Sanjiv Kapoor	Director	(DIN: 00004005)
Jayant Manmadkar	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 13th April, 2016

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Seventeenth Report together with the financial statements of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Income	18,95,20,341	16,71,93,925
Profit before Depreciation and Tax	8,77,22,312	2,72,63,692
Less: Depreciation	7,48,431	13,74,116
Profit before Taxation	8,69,73,881	2,58,89,576
Less: Provision for Taxation		
Current Tax	3,08,07,509	2,71,49,660
Deferred Tax	(4,56,818)	(1,86,37,082)
Profit after Taxation	5,66,23,190	1,73,76,998
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	11,21,808
Balance of Profit carried forward	5,66,23,190	1,62,55,190
Net Worth	50,17,72,764	44,51,49,574

No material changes and commitments have occurred after the closure of the year under review till the date of this report which would affect the financial position of the Company.

OPERATIONS

In the current year, the Company has rendered operation and maintenance services for the plant and facilities of New Tirupur Area Development Corporation Limited (NTADCL) at Tirupur under the operations and maintenance agreement. The Company consistently maintained high quality standards in its operations. As in the previous year, the water off-take this year too saw a steady improvement.

Your Company's income has gone up from Rs.1671.94 Lakhs to Rs.1895.20 Lakhs, recording an increase of 13% over the previous year and the Profit after Tax has increased from Rs.173.77 Lakhs to Rs.566.23 Lakhs.

DIVIDEND

With a view to conserve cash resources for the future growth of your Company, the Directors deem it prudent not to recommend a dividend for the year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rupees 10 Lakhs divided into 1,00,000 Equity Shares of Rs. 10/- each. During the year under review the Company has not issued any shares or any convertible instruments.

The Company has on 29th April, 2015 entered into a Share Purchase Agreement with Mahindra Infrastructure Developers Limited, United Utilities International Limited and United Utilities Overseas Holdings Limited in order to enable Mahindra Infrastructure Developers Limited to purchase 48,999 Shares from United Utilities International Limited.

Accordingly, your Company has become the subsidiary Company of Mahindra Infrastructure Developers Limited with effect from 27th July, 2015.

BOARD OF DIRECTORS

Composition:

Sr. No.	Name of Director & DIN	Designation	Executive/ Non Executive	Independent/ Non Independent
1.	Narayan Shankar (DIN: 00109111)	Director	Non Executive	Non Independent
2.	Sundaram Venkatraman (DIN: 00077193)	Director	Non Executive	Non Independent
3.	Srinath Ramamurthy (DIN: 07063293)	Director	Non Executive	Non Independent

Mr. Sundaram Venkatraman (DIN: 00077193) retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Mr. Simon Roger Gardiner (DIN: 03164125) resigned from the Board with effect from 29th April, 2015.

Your Directors place on record sincere appreciation of the valuable contribution made by Mr. Simon Roger Gardiner.

MEETINGS

The Board of Directors met four times during the year under review viz., on 29th April, 2015, 27th July, 2015, 19th October, 2015, and 25th January, 2016. The maximum interval between any two meetings did not exceed 120 days.

The attendance at the Meeting of the Board was as follows:

Name of the Director	No. of Meetings attended out of 4
Mr. Narayan Shankar	4
Mr. Sundaram Venkatraman	3
Mr. Srinath Ramamurthy#	3
Mr. Simon Gardiner*	1

#Appointed with effect from 29th April, 2015.

***Resigned with effect from 29th April, 2015.**

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) of the Companies Act, 2013, your Directors based on the representation received from the Operating Management and after due enquiry, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) That such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31st March, 2016 and of the profit of the Company for the financial year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis; and
- (e) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has in place Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of Company's ethos.

Your Company has for the year under review, received declarations under the Codes from the Directors, Senior Management Personnel and Employees affirming compliance with the respective Codes.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors of the Company presently comprises of Mr. Narayan Shankar and Mr. S. Venkatraman.

The Corporate Social Responsibility Committee met once during the year under review viz., on 25th January, 2016, which was attended by both the members.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company has adopted Corporate Social Responsibility (CSR) Policy, as formulated and recommended by the Corporate Social Responsibility Committee, in accordance with the provisions of Companies Act, 2013.

The objective of this policy is to promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact. The Policy also seeks to ensure an increased commitment at all levels in the organisation, by encouraging employees to

participate in the Company's CSR and give back to society in an organised manner.

Annual Report on Corporate Social Responsibility activities of the Company is furnished in Annexure I and forms part of this Report.

RISK MANAGEMENT POLICY

Your Company has formulated a Risk Management Policy including therein identification of elements of risk which in the opinion of Board may threaten the existence of the Company. Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

Implementation of Risk Management Policy is expected to be helpful in managing the risks associated with business of the Company.

KEY MANAGERIAL PERSONNEL

Your Company is not required to appoint any Key Managerial Person as it does not fall in the class of Companies which shall have whole-time key managerial personnel in accordance with Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, were appointed as Auditors for a period of 5 years i.e. from the conclusion of the Fifteenth Annual General Meeting until the conclusion of the Twentieth Annual General Meeting subject to ratification by the Members of the Company at every Annual General Meeting. In view of the same ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The Board of Directors of the Company recommends ratification of their appointment at the ensuing Annual General Meeting of the Company.

M/s. Deloitte Haskins & Sells, Chartered Accountants, have given written consent to act as Statutory Auditor of your Company if their appointment is ratified and have also confirmed that the said appointment would be in conformity with the provisions of Sections 139 and Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Auditors Report does not contain any qualification, reservation or adverse remark.

REPORTING OF FRAUDS BY AUDITOR

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board under section 143 (12) of the Companies Act 2013, details of which need to be mentioned in this report.

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 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 is furnished in Annexure II and forms part of this Report.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V applicable to the ultimate Parent Company Mahindra and Mahindra Limited.

Your Company has neither given any loans, guarantee or provided any security in connection with a loan nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no contracts/ arrangements / transactions entered, into by the Company, with related parties referred to in sub section 1 of Section 188 of Companies Act, 2013, and Rules made thereunder during the year under review.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 is provided as Annexure III which forms part of this Report.

INTERNAL CONTROLS

Your Company has an adequate system of internal controls and monitoring procedures as well as internal financial controls on financial statements commensurate with the size and the nature of its business. Besides the Company regularly conducts reviews to assess the adequacy of financial and operating controls for various businesses of the Company. Significant issues, if any, are brought to the attention of the Board.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working at all locations are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied with by your Company.

SUSTAINABILITY

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under the The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
3. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
4. There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.
5. Disclosure of remuneration of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, since your Company is an unlisted Company.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors, all the other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Narayan Shankar
Director
(DIN: 00109111)

S. Venkatraman
Director
(DIN: 00077193)

Mumbai, 25th April, 2016

ANNEXURE I TO THE DIRECTORS' REPORT**ANNUAL REPORT ON CSR ACTIVITIES**

- (1) A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.

The objective of your Company's CSR policy is to –

- Promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.
- Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner.

During the year under review your Company has contributed to CSR through one Implementation Agency viz;

- K C Mahindra Education Trust: Providing education support to 500 girl children

- (2) The Composition of the CSR Committee.

Mr. Narayan Shankar

Mr. S. Venkatraman

- (3) Average net profit of the company for last three financial years (in lakhs): 589.13

- (4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)(in lakhs): 11.78

- (5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year (in lakhs)- 11.78

(b) Amount unspent, if any- NIL

(c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	Particulars	Amt in Rs (1)	Amt in Rs TOTAL
(1)	CSR project or activity identified	Contribution to K.C. Mahindra Education Trust	
(2)	Sector in which the project is covered	Education of the girl child	
(3)	Projects or programme		
	(1) Local area or other	Other	
	(2) Specify the state and district where projects or programs were undertaken	Chhattisgarh	
(4)	Amount outlay (budget project or programme wise	12,00,000	12,00,000
(5)	Amount spent on the project or programme Sub Heads;		
	(1) Direct expenditure on projects or programmes	12,00,000	12,00,000
	(2) Overheads	--	--
(6)	Cumulative expenditure up to the reporting period	12,00,000	12,00,000
(7)	Amount Spent direct or through implementing agency	Paid to implementing Agency – K.C. Mahindra Education Trust	

*Details of implementing agency:

- (1) K C Mahindra Education Trust: Providing education support to girl child

- (6) In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.: Not applicable

- (7) Your Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board

Narayan Shankar
Director
(DIN: 00109111)

S. Venkatraman
Director
(DIN: 00077193)

Mumbai, 25th April, 2016

ANNEXURE II TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy:
Though the activities of the Company are not power intensive, various measures are taken to contain and bring about saving in power consumption through improved operational methods, better house-keeping and awareness programs.
- (ii) the steps taken by the company for utilizing alternate sources of energy: Not Applicable
- (iii) the capital investment on energy conservation equipment: Nil

(B) Technology absorption:

- (i) the efforts made towards technology absorption: None
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : Not Applicable
- (iv) the expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year: Nil

The Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

Narayan Shankar	S. Venkatraman
Director	Director
(DIN: 00109111)	(DIN: 00077193)

Mumbai, 25th April, 2016

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN:-	U45205MH1999PLC121235
2	Registration Date	10/08/1999
3	Name of the Company	MAHINDRA WATER UTILITIES LIMITED
4	Category/Sub-Category of the Company	Company Limited by Shares (Indian Non-Government Company)
5	Address of Registered office and contact details	Gateway Building, Apollo Bunder, Mumbai, Maharashtra. Tel: +9122 22021031 Fax: +9122 22875485
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main product/services	NIC Code of the Product/service	% to total turnover of the company
1	Operation & Maintenance of water collection, treatment & distribution	36000	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	Mahindra Infrastructure Developers Limited* Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	U45201MH2001PLC131942	Holding	98.99	2(46)
2.	Mahindra Lifespace Developers Limited* Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	L45200MH1999PLC118949	Intermediate holding	–	2(46)
3.	Mahindra and Mahindra Limited* Gateway Building , Apollo Bunder, Mumbai 400001	L65990MH1945PLC004558	Ultimate holding	–	2(46)

*with effect from 27th July, 2015.

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian	–	–	–	–	–	–	–	–	–
a. Individual/HUF	–	–	–	–	–	–	–	–	–
b. Central Govt.	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c. State Govt.	–	–	–	–	–	–	–	–	–
d. Bodies Corp.	–	50,000*	50,000*	50%	–	98999	98999	99	49
e. Bank/FI	–	–	–	–	–	–	–	–	–
f. Any Other...	–	–	–	–	–	–	–	–	–
Sub-Total A-(1)	–	50,000*	50,000*	50%	–	98999	98999	99	49
2. Foreign	–	–	–	–	–	–	–	–	–
a. NRIs-Individuals	–	–	–	–	–	–	–	–	–
b. Other-Individuals	–	–	–	–	–	–	–	–	–
c. Bodies Corp.	–	50,000	50,000	50%	–	1001	1001	1%	49
d. Banks/FI	–	–	–	–	–	–	–	–	–
e. Any Others...	–	–	–	–	–	–	–	–	–
Sub Total-A (2):-	–	50,000	50,000	50%	–	1001	1001	1%	49
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	–	1,00,000	1,00,000	100%	–	1,00,000	1,00,000	100%	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions	–	–	–	–	–	–	–	–	–
a) Body Corp. (i) Indian (ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individual	–	–	–	–	–	–	–	–	–
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	1,00,000	1,00,000	100%	–	1,00,000	1,00,000	100%	–

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Infrastructure Developers Limited	49,994	50%	—	98993	99	—	49
2.	Mahindra Infrastructure Developers Limited jointly with Mr. M. A. Nazareth**	1	0.00%	—	1	0.00%	—	—
3.	Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman**	1	0.00%	—	1	0.00%	—	—
4.	Mahindra Infrastructure Developers Limited jointly with Mr. A. K. Nanda**	1	0.00%	—	1	0.00%	—	—
5.	Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar**	1	0.00%	—	1	0.00%	—	—
6.	Mahindra Infrastructure Developers Limited jointly with Mr. Suhas Kulkarni**	1	0.00%	—	1	0.00%	—	—
7.	Mahindra Infrastructure Developers Limited jointly with Mr. Roshan Gandhi**	1	0.00%	—	1	0.00%	—	—
8.	United Utilities International Limited	50,000	50%	—	1001	1%	—	49
	Total	1,00,000	100%	—	1,00,000	100%	—	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year				
1.	Mahindra Infrastructure Developers Limited	50000*	50%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	48999	49%	98999*	99%
	Transfer of Shares from United Utilites International Limited on 29th April, 2015.				
	At the end of the year			98999*	99%
2.	United Utilities International Limited	50000	50%	50000	50%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	48999	49%	1001	1%
	Transfer of shares to Mahindra Infrastructure Developers Limited on 29th April, 2015.				
	At the end of the year			1001	1%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	—	—	—	—
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable		Not Applicable	
	At the end of the year (or on the date of separation, if separated during the year)	—	—	—	—

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	—	—	—	—
	Directors				
1	Mr. Sundaram Venkatraman**	1	0.00%	1	0.00%
2	Mr. Narayan Shankar**	1	0.00%	1	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the end of the year	No Change	No Change	No Change	No Change

* Includes 6 shares held by nominees of Mahindra Infrastructure Developers Limited jointly with Mahindra Infrastructure Developers Limited.

** Jointly held with Mahindra Infrastructure Developers Limited to comply with the statutory provisions of Companies Act with regard to minimum number of members.

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

PARTICULARS	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:*

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1.	Gross Salary	—	—
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission		
	– As % of Profit	—	—
	– Others, specify...	—	—
5.	Others, please specify	—	—
	Total (A)	—	—
	Ceiling as per the Act	—	—

B. Remuneration of other directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Narayan Shankar	Mr. Sundaram Venkatraman	Mr. Simon Roger Gardiner (upto 29 th April, 2015)	Mr. Srinath Ramamurthy (from 29 th April, 2015)	
1. Independent Directors	—	—	—	—	—
• Fee for attending board/committee meetings	—	—	—	—	—
• Commission	—	—	—	—	—
• Others, please	—	—	—	—	—
Total (1)	—	—	—	—	—
2. Other Non-Executive Directors	—	—	—	—	—
• Fee for attending board/committee meetings	—	30,000	—	—	30,000
• Commission	—	—	—	—	—
• Others, please specify	—	—	—	—	—
Total (2)	—	30,000	—	—	30,000
Total B = (1 + 2)	Nil	30,000	Nil	Nil	30,000
Total Managerial Remuneration	—	30,000	—	—	30,000
Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel	Total
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	—	—
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	—	—
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	—	—
2.	Stock option	—	—
3.	Sweat Equity	—	—
4.	Commission		
	– As % of profit	—	—
	– others, specify	—	—
5.	Others, please specify	—	—
	Total	—	—

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

For and on behalf of the Board

Narayan Shankar
 Director
 (DIN: 00109111)

S. Venkatraman
 Director
 (DIN: 00077193)

Mumbai, 25th April, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Water Utilities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal

financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Ketan Vora
Partner
Membership No. 100459

Mumbai, 25th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 7(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended 31st March, 2016)

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

We have audited the internal financial controls over financial reporting of **Mahindra Water Utilities Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells

Chartered Accountants

Firm’s Registration No. 117364W

Ketan Vora

Partner

Membership No. 100459

Mumbai, 25th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 8 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended 31st March, 2016).

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees to which Sections 185 and 186 of the Act apply, and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company’s business/activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Value Added Tax and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of Customs Duty, Excise Duty, Sales Tax, Value Added Tax and Cess are not applicable to the Company for the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, and other material statutory dues in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable. We have been informed that the provisions of Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved ₹	Amount Unpaid ₹
Income Tax Act, 1961	Income tax and interest, penalties	Appellate Authority – Bombay High Court	FY 2006-07	2,471,948	1,615,031
		Appellate Authority – Bombay High Court	FY 2007-08	2,654,400	2,654,400
		Appellate Authority – Commissioner (Appeals)	FY 2008-09	5,764,820	5,764,820
		Appellate Authority – Asst. Commissioner (CPC)	FY 2009-10	2,099,010	2,099,010
		Appellate Authority – Asst. Commissioner (CPC)	FY 2011-12	87,260	87,260
		Appellate Authority – Asst. Commissioner (CPC)	FY 2012-13	598,430	598,430
Income Tax Act, 1961	Income tax and interest, penalties	Appellate Authority – Assessing Officer	FY 2013-14	48,040	48,040
Service Tax Laws	Service Tax	Appellate Authority – Tribunal Level	FY 2003-04 to 2008-09	8,939,479	8,939,479

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not appointed any Key management personnel and hence the provisions of Section 197 of the Act do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Ketan Vora
Partner
Membership No. 100459

Mumbai, 25th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
		₹	₹
A. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	1,000,000	1,000,000
(b) Reserves and surplus	4	500,772,764	444,149,574
		501,772,764	445,149,574
Non-Current Liabilities			
(a) Long-term provisions	5	5,364,139	4,086,970
Current Liabilities:			
(a) Trade payables			
– total outstanding dues of micro enterprises and small enterprises	24	–	–
– total outstanding dues of creditors other than micro enterprises and small enterprises		26,520,939	44,898,168
(b) Other current liabilities	6	12,780,449	10,508,029
(c) Short-term provisions	7	15,489,610	16,021,995
		54,790,998	71,428,192
TOTAL		561,927,901	520,664,736
B. ASSETS			
Non-Current Assets:			
(a) Fixed assets			
Tangible assets	8	3,095,861	1,655,629
(b) Deferred tax assets (net)	26	21,990,758	21,533,940
(c) Long-term loans and advances	9	13,938,423	15,422,848
(d) Other non-current assets	10	331,375,063	256,457,435
		370,400,105	295,069,852
Current Assets:			
(a) Current investments	11	280,962	267,536
(b) Trade receivables	12	100,300,000	160,300,000
(c) Cash and bank balances	13	83,617,059	60,418,383
(d) Short-term loans and advances	14	3,820,126	3,242,953
(e) Other current assets	15	3,509,649	1,366,012
		191,527,796	225,594,884
TOTAL		561,927,901	520,664,736
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No.: 117364W

Ketan Vora

Partner

Membership No.: 100459

Place: Mumbai

Date : 25th April, 2016**For and on behalf of the Board of Directors****S. Venkatraman** Director (DIN: 00077193)**Narayan Shankar** Director (DIN: 00109111)

Place: Mumbai

Date : 25th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
I. Revenue from operations	16	164,993,172	164,844,614
II. Other Income	17	24,527,169	2,349,311
III. Total Revenue (I + II)		189,520,341	167,193,925
IV. Expenses:			
(a) Employee benefits expense	18	54,029,736	48,181,817
(b) Finance costs	19	626,617	991,549
(c) Depreciation expense	8	748,431	1,374,116
(d) Other expenses	20	47,141,676	90,756,867
Total expenses		102,546,460	141,304,349
V. Profit before tax (III - IV)		86,973,881	25,889,576
VI. Tax expense:			
(a) Current tax		29,863,721	27,149,660
(b) Short provision for tax relating to prior years		943,788	–
(c) Deferred tax credit		(456,818)	(18,637,082)
		30,350,691	8,512,578
VII. Profit for the year (V - VI)		56,623,190	17,376,998
VIII. Earnings per equity share (of Rs. 10 each)	25		
(a) Basic		566.23	173.77
(b) Diluted		566.23	173.77
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)
Narayan Shankar Director (DIN: 00109111)

Place: Mumbai
Date : 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		86,973,881		25,889,576
Adjustments for:				
Depreciation	748,431		1,374,116	
Gain on sale of assets	(240,000)		–	
Finance Cost	626,617		991,549	
Liabilities no longer payable written back	(18,984,584)		–	
Dividend Income on current investment	(13,426)		(14,775)	
Interest Income	(5,289,159)	(23,152,121)	(2,193,824)	157,066
Operating Profit before Working Capital changes		63,821,760		26,046,642
Changes in:				
Trade and other receivables	(14,925,878)		38,506,907	
Loan and advances	(568,923)		(485,770)	
Trade and other payables	5,512,004	(9,982,797)	(3,167,489)	34,853,648
Cash generated from operations		53,838,963		60,900,290
Income-tax paid (net of refunds)		(31,159,049)		(18,555,353)
NET CASH GENERATED FROM OPERATING ACTIVITIES		22,679,914		42,344,937
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(2,193,394)		(191,918)	
Sale of fixed Assets	244,731		–	
Interest received	3,145,522		1,121,730	
Increase in other bank deposits and Margin account	(646,372)		(4,765,176)	
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		550,487		(3,835,364)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance costs paid	(678,097)		(930,371)	
Repayment of borrowings	–		(8,000,000)	
NET CASH USED IN FINANCING ACTIVITIES		(678,097)		(8,930,371)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		22,552,304		29,579,202
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		52,213,920		22,634,718
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		74,766,224		52,213,920

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)**Notes:**

1. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 'Cash Flow Statement'.

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
2. Cash and cash equivalents	74,766,224	52,213,920
Add: Other bank balances	8,850,835	8,204,463
Cash and Bank balances (Note 13)	83,617,059	60,418,383

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)
Narayan Shankar Director (DIN: 00109111)

Place : Mumbai
Date : 25th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on 10th August, 1999 under the provisions of Companies Act, 1956. The Company is engaged in operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited.

Note 2. Significant accounting policies:

a. Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with the relevant Rules thereunder and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates:

The preparation of financial statements, in conformity with Indian GAAP, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

c. Fixed assets and depreciation:

- Fixed Assets are carried at cost less depreciation and impairment losses, if any. Costs comprise purchase price and attributable costs, if any.
- Depreciation on assets is calculated on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing individually less than ₹ 5,000 is fully depreciated in the year of purchase.

d. Investments:

Current investments are carried at lower of cost and fair value.

e. Revenue recognition:

- Income for services is accounted for as and when services are rendered as per terms of the agreement and there exists no significant uncertainty as to ultimate realisation.
- Interest income is accounted on time proportion basis, and there exists no significant uncertainty as to ultimate realisation. Dividend income is accounted for when the right to receive it, is established.

f. Translation of foreign currency:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year, is recognized as income or expense, as the case may be, in the Statement of Profit and Loss.

g. Employee benefits:

Defined contribution plan – Company's contributions paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are recognised in the statement of profit & loss.

Defined benefit plan – Company's liability towards gratuity and compensated absences are determined by an independent actuary using the projected unit credit method. Actuarial gains & losses are recognised immediately in the statement of profit & loss as income or expense. Obligation is measured at the present value of estimated future cash flows using the discounted rate that is determined by reference to the market yields at the balance sheet date on government bonds where

the currency and the terms of the government bonds are consistent with the currency and the estimated terms of the defined benefit obligation.

h. Lease:

In respect of operating lease, lease payments are recognised as expense on a straight line basis over the lease term.

i. Taxes on income:

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

j. Contingent liabilities:

Contingent liabilities, if any, are disclosed in the notes to the financial statements. Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Note 3. Share capital:

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Nos	₹	Nos	₹
Authorised shares:				
Equity Shares of ₹ 10 each	100,000	1,000,000	100,000	1,000,000
	100,000	1,000,000	100,000	1,000,000
Issued, subscribed and fully paid-up shares:				
Equity Shares of ₹ 10 each	100,000	1,000,000	100,000	1,000,000
	100,000	1,000,000	100,000	1,000,000

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at 31 st March, 2016		As at 31 st March, 2015	
	Nos	₹	Nos	₹
Opening Balance	100,000	1,000,000	100,000	1,000,000
Closing Balance	100,000	1,000,000	100,000	1,000,000

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

As at March 31, 2016, 98,999 equity shares are held by Mahindra Infrastructure Developers Limited, the holding Company.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	98,999	99%	50,000	50%
United Utilities International Limited	*	*	50,000	50%

*Holding is less than 5%, hence not disclosed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4. Reserves and surplus:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Surplus in the statement of profit and loss		
Opening balance	444,149,574	427,894,384
Less: Depreciation on account of transition to Schedule II to the Companies Act, 2013 net of Deferred tax: Nil. (Previous year ₹ 538,777)	–	(1,121,808)
Add: Profit for the year	56,623,190	17,376,998
Closing balance	500,772,764	444,149,574

Note 5. Long-term provisions:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Provision for employee benefits		
– Provision for compensated absences	5,364,139	4,086,970
	5,364,139	4,086,970

Note 6. Other current liabilities:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Security deposits received	255,000	255,000
Statutory remittances	2,437,464	1,266,136
Payable to employees	9,625,351	8,472,779
Interest payable	462,634	514,114
	12,780,449	10,508,029

Note 7. Short-term provisions:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Provision for employee benefits		
– Provision for compensated absences	1,613,337	309,757
Provision for income tax [net of advance tax ₹ 46,143,375/- (As at 31 st March, 2015 ₹ 42,482,338/-)]	13,876,273	15,712,238
	15,489,610	16,021,995

Note 8. Fixed Assets:

₹

	Tangible Assets	Gross Block				Depreciation					Net Block
		01 st April, 2015	Addition	Disposal	31 st March, 2016	01 st April, 2015	Transitional adjustments	For the year	Disposal/ adjustments	31 st March, 2016	31 st March, 2016
1.	Plant and Equipment	1,374,915 (1,200,247)	431,093 (174,668)	4,866 (–)	1,801,142 (1,374,915)	545,521 (431,790)	– (–)	123,928 (113,731)	134 (–)	669,315 (545,521)	1,131,827 (829,394)
2.	Furniture and Fixtures	2,827,859 (2,823,609)	84,400 (4,250)	– (–)	2,912,259 (2,827,859)	2,476,333 (1,732,837)	– (19,515)	142,214 (723,981)	– (–)	2,618,547 (2,476,333)	293,712 (351,526)
3.	Vehicles	8,140,847 (8,140,847)	1,568,436 (–)	761,800 (–)	8,947,483 (8,140,847)	7,753,721 (6,426,150)	– (851,772)	425,981 (475,799)	761,800 (–)	7,417,902 (7,753,721)	1,529,581 (387,126)
4.	Office equipment	1,732,570 (1,719,570)	3,610 (13,000)	– (–)	1,736,180 (1,732,570)	1,653,409 (830,574)	– (766,442)	40,149 (56,394)	– (–)	1,693,558 (1,653,410)	42,622 (79,160)
5.	Computer	3,818,152 (3,818,152)	105,855 (–)	56,320 (–)	3,867,687 (3,818,152)	3,809,729 (3,782,662)	– (22,856)	16,159 (4,211)	56,320 (–)	3,769,568 (3,809,729)	98,119 (8,423)
	Total	17,894,343	2,193,394	822,986	19,264,751	16,238,713	–	748,431	818,254	16,168,890	3,095,861
	Previous year	(17,702,425)	(191,918)	(–)	(17,894,343)	(13,204,013)	(1,660,585)	(1,374,116)	(–)	(16,238,714)	(1,655,629)

(Previous year's figures are in brackets)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9. Long-term loans and advances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Other loans and advances		
– Unsecured, considered good		
Advance income tax including fringe benefit tax [net of provision for taxation ₹ 172,781,630/- (As of 31 st March, 2015, ₹ 166,549,638)]	13,919,423	15,403,848
Deposit	19,000	19,000
	<u>13,938,423</u>	<u>15,422,848</u>

Note 10. Other non-current assets:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
(a) Trade receivables		
Trade receivables outstanding for less than six months from the date they are due for payment		
Unsecured, considered good	73,408,227	91,425,046
Trade receivables outstanding for more than six months from the date they are due for payment		
Unsecured, considered good	257,257,231	164,314,534
Doubtful	57,871,519	57,871,519
	<u>388,536,977</u>	<u>313,611,099</u>
Less: Provision for doubtful debts	(57,871,519)	(57,871,519)
	<u>330,665,458</u>	<u>255,739,580</u>
(b) Gratuity Plan Asset (net) [Refer Note 22]	709,605	717,855
	<u>331,375,063</u>	<u>256,457,435</u>

Note 11. Current investments:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Investment in others:		
Unquoted – at lower of cost and fair value 28,006.615 Units (Previous year 26,669.626) of HDFC Cash Management Fund of ₹ 10/- each fully paid up	280,962	267,536
	<u>280,962</u>	<u>267,536</u>

Note 12. Trade receivables:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Trade receivables outstanding for less than six months from the date they are due for payment		
Unsecured, considered good	300,000	300,000
Trade receivables outstanding for more than six months from the date they are due for payment		
Unsecured, considered good	100,000,000	160,000,000
	<u>100,300,000</u>	<u>160,300,000</u>

Note 13. Cash and bank balances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Cash and cash equivalents		
Balances with banks		
In current accounts	2,021,224	1,378,920
Deposits with original maturity for less than 3 months	72,745,000	50,835,000
	<u>74,766,224</u>	<u>52,213,920</u>
Other Bank Balances		
Deposits with original maturity for more than 3 months	8,146,372	7,500,000
In margin accounts	704,463	704,463
	<u>8,850,835</u>	<u>8,204,463</u>
	<u>83,617,059</u>	<u>60,418,383</u>

Note 14. Short-term loans and advances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Security deposits		
– Unsecured, considered good	220,000	220,000
Other loans and advances		
– Unsecured, considered good		
Service Tax Receivable	3,400,126	3,022,953
Other Recoverables	200,000	–
	<u>3,820,126</u>	<u>3,242,953</u>

Note 15. Other current assets:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Others:		
Interest accrued on term deposits	3,509,649	1,366,012
	<u>3,509,649</u>	<u>1,366,012</u>

Note 16. Revenue from operations:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Income from services	162,000,000	162,000,000
Income from ancillary services	2,993,172	2,844,614
	<u>164,993,172</u>	<u>164,844,614</u>

Note 17. Other income:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Interest on bank deposits	5,289,159	2,193,824
Dividend on current investments	13,426	14,775
Exchange fluctuation – gain	–	136,933
Liabilities no longer payable written back	18,984,584	–
Gain/(Loss) on sale of Assets	240,000	–
Miscellaneous income	–	3,779
	<u>24,527,169</u>	<u>2,349,311</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 18. Employee benefits expense:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Salaries, wages, bonus, etc	49,803,115	44,534,740
Contribution to provident & other funds	2,556,020	2,149,252
Staff welfare	1,670,601	1,497,825
	<u>54,029,736</u>	<u>48,181,817</u>

Note 19. Finance costs:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Interest on delayed/deferred payment of income tax	462,634	514,114
Interest on delayed/deferred payment of service tax	163,983	15,861
Interest on Inter corporate deposits	–	461,574
	<u>626,617</u>	<u>991,549</u>

Note 20. Other expenses:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Rent	299,100	264,000
Rates & taxes	611,880	382,125
Repairs and maintenance:		
(a) Plant & equipments	934,416	1,186,867
(b) Vehicles	1,283,731	1,184,428
(c) Others	412,882	287,825
Legal and professional charges	411,016	1,146,987
Security and service charges	29,185,637	18,221,242
Travelling expenses	364,119	379,256
Printing and stationery	627,951	752,910
Insurance	1,754,768	1,564,617
Postage and telephone	919,664	898,558
Payment to auditors [Refer note (i) below]	1,151,053	903,210
Vehicle running expense	6,154,229	6,128,357
Expenditure for CSR (Donation)	1,200,000	1,500,000
Provision for doubtful debts	–	54,342,420
Director's fee	30,000	–
Miscellaneous expenses	1,801,230	1,614,065
	<u>47,141,676</u>	<u>90,756,867</u>

Note (i)

	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Payment to auditors (net of service tax input credit)		
For Statutory audit	820,000	600,000
For Certification and other services	330,000	300,000
For Out of pocket expenses	1,053	3,210
	<u>1,151,053</u>	<u>903,210</u>

Note 21. Contingent liabilities

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Items in respect of which the Company has succeeded in appeal, but the Service Tax Department is pursuing an appeal	8,939,479	9,018,138
Income tax demands disputed for various assessment years, on account of disallowance of certain expenses, where the Company has preferred appeal with the higher authorities	10,891,168	10,978,088
	<u>19,830,647</u>	<u>19,996,226</u>

In respect of items mentioned above the timing of outflow of economic benefits cannot be ascertained.

Note 22. The disclosures as required under Accounting Standard 15 (AS-15) on "Employee Benefits (Revised)" regarding Gratuity (funded plan) are as follows:-

a. General description of defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act or the Company Scheme applicable to the employees. The benefits vest upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b. Principal actuarial assumptions:

Particulars	2016	2015
Discount rate	7.65%	7.95%
Rate of increase in compensation levels of covered employees	7.00%	7.00%
Expected rate of return on plan assets	9.00%	9.00%
Estimate of Amount of Contribution in the immediate next year	600,000	550,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Other disclosures:

Net Asset/Liability recognised in the Balance Sheet as at 31st March

In ₹

Particulars	2016	2015
Present Value of defined benefit Obligations	5,292,339	4,331,427
Fair Value of Plan Assets	(6,023,517)	(5,216,027)
Funded Status [Surplus/(Deficit)]	731,178	884,600
Less: Effect of the Limit in Para 59(b)	21,573	48,449
Asset recognized in the Balance Sheet	709,605	717,855

Expense recognised in the Statement of Profit and Loss for the year ended March 31.

(In ₹)

Particulars	2016	2015
Current Service Cost	454,543	357,778
Interest Cost	371,792	341,544
Expected Return on Plan Assets	(459,601)	(353,820)
Net Actuarial Losses/(Gains)	308,858	187,716
Effect of the limit in Para 59(b)	(26,876)	30,770
Total expenses included in "Employee Benefits Expense"	648,716	563,988
Actual Return on Plan Assets	433,589	417,025

Experience Adjustments

For the year ended	2016	2015	2014	2013	2012
Defined Benefit Obligation	5,292,339	4,331,427	3,473,492	3,195,772	2,533,123
Plan Assets	6,023,517	5,216,027	4,029,884	3,685,244	3,122,482
Surplus/(Deficit)	731,178	884,600	556,392	489,472	589,359
Exp. Adj. on Plan Liabilities	131,342	(213,265)	92,472	222,262	(20,876)
Exp. Adj. on Plan Assets	(26,012)	63,205	90,390	28,276	(3,412)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of detailed information regarding plan assets which is funded with LIC, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The Company's contribution to Provident Fund aggregating ₹ 1,733,141 (previous year ₹ 1,559,434) has been recognized in the statement of profit and loss under the head "Employee benefit expense".

Note 23. As required under Accounting Standard 18 (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS-18:

a) List of related parties where control exists

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company (w.e.f. 29 th April, 2015)
Mahindra Lifespace Developers Limited	Parent of the Holding Company (w.e.f. 29 th April, 2015)
Mahindra Infrastructure Developers Limited	Holding Company (w.e.f. 29 th April, 2015)

Reconciliation of Benefit Obligations and Plan Assets for the year

In ₹

Particulars	2016	2015
Change in Defined Benefit Obligation		
Present Value of Opening Defined Benefit Obligation	4,331,427	3,473,492
Current Service Cost	454,543	357,778
Interest Cost	371,792	341,544
Actuarial Losses/(Gain)	282,846	250,921
Benefits Paid	(148,269)	(92,308)
Present Value of Closing Defined Benefit Obligation	5,292,339	4,331,427

Particulars	2016	2015
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	5,216,027	4,029,884
Expected Return on Plan Assets	459,601	353,820
Actuarial Gains/(Losses)	(26,012)	63,205
Contributions by Employer	522,170	861,426
Benefits Paid	(148,269)	(92,308)
Closing Fair Value of Plan Assets	6,023,517	5,216,027

In ₹

b) List of other related parties & relationships

Name of the related party	Relationship
Mahindra Infrastructure Developers Limited	Joint venturer (upto 28 th April, 2015)
United Utilities International Limited	Joint venturer (upto 28 th April, 2015)

c) Related party transactions:

Nature of transactions	Mahindra & Mahindra Limited ₹	Mahindra Infrastructure Developers Limited ₹	United Utilities International Limited ₹	Total ₹
Insurance	6,700 (-)	- (-)	- (-)	6,700 (-)
Travelling Expenses	72,000 (-)	- (-)	- (-)	72,000 (-)
Professional charges	150,000 (-)	- (-)	- (-)	150,000 (-)
Liabilities no longer payable written back	- (-)	- (-)	18,981,386 (-)	18,981,386 (-)
Interest expenses	- (-)	(48,205) (-)	- (-)	(48,205) (-)
Trade payables	161,085 (-)	21,913,260 (21,913,260)	- (18,981,386)	22,074,345 (40,894,646)
Other Recoverable	- (-)	200,000 (-)	- (-)	200,000 (-)

(Previous year's figures are in brackets)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24. As per the information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small & Medium Enterprise Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

Note 25. Earnings Per Share is calculated as follows:

Sr. No.	Particulars	2016	2015
A.	Net profit after tax available for equity shareholders (₹)	56,623,190	17,376,988
B.	Par value per share (₹)	10	10
C.	Weighted average number of equity shares (No.) for Basic EPS:	100,000	100,000
D.	Earnings per share from continuing operations: Basic (₹)	566.23	173.77
E.	Total Weighted average number of equity shares (No.) for Diluted EPS:	100,000	100,000
F.	Earnings per share from continuing operations: Diluted (₹)	566.23	173.77

Note 26. Deferred tax asset (net) comprises of:

	2016	2015
Deferred tax asset		
Employee allowances under Income tax in year of payment	2,379,704	1,623,203
Depreciation	711,610	776,677
Provision for doubtful debts	19,134,060	19,134,060
	<u>22,225,374</u>	<u>21,533,940</u>
Deferred tax liabilities		
Gratuity Plan Asset (net)	234,616	—
	<u>234,616</u>	<u>—</u>
Deferred tax asset (net)	<u>21,990,758</u>	<u>21,533,940</u>

Note 27. The year-end foreign currency exposures for amounts payable in foreign currency that have not been specifically hedged by a derivative instrument or otherwise are given below:-

	2016	2016	2015	2015
	In ₹	In Foreign Currency	In ₹	In Foreign Currency
Creditors (Net)	—	—	1,713,236	GBP 18,529

Note 28. Trade receivables include amounts due from New Tirupur Area Development Corporation Limited (NTADCL).

As per the operation and maintenance agreement with NTADCL, the Company has been raising invoices on NTADCL for the services rendered to them. The Company and NTADCL have been re-discussing the arrangement and these discussions have reached an advanced stage at which the company is very confident that the outstanding receivable including the invoices currently being raised at ₹ 135 lakhs per month except for the amount already provided in the books of the Company, will be settled in instalments as mutually agreed over a period of 36 months. In view of this understanding, the dues outstanding, barring the amounts already provided for in the books, are expected to be fully recovered over a period of time. Accordingly, some portion of the outstanding has been reflected under "Other non-current assets" in Note 10 to the financial statements, and no further provision towards receivable is considered necessary in the view of the management.

The Company has incurred expenses towards certain specified categories of maintenance of plant and facilities. As per the terms of the aforementioned agreement with NTADCL, the Company is entitled to reimbursement of the aforesaid expenses, which the Company has also claimed from NTADCL. Pending conclusion of discussions on the subject with NTADCL, out of abundant caution, the Company has written off such expenses incurred in the current year aggregating ₹ 2,020,406/- (Previous year ₹ 1,545,818/-) to the Statement of Profit and Loss.

Note 29. The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The Company operates only in India. Hence, there are no separate reportable primary and secondary segments as defined by Accounting Standard 17 on "Segment Reporting".

Note 30. The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is ₹ 299,100.

Note 31. The Employee benefits expenses include ₹ 1,664,709 towards provision for leave encashment relating to prior period.

Note 32. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)
Narayan Shankar Director (DIN: 00109111)

Place: Mumbai
Date : 25th April, 2016

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Eleventh Report together with the audited financial statement of the Company for the financial year ended on 31st March, 2016.

Financial Highlights

Particulars	(Amount in Rupees)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	867,660,281	1,342,826,130
Profit before Tax.....	204,412,325	561,535,313
Provision for Taxation		
– Net Current Tax.....	62,820,000	137,267,500
– Deferred Tax.....	12,982,618	44,377,765
Profit after Tax	128,609,707	379,890,048
Add: Profit brought forward from previous year	39,646,603	5,645,332
Appropriations:		
Less: Adjustment of depreciation (refer note 32 of accounts)	–	876,444
Transferred to Debenture Redemption Reserve.....	59,375,000	242,708,333
Proposed Dividend (including tax on distributed profits)	102,304,000	102,304,000
Transfer to General Reserve.....	–	–
Profit Carried to Balance Sheet	6,577,310	39,646,603

Dividend

The Directors have recommended a preference dividend of Rs. 0.80 per Share i.e. 8 per cent of the face value of Rs.10 on 50,000,000 Cumulative Redeemable Preference shares of the Company for the financial year 2015-16.

The Directors have also recommended equity dividend of Rs. 0.30 per share i.e. 3 per cent of the face value of Rs.10 on 150,000,000 equity shares of the Company for the financial year 2015-16.

The total dividend payment for the financial year (including tax on dividend distribution) is Rs. 102,304,000 /-.

Reserve

The Company has transferred Rs. 5,93,75,000/- to Debenture Redemption Reserve Account and the balance has been carried forward to Profit & Loss Account.

Operations

During the year, the Company added 4 customers (2 in SEZ and 2 in DTA), taking the total number of customers in Mahindra World City, Jaipur (MWCJ) to Sixty Eight (68). Three (3) existing customers also increased their footprint during the year. The total land leased out during the year is 28.66 acres (SEZ 8.55 acres and DTA 20.11 acres) and include companies across diverse industry segments. Some of the companies to whom land was leased during the year are Dev Milk Foods Private Limited, Rajendra and Ursula Joshi Skill Development Private Limited, Rainbow Textfab Private Limited, Pinnacle Infotech Solutions and Shivakriti International Limited.

Nine (9) customers became operational during the year, taking the total number of operational customers to 33. During the

year, Seven (7) customers started development activities for their respective campuses / factories. The total development at eVolve is currently 0.430 Million square feet rentable area comprising of 4 buildings. Out of the total rentable area of 0.430 Million square feet, an area of 0.415 Million square feet has been leased. The customers at eVolve include DBOI Global Services Pvt Ltd, Metlife, Genpact, EXL Services SEZ BPO Solution Private Limited, Systweak, Phone Support Private Limited and Appirio India Cloud Solutions Private Limited.

The cumulative direct employment created by the companies at Mahindra World City, Jaipur was around 8,400 persons. Exports by MWCJ clients grew by 1% to reach Rs.1,128.35 Cr. in 2015-16 compared to Rs. 1,119.24 Cr. during the previous year. The Company and its customers based at MWCJ have together invested Rs. 2,872 Crore in the project till March 31, 2016.

The Company currently has 5 sector Specific Special Economic Zones (SEZs), viz. 2 in IT/ITeS, and 1 each in Handicrafts, Engineering & Related Industries and Gems & Jewellery. The project also comprises a Domestic Tariff Area. The area currently notified, under the SEZs, is 1472.84 acres and the DTA comprises 1000 acres of which 500 acres is under development and leasing activity and an additional 500 acres is under approval.

During the year, 4 editions of the customer engagement platform, Coalesce have been conducted to discuss operational matters in the project and collaborate on new initiatives and infrastructure needs. This initiative has been received well by the customers.

The Company stays committed to sustainable development. Some of the achievements are below:

- 1) Solar PV rooftop project of 210KWP commissioned at eVolve's rooftop on PPA model. It is estimated to provide a reduction of 160 Tons of CO2 emission/annum.
- 2) **MWCJ C-40 Roadmap progress:** LED lights retrofit in eVolve basement completed which will save electrical consumption of approx. 1 lac units and CO2 emission of 46.2 Ton/annum.

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

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

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

Share Capital

The Authorized and Paid up share capital of the Company is Rs. 200 crore. The Share capital comprises of 15 crore equity shares of Rs. 10/- each aggregating Rs. 150 crore and 5 crore 8% Redeemable Cumulative Preference shares of Rs. 10/- each aggregating Rs. 50 crore. The Paid-up share capital is held by Mahindra Lifespace Developers Limited (MLDL) and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) in the ratio of 74:26.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

As on 13th July, 2012, the Company had issued and allotted 2500 – Secured Unlisted Rated Redeemable Non-Convertible Debentures (NCDs) at 10.00% Coupon rate with a face value of Rs. 1,000,000 (Rupees Ten Lakhs only) each for cash at par, aggregating Rs. 250 crores (Rupees Two Hundred Fifty Crores only) vide Series A, Series B, and Series C, on private placement basis.

The Company had also issued and allotted 650- Secured Unlisted Rated Redeemable Non-Convertible Debentures (NCDs) as on 19th December, 2014 at 10.90% Coupon rate with a face value of Rs. 1,000,000 (Rupees Ten Lakhs only) each for cash at par, aggregating Rs. 65 crores (Rupees Sixty Five Crores only) vide Series I, Series II, and Series III on Private Placement basis.

On 9th July, 2015, the Company has issued and allotted 50 Secured Unlisted rated Redeemable Non-Convertible Debentures (NCDs) at 9.50% Coupon Rate with a face value of Rs. 1,00,00,000/- (Rupees One Crore Only) each fully paid up aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crore Only) on Private Placement basis.

Series A of Secured Unlisted Rated Redeemable 750 Non-Convertible Debentures (NCD's) of 10.00% coupon rate with a face value of Rs. 10,00,000 (Rupees Ten Lakh only) each aggregating Rs. 75 Crore (Rupees Seventy Five Crore only) were redeemed on 13th July, 2015 along with redemption premium.

The proceeds of all the above mentioned NCDs issue have been utilized for the purpose of the issue.

Networth

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 26,011 lakh and Rs. 26,274 lakh respectively.

Holding Company

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

During the year, no Company has become/ceased to be subsidiary/associate or joint venture Company of the Company. Therefore, the requirement of consolidated financial statements does not apply to the Company.

Board of Directors

As at 31st March, 2016, the Board of Directors comprise of following:

Sr. No.	Name of Directors	DIN	Designation
1.	Mr. Chandra Shekhar Rajan	00126063	Chairman, Non-Executive Non-Independent Director
2.	Mr. Maheswar Sahu	00034051	Non-Executive Independent Director
3.	Mr. Ashok Jain	01641752	Non-Executive Non-Independent Director
4.	Mr. Salil Singhal	00006629	Non-Executive Independent Director
5.	Ms. Veenu Gupta	02170999	Non-Executive Non-Independent Director
6.	Mr. Shikhar Agrawal	01093773	Non-Executive Non-Independent Director
7.	Mr. Arun Kumar Nanda	00010029	Non-Executive Non-Independent Director
8.	Ms. Anita Arjundas	00243215	Non-Executive Non-Independent Director
9.	Ms. Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

During the year, there has been no change in the composition of the Board of Company.

Pursuant to Section 152 of the Companies Act, 2013 and provisions of Articles of Association, Non- Executive Non-Independent Directors Mr. Arun Kumar Nanda (DIN: 00010029), Mr. Ashok Jain (DIN: 01641752) and Ms. Veenu Gupta (DIN: 02170999), retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment. All the three Directors being eligible have offered themselves for reappointment.

Further, All the above Directors are not disqualified from being appointed/re-appointed as Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

Pursuant to Section 149(7) of the Companies Act, 2013, declaration from all the Independent Directors were received affirming their independence in accordance with the Section 149(6) of the Companies Act, 2013.

Key Managerial Personnel

As at 31st March, 2016, the Key Managerial Personnel of the Company comprise of following:

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Mr. Sanjay Srivastava	Manager & COO
2.	Mr. Sanjay Jain	Chief Financial Officer
3.	Ms. Prashi Jain	Company Secretary

Ms. Prashi Jain was appointed as the Company Secretary of the Company with effect from 2nd April, 2015.

Committees of the Board:

Audit Committee

The Audit Committee comprises of two Independent Directors, namely Mr. Maheswar Sahu, Mr. Salil Singhal and one Non-Executive Non-Independent Director, Ms. Veenu Gupta. Mr. Maheswar Sahu is the Chairman of the Audit Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairman and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Maheswar Sahu, Independent Director and two Non-Executive Non-Independent Directors Ms. Veenu Gupta and Ms. Sangeeta Prasad. Mr. Maheswar Sahu is the Chairman of the Committee.

During the year, the Company contributed Rs. 80 Lakh towards Corporate Social Responsibility. The Annual Report on CSR activities providing brief details on CSR policy and CSR initiatives undertaken by the Company during the year is attached herewith at **Annexure 1** to this Report

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee comprises of two Independent Directors, namely, Mr. Maheswar Sahu,

Mr. Salil Singhal and two Non-Executive Non-Independent Directors namely Ms. Veenu Gupta, and Ms. Anita Arjundas. Mr. Maheswar Sahu is the Chairman of the Committee.

The following policies of the Company as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2, Annexure 3 and Annexure 4**, respectively to this report:

1. Policy on appointment of Directors & Senior Management;
2. Policy on remuneration of Directors;
3. Policy on remuneration of Key Managerial Personnel and Employees;

Other Committees:

Contract Committee

The Committee comprises of three members, namely Mr. Shikhar Agrawal, Non-Executive Non-Independent Director, Ms. Sangeeta Prasad, Non-Executive Non-Independent Director and Mr. Sanjay Srivastava, Manager & Chief Operating Officer.

Capital Issue Committee

The Committee comprises of three members, namely Ms. Veenu Gupta, Non-Executive Non-Independent Director, Mr. Arun Kumar Nanda, Non-Executive Non-Independent Director and Ms. Anita Arjundas, Non-Executive Non-Independent Director.

Land Lease Committee

The Committee comprises of two members, namely Mr. Ashok Jain, Non-Executive Non-Independent Director, and Ms. Anita Arjundas, Non-Executive Non-Independent Director.

Loans & Investments Committee

The Committee comprises of four members, namely Mr. C.S. Rajan, Non-Executive Non-Independent Director, Ms. Veenu Gupta, Non-Executive Non-Independent Director, Mr. Arun Kumar Nanda, Non-Executive Non-Independent Director and Ms. Sangeeta Prasad, Non-Executive Non-Independent Director.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof, and Chairman of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices etc. were circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

Meetings

During the year, seven meetings of the Board of Directors were convened and held of which two meetings were held on 28th April, 2015 and balance five meetings were held on 30th June, 2015, 24th July, 2015, 23rd October, 2015, 20th January, 2016 and 15th March, 2016.

During the year, three meetings of the Audit Committee were convened and held on 28th April, 2015, 24th July, 2015 and 23rd October, 2015.

During the year, two meetings of the Nomination and Remuneration Committee (NRC) were convened and held on

The previous Annual General Meeting of the Company was held on 24th July, 2015.

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

Sr. No.	Name of the Director	Board meetings attended	Audit Committee meetings attended	NRC meetings attended	CSR Committee meetings attended	Contract Committee meetings attended
1.	Mr. Chandra Shekhar Rajan	4	–	–	–	–
2.	Mr. Maheswar Sahu	4	2	1	2	–
3.	Mr. Ashok Jain	3	–	–	–	–
4.	Mr. Salil Singhal	2	1	1	–	–
5.	Ms. Veenu Gupta	7	3	2	2	–
6.	Mr. Shikhar Agrawal	1	–	–	–	1
7.	Mr. Arun Kumar Nanda	3	–	–	–	–
8.	Ms. Anita Arjundas	6	–	2	–	–
9.	Ms. Sangeeta Prasad	6	–	–	2	Nil
10.	Mr. Sanjay Srivastava	–	–	–	–	1

Codes of Conduct

The Company has adopted Codes of Conduct (“the Code/s”) for its Directors, Independent Directors, Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company’s business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company’s ethos.

The Company has for the financial year 2015-16, received declarations under the Codes from the Board Members, Independent Directors, Senior Management and employees affirming compliance with the respective Codes.

Directors’ Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

28th April, 2015 and 24th July, 2015.

During the year, two meetings of the Corporate Social Responsibility (CSR) Committee were convened and held on 28th April, 2015 and 23th October, 2015.

During the year, one meeting of the Contract Committee was convened and held on 10th April, 2015.

During the year, one meeting was also conducted on 9th July, 2015 for issuance of Non- Convertible Debentures by the Committee of two Directors comprising of Ms. Anita Arjundas & Ms. Sangeeta Prasad.

- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board reviews the internal control systems with the management and auditors.

Vigil mechanism / Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company. The Whistle Blower Policy of the Company has been posted on the website of the Company and is available at the link <http://www.mahindraworldcity.com/about-us/our-policies.aspx>.

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The Company 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. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint the Statutory 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 Companies Act, 2013, the Company has received written consent and certificate from M/s Deloitte Haskins & Sells, Chartered Accountant, (ICAI Firm Registration Number 008072S), proposed to be re-appointed as Auditors for one year i.e. from the conclusion of the 11th Annual General Meeting upto conclusion of the 12th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

The Board has recommended to the Shareholders the appointment of the said Auditors for the term of one year.

The Statutory Auditor's Report does not contain any qualification, reservation or adverse remark or disclaimer and therefore does not call for any further comments.

Cost Auditors

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. K G Goyal & Company, Cost Accountants, Jaipur having Registration Number –

00017/07/2008, for the financial year 2015-16, for conducting the audit of the various cost records maintained by the Central Government pursuant to its order dated 30th June, 2014 and any amendments thereof, subject to the approval of the members on the remuneration to be paid to the Cost Auditor.

The Cost audit report does not contain any qualification, reservation or adverse remark or disclaimer and therefore does not call for any further comments.

Secretarial Auditors

The Board has appointed M/s. JPS & Associates, practicing Company Secretaries, to conduct the secretarial audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended March 31, 2016 is annexed herewith and marked as **Annexure 5** to this Report.

The Secretarial audit report does not contain any qualification, reservation or adverse remark or disclaimer and therefore does not call for any further comments.

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

As the Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The particulars of investment are provided in the financial statement at Note No. 16.

Contracts or Arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 with related parties which could be considered material. Accordingly, the disclosure of related party transaction to be provided under section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

Deposits, Loans and Advances

During the year, the Company has not accepted any deposits from the public or its employees, within the meaning of Section 73 of the Companies Act, 2013.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 6** to this report.

Employee Remuneration

Being an unlisted company, the details of employee remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure - 7** and forms part of this Report.

Change in the nature of business, if any: NIL

Safety, Health and Environmental Performance:

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

Sustainability:

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance. Mahindra World City Jaipur is the first and largest project in Asia to receive Stage 2 Climate Positive Development certification from C40 Cities Climate Leadership Group.

General

During the year ended March 31, 2016, there were no cases filed / reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/structures were imposed on the Company by any statutory authority on any matter.

The Company has received a Demand Notice dated 27th January, 2016 on 28th January, 2016, from Jaipur Development Authority (JDA) regarding payment of lease / Shahri Jamabandi charges along with interest thereon for the period 27th September, 2006 to 31st March, 2016, on the land leased by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) to the Company in Mahindra World City, Jaipur. The notice is for an amount of Rs. 3,21,79,38,890.

The Company has from March, 2011 to January, 2016 paid, in various tranches, an aggregate amount Rs. 4,50,87,109 towards the aforesaid lease / Shahri Jamabandi charges

calculated in accordance with the relevant provisions, statutes and representations on the subject. This has been further validated by a legal opinion.

Based on the above, the Company is of the opinion that as of date, it is not in arrears of any amounts and has taken up the matter with the relevant authorities.

No other significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.

No fraud has been reported during the audit conducted by the Statutory Auditor, Internal Auditor, Secretarial Auditor and Cost Auditor of the Company.

Cautionary statement

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgement

The Board of Directors thank and wish to place on record its appreciation to the Ministry of Commerce & Industry, Board of Approvals (SEZ), Development Commissioner, Noida Special Economic Zone, Development Commissioner SEZs, Government of Rajasthan, and all the agencies and Departments of the State Government, Bankers – State Bank of India, HDFC Bank, Kotak Mahindra Bank, Axis Trustee, our valuable customers and the employees of the Company at all levels, for their continued co-operation and unstinted support.

The Directors also express their sincere thanks to the shareholders for the continued support and trust they have shown in the Management.

For and on behalf of the Board,

Ms. Anita Arjundas Ms. Sangeeta Prasad
Director (DIN 00243215) Director (DIN 02791944)

Jaipur, 21st April, 2016

ANNEXURE 1

THE ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company CSR Policy, including overview of projects or programs proposed to be taken and a reference to the Web link to the CSR Policy and projects or programs.

CSR forms an integral part of the Company. The Company believes that its initiatives and high ethical standards will definitely encourage a positive impact on everyone involved in the project directly or indirectly. With a view to achieve inclusive social development, the Company has taken initiatives of organizing various training programs for school dropouts / unemployed youth and Women Empowerment, who are part of the local community around project area through a well-recognized NGO - Technology Business Incubator.

- Vocational Skill Development Training – Since its inception a total of 960 candidates have been trained as on 31st March, 2016. **In FY 15-16, the training was given to 300 candidates.**
- Formation of Women SHG's – Since its inception 80 SHG's have been formed with 810 women. **In FY 15-16, 25 women** have been given advance training from the existing groups and **50 women** were given basic primary education.
- The Company also conducted **three** medical camps in the neighbouring villages around the project office of the Company.
- The Company also planted **5500 trees** in government approved forest area and the neighbouring villages around the project office of the Company.
- Under the Clean India Campaign, the Company took the initiative to **clean four** neighbouring villages around the project office of the Company and the **Jaipur Wildlife Zoo.**

- The Company has also contributed Rs. 25, 00, 000/- for the Rajasthan State Govt. CSR project – MukyaMantri Jal Swavalambhan Abhiyan for making villages self-sufficient in Drinking Water and conserving water resources. A total of **15 villages** have been identified around the project office of the Company.

A details report of all activities is attached for reference. We are happy to inform that 100% of the CSR budget has been consumed for FY 15-16.

2. The Composition of the CSR Committee.

The Corporate Social Responsibility (CSR) Committee of the Company comprises of Mr. Maheswar Sahu, Independent Director (Chairman of the Committee), Ms. Veenu Gupta and Ms. Sangeeta Prasad, Non-Executive Non-Independent Directors of the Company.

3. Average net profit of the company for the last three financial years (Before tax).

The average net profit of the Company for the last three financial years- Rs. **3951.84** Lakh.

4. Prescribed CSR Expenditure (two percent of the amount as in item no. 3 above).

Prescribed CSR spend (2% of above amount) - Rs. **79.04** Lakh

5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: Rs.**79.04** Lakh
- b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the financial year is detailed below:

(1) Sr. no.	(2) CSR project of activity identified	(3) Sector in which the project is covered	(4) Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
1	Education of the girl child	Education	Udaipur/Rajasthan	2000000	2000000	2000000	Direct
2	Vocational Skill Development Program	Education	Jaipur/Rajasthan	1800000	1799936	3799936	Direct
3	Model School Development	Education	Jaipur/ Rajasthan	100000	99709	3899645	Direct

(1) Sr. no.	(2) CSR project of activity identified	(3) Sector in which the project is covered	(4) Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	(7) Cumulative expenditure upto the reporting period	(8) Amount spent: Direct or through implementing agency
4	Mid-Day meals for Govt. School children	Education	Jaipur/ Rajasthan	350000	347200	4246845	Direct
5	MukyaMantri Jal Swavalamban Abhiyan	Health	Jaipur/ Rajasthan	2500000	2500000	6746845	Direct
6	Medical Camps	Health	Jaipur/ Rajasthan	200000	70715	6817560	Direct
7	Blood Donation Activity	Health	Jaipur/ Rajasthan		7756	6825316	Direct
8	World Aids Awareness Day	Health	Jaipur/ Rajasthan		8903	6834219	Direct
9	Water Cooler Installation	Health	Jaipur/ Rajasthan		32500	6866719	Direct
10	Road Safety Week	Health	Jaipur/ Rajasthan		28790	6895509	Direct
11	Medical Camps	Health	Jaipur/ Rajasthan		54110	6949619	Direct
12	Tree Plantation	Environment	Jaipur/ Rajasthan	200000	196107	7145726	Direct
13	Development of Jaipur Wildlife Zoo	Environment	Jaipur/ Rajasthan	350000	72960	7218686	Direct
14	Development of Jaipur Wildlife Zoo	Environment	Jaipur/ Rajasthan		166290	7384976	Direct
15	Cleanliness Drives	Environment	Jaipur/ Rajasthan		147782	7532758	Direct
16	LED Tube lights Installation	Environment	Jaipur/ Rajasthan	500000	464820	7997578	Direct

Give Details of implementing agency:

TECHNOLOGY BUSINESS INCUBATOR-KIET is jointly promoted by Department of Science & Technology, Govt. of India & Krishna Institute of Engineering & Technology, Ghaziabad. TBI-KIET is registered under Society Registration Act 1860 initiated by DST support to demonstrate a model of creating knowledge based enterprise & creation of job opportunities through innovation & entrepreneurship and also market oriented skilled trained rural personnel to meet out the requirement of industries thereby uplifting the economics status & livelihood of the people.

The K. C. MAHINDRA EDUCATION TRUST was established in the year 1953, with an objective of promoting literacy and higher learning in the country. It is registered as a public Charitable Trust under the Bombay Public Trusts Act, 1950. Over the years, the Trust has undertaken a number of education initiatives, which make a difference in the lives of deserving and needy students. The trust has provided more than Rs. 440.34 million (8.81 million \$) in the form of grants, scholarships and loans. These funds are derived from the trusts investment portfolio, the main donor of which is the Mahindra group of companies. Since its inception, the trust has promoted education mainly by way of scholarships and grants to deserving and needy students.

6. In case the company has failed to spend the two percent of average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and policy of the company.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Mr. Maheswar Sahu **Mr. Sanjay Srivastava**
Chairman of the CSR Committee **Manager & COO**
(DIN 00034051)

Jaipur, 21st April, 2016

ANNEXURE- 2

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra World City (Jaipur) Limited.

“**Committee(s)**” means Committees of the Board for the time being in force.

“**Employee**” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“**HR**” means the Human Resource department of the Company.

“**Key Managerial Personnel**” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“**Nomination and Remuneration Committee**” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Senior Management**” means personnel of the Company who are members of its Core Management Team / Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed :
 1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, Rules and Regulations thereunder or due to non-adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

For and on behalf of the Board,

Ms. Anita Arjundas Ms. Sangeeta Prasad
Director (DIN 00243215) Director (DIN 02791944)

Jaipur, 21st April, 2016

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World City (Jaipur) Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as

membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Directors

The Chief Operating Officer is an executive of the Company and draws remuneration from the Company. Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Chief Operating Officer and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

For and on behalf of the Board,

Ms. Anita Arjundas Ms. Sangeeta Prasad
Director (DIN 00243215) Director (DIN 02791944)

Jaipur, 21st April, 2016

ANNEXURE-4

REMUNERATION POLICY FOR KMPS AND EMPLOYEES

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes.

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while

individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - o The increment that needs to be paid for different performance ratings as well as grades.
 - o The increment for promotions and the total maximum increment.
 - o The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.
- There are no mid-term compensation increments.

For and on behalf of the Board,

Ms. Anita Arjundas Ms. Sangeeta Prasad
Director (DIN 00243215) Director (DIN 02791944)

Jaipur, 21st April, 2016

ANNEXURE 5

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2015-16

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]]

To,
The Members,
Mahindra World City (Jaipur) Limited,
4th Floor, 411, Neelkanth Tower,
Bhawani Singh Road, C Scheme,
Jaipur - 302001.

- (I) We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Mahindra World City (Jaipur) Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances and expressing our opinion thereon.
- (II) Based on our verification of the Company's statutory registers and records, minutes books, forms and returns filed with various authorities and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with various provisions of statutory enactments listed hereunder at clause (III) and that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter.
- (III) We have examined the Statutory Registers, Minutes books of the General Meetings, Board Meetings and Committee Meetings, Forms and Returns filed with various Authorities and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:
1. The Companies Act, 2013 and the Rules made there under;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 4. The Indian Stamp Act, 1899
 5. The Income Tax Act, 1961;
 6. The Customs Act, 1962;
 7. Service Tax Laws;
 8. The Central Sales Tax Act, 1956;
 9. The Rajasthan Value Added Tax Act, 2003
 10. The Special Economic Zones Act, 2005;
 11. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
 12. Employers Liability Act, 1938;
 13. The Payment of Gratuity Act, 1972;
 14. Employees' State Insurance (ESI) Act, 1948;
 15. The Contract Labour (Regulation and Abolition) Act, 1970;
 16. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
 17. The Environment (Protection) Act, 1986;
 18. The Water (Prevention and Control of Pollution) Act, 1974;
 19. The Air (Prevention and Control of Pollution) Act, 1974.
- (IV) As observed and as per the information and explanations given to us, since the company did not receive any Foreign Direct Investment and / or External Commercial Borrowings and did not make any Overseas Direct Investment, the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating thereto were not applicable to the company during the year under review.
- (V) Since the company is an unlisted company, the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Rules, Regulations and guidelines made there under are not applicable to the company during the year under review.
- (VI) We have also examined the compliance with applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.
- (VII) Based on our above mentioned examination and verification of records and information and explanation provided to us by the management, officers, employees and staff of the company, we report that during the financial year under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.
- (VIII) We further report that having regard to the size and nature of the company the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.

- (IX) We further report that keeping in view the size and nature of the company, in our opinion adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (X) We further report that decisions were observed to be carried out by majority, however, we do not come across or explained with any instance of dissenting members, whose views need to be separately recorded in the minutes books as such.
- (XI) We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (XII) We further report that during the financial year under review the Company has issued Non Convertible debentures on private placement basis and also redeemed Non Convertible debentures and complied with necessary provisions of the Act in this regard.
- (XIII) We further report that during the audit period, there were no instances of:
- (i) Public / Rights / Preferential issue of shares / sweat equity;
 - (ii) Buy-back of securities;
 - (iii) Merger/ amalgamation / reconstruction etc.;
 - (iv) Foreign technical collaborations.
- Our above report is subject to the following:
1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit;
 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion;
 3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company;
 4. Wherever required, we have obtained the Management Representation, in writing as well as verbal, about the compliance of laws, rules and regulations and happening of events etc.;
 5. The Compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis;
 6. The secretarial audit report, is neither an assurance as to the future viability of the Company nor of the efficacy or the effectiveness with which the management has conducted the affairs of the Company.
 7. The compilation of the Secretarial Audit Report and the above mentioned contents are without any bias and/ or prejudice.

For JPS & Associates
Company Secretaries

Jai Prakash Sharma
Partner
C. P. No.: 5161

Jaipur, 20th April, 2016

ANNEXURE – 6**A. CONSERVATION OF ENERGY**

a) Energy conservation measures taken :

The Company is regularly pursuing the initiatives taken for energy conservation which include introduction of LED lighting, use of re-cycled water, plantation etc.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

i) Solar PV rooftop project of 210KWP commissioned at eVolve's rooftop on PPA model. It is estimate to provide the reduction of 160 Tons of CO2 emission/ annum.

ii) **MWCJ C-40 Roadmap progress:** LED lights retrofit in evolve basement completed which will save electrical consumption of approx. 1 lac units and CO2 emission of 46.2 Ton/annum.

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: Energy saving of 30% due to use of LED street lights.

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 R & D is carried out:	The Company has not carried out any specific R&D activities during the year.
2.	Benefits derived as a result of the above efforts:	Not Applicable.
3.	Future Plan of action:	Further quality improvement
4.	Expenditure on R & D:	Nil
5.	Technology absorption, adaptation and innovation:	Nil
6.	Imported Technology for the last 5 years:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there were no foreign exchange earnings. The information of foreign exchange outgo is furnished in note no. 31 to financial statement.

For and on behalf of the Board,

Ms. Anita Arjundas
Director (DIN 00243215)

Ms. Sangeeta Prasad
Director (DIN 02791944)

Jaipur, 21st April, 2016

ANNEXURE 7**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN
AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2016****(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	:	U45209RJ2005PLC021207
2.	Registration Date	:	26/08/2005
3.	Name of the Company	:	MAHINDRA WORLD CITY (JAIPUR) LIMITED
4.	Category/Sub-category of the Company	:	Category: Company Limited by Shares Sub Category: Indian Non Government Company
5.	Address of the Registered office & contact details	:	4 th Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur, Rajasthan- 302001 Email: JAIN.SANJAY@mahindra.com Tel. No. 91-141-3003461 Fax No. 91-141-2243060
6.	Whether listed company	:	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Not Applicable for equity and preference shares. <u>For Non-Convertible Debentures:</u> Sharepro Services (India) Pvt. Ltd. Address: 13 AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Telephone: 67720300, 67720400 Fax Number: 28591568, 28508927 Email id: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service*	% to total turnover of the company#
1	Other Specialized Constructions Activities [Development, Operation and Maintenance of Special Economic zone (SEZ) and Domestic Tariff Area (DTA)]	439	100%

* As per National Industrial Classification- Ministry of Statistics and Programme Implementation.
on the basis of Gross Turnover.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% holding as at 31.03.2016	Applicable Section
1	Mahindra Lifespace Developers Limited Address- Mahindra Towers 5 th FL RD No 13, Worli , Mumbai- 400018, Maharashtra	India	L45200MH1999PLC118949	Holding	74%	Section 2(87)

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

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	0.00
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	0.00
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c. Others (specify)	–	–	–	–	–	–	–	–	–
Non Resident Indians	–	–	–	–	–	–	–	–	–
Overseas Corporate Bodies	–	–	–	–	–	–	–	–	–
Foreign Nationals	–	–	–	–	–	–	–	–	–
Clearing Members	–	–	–	–	–	–	–	–	–
Trusts	–	–	–	–	–	–	–	–	–
Foreign Bodies - D R	–	–	–	–	–	–	–	–	–
Sub-Total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1) + (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	15,00,00,000	15,00,00,000	100%	–	15,00,00,000	15,00,00,000	100%	0.00

b) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mahindra Lifespace Developers Ltd.	11,09,99,940	73.99%	—	11,09,99,940	73.99%	—	0.00
2	Mahindra Lifespace Developers Ltd. & Mr. Narayan Shankar	10	0.000005%	—	10	0.000005%	—	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.000005%	—	10	0.000005%	—	0.00
4	Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)	3,90,00,000	26%	—	3,90,00,000	26%	—	0.00
5	Mahindra Lifespace Developers Ltd. & Mr. Suhas Kulkarni	10	0.000005%	—	10	0.000005%	—	0.00
6	Mahindra Lifespace Developers Ltd. & Ms. Anita Arjundas	10	0.000005%	—	10	0.000005%	—	0.00
7	Mahindra Lifespace Developers Ltd. & Ms. Sangeeta Prasad	10	0.000005%	—	10	0.000005%	—	0.00
8	Mahindra Lifespace Developers Ltd & Mr. Sanjay Srivastava	10	0.000005%	—	10	0.000005%	—	0.00
	Total	15,00,00,000	100.00	—	15,00,00,000	100.00	—	0.00

c) Change in Promoters' Shareholding (please specify, if there is no change): No Change
d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Nil
e) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Mahindra Lifespace Developers Ltd. And Mr. Arun Nanda	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Anita Arjundas	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Sangeeta Prasad	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Mr. Sanjay Srivastava	10	0.000005	10	0.000005
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	—	—	—	—
	At the end of the year				
	Mahindra Lifespace Developers Ltd. And Mr. Arun Nanda	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Anita Arjundas	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Sangeeta Prasad	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Mr. Sanjay Srivastava	10	0.000005	10	0.000005

f) Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,15,76,95,835	—	—	3,15,76,95,835
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	38,88,39,968	—	—	38,88,39,968
Total (i + ii + iii)	3,54,65,35,803	—	—	3,54,65,35,803
Change in Indebtedness during the financial year				
+ Addition	52,42,95,228	—	—	52,42,95,228
– Reduction	(80,38,09,237)	—	—	(80,38,09,237)
Net Change	(27,95,14,009)	—	—	(27,95,14,009)
Indebtedness at the end of the financial year				
i) Principal Amount	2,90,00,00,000	—	—	2,90,00,00,000
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	36,70,21,794	—	—	36,70,21,794
Total (i + ii + iii)	3,26,70,21,794	—	—	3,26,70,21,794

V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Sanjay Srivastava (Manager)	—	—	—	
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,90,187	—	—	—	1,04,90,187
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,84,967	—	—	—	7,84,967
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—	—
2.	Stock Option related perquisites	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission – as % of profit – others, specify	—	—	—	—	—
5.	Others, please specify SAR's	—	—	—	—	—
	Total (A)	1,12,75,154	—	—	—	1,12,75,154
	Ceiling as per the Act	2,40,00,000				2,40,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Maheswar Sahu	Mr. Salil Singhal	—	—	
1	Independent Directors					
	Fee for attending board committee meetings	1,30,000	60,000			1,90,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	1,30,000	60,000			1,90,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—	—	—	—	—
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Maheswar Sahu	Mr. Salil Singhal	—	—	
	Total (2)	—	—	—	—	—
	Total (B) = (1 + 2)	1,30,000	60,000			1,90,000
	Total Managerial Remuneration (A + B)	—	—	—	—	1,14,65,154
	Overall Ceiling as per the Act	2,40,00,000				2,40,00,000

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	2,58,827	45,05,711.90	47,64,538.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	34,551	7,00,806.10	7,35,357.10
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option related perquisites	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	2,93,378	52,06,518	54,99,896

XII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There was no penalties/ punishments/ compounding of offences for the year ending 31.03.2016

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board,

Ms. Anita Arjundas
Director
DIN: 00243215

Ms. Sangeeta Prasad
Director
DIN: 02791944

Jaipur, 21st April, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY (JAIPUR) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MAHINDRA WORLD CITY (JAIPUR) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due

to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 28 to the financial statements).
 - ii. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place: Chennai
Date: April 21, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph f under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Mahindra World City (Jaipur) Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants
(Firm’s Registration No. 008072S)*

Geetha Suryanarayana
*Partner
(Membership No. 29519)*

*Place: Chennai
Date: April 21, 2016*

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of Fixed assets:
- The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - With respect to the leasehold land on which the properties are constructed by the company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the balance sheet date where the company is the lessee in the agreement.
- (ii) In respect of its inventories, in our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund,

Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- Details of statutory dues which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in Lakhs)
Jaipur Development Authority Act 1982 (JDA Act)	Urban assessment/ Shahri Jamabandi	Jaipur Development Authority	2006-16	32,179	31,729

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year; we have been informed that a minor fraud committed by an employee on the Company has been noticed and reported during the year.
- (xi) In our opinion and according to the information and explanations given to us and based on the Company's confirmation that they are covered under Para d, Section III (Remuneration payable by companies having no profit or inadequate profit without Central Government approval in certain special circumstances), Part II of Schedule V to the Companies Act 2013, relating to company in a Special Economic Zone as notified by Department of Commerce, the managerial remuneration paid / provided by the Company is in accordance with Section 197 read with the above Schedule V of the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance

with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with

its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 008072S)

Geetha Suryanarayana

Partner
(Membership No. 29519)

Place: Chennai

Date: April 21, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at	As at
		31 st March, 2016	31 st March, 2015
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share capital	3	2,000,000,000	2,000,000,000
(b) Reserves & Surplus.....	4	627,410,643	601,104,936
		<u>2,627,410,643</u>	<u>2,601,104,936</u>
2 Non-Current liabilities			
(a) Long term Borrowings	5	1,650,000,000	2,400,000,000
(b) Deferred tax liabilities (Net).....	6	191,255,661	178,273,043
(c) Other long term liabilities.....	7	30,694,666	44,542,026
(d) Long term provisions	8	115,792,904	140,686,719
		<u>1,987,743,231</u>	<u>2,763,501,788</u>
3 Current liabilities			
(a) Short term Borrowings.....	9	500,000,000	7,695,835
(b) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		10,150,185	11,192,141
Total outstanding dues of creditors other than micro enterprises and small enterprises.....		78,181,215	74,842,969
(c) Other current liabilities	11	1,401,768,265	1,340,341,991
(d) Short term provisions.....	12	104,954,469	102,966,831
		<u>2,095,054,134</u>	<u>1,537,039,767</u>
TOTAL.....		<u>6,710,208,008</u>	<u>6,901,646,491</u>
B ASSETS			
1 Non-Current assets			
(a) Fixed Assets			
(i) Tangible assets.....	13	1,626,451,385	1,590,618,913
(ii) Intangible assets	14	1	1
(iii) Capital work in progress.....		19,539,606	65,396,914
		<u>1,645,990,992</u>	<u>1,656,015,828</u>
(b) Long term loans and advances	15	182,154,168	157,428,379
		<u>1,828,145,160</u>	<u>1,813,444,207</u>
2 Current assets			
(a) Current Investments	16	42,206,167	586,379,798
(b) Inventories	17	4,626,565,778	4,369,752,207
(c) Trade receivables	18	82,065,447	62,242,370
(d) Cash and cash equivalents	19	89,061,919	51,720,495
(e) Short term loans and advances	20	36,821,331	8,490,665
(f) Other current assets.....	21	5,342,206	9,616,749
		<u>4,882,062,848</u>	<u>5,088,202,284</u>
TOTAL.....		<u>6,710,208,008</u>	<u>6,901,646,491</u>

See accompanying notes forming part of the Financial Statements
In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : April 21, 2016

Sanjay Srivastava
Manager & COO

Sanjay Jain
Chief Financial Officer

Prashi Jain
Company Secretary
(ACS: 37806)

For and on behalf of the Board of Directors

Veenu Gupta Director (DIN: 02170999)
Sangeeta Prasad Director (DIN: 02791944)

Place : Jaipur
Date : April 21, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
		₹	₹
INCOME			
1 Revenue from operations	22	824,349,462	1,316,208,689
2 Other income	23	43,310,819	26,617,441
3 Total Revenue		867,660,281	1,342,826,130
4 EXPENDITURE			
Cost of land and Project development.....		220,065,530	64,874,951
Changes in Inventories of Work in Progress	24	(256,813,571)	222,486
Employee benefits expense	25	64,840,347	60,899,143
Finance costs.....	26	362,414,368	412,291,682
Depreciation and amortization expense	13	85,769,365	65,989,323
Other expenses.....	27	189,775,688	184,917,218
		666,051,727	789,194,803
Less : Capitalized		(2,803,771)	(7,903,986)
		663,247,956	781,290,817
5 Profit before tax		204,412,325	561,535,313
6 Tax expense:			
(a) Current tax.....		62,820,000	137,267,500
(b) (Less): MAT Credit		—	—
(c) Net Current Tax expense		62,820,000	137,267,500
(b) Deferred tax.....		12,982,618	44,377,765
7 Profit for the year		128,609,707	379,890,048
Basic and diluted earnings per share (₹)		0.54	2.21

See accompanying notes forming part of the Financial Statements
In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : April 21, 2016

Sanjay Srivastava
Manager & COO

Sanjay Jain
Chief Financial Officer

Prashi Jain
Company Secretary
(ACS: 37806)

For and on behalf of the Board of Directors

Veenu Gupta Director (DIN: 02170999)
Sangeeta Prasad Director (DIN: 02791944)

Place : Jaipur
Date : April 21, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
A. Cash flow from operating activities		
Net Profit before tax	204,412,325	561,535,313
Adjustments for:		
Depreciation and Amortization	85,769,365	65,989,323
Finance costs	362,414,368	412,291,682
Gain on redemption of Mutual Fund Investments	(34,333,207)	(20,973,762)
Interest income	(6,648,115)	(5,625,022)
Operating profit before working capital changes	611,614,736	1,013,217,534
Changes in working capital:		
<i>Adjustments for (Increase)/decrease in operating assets</i>		
Inventories	(256,813,571)	(1,832,768)
Trade receivables	(19,823,076)	38,352,625
Short Term Loans and advances	(28,330,666)	16,568,287
Long term Loans and advances	(39,259,582)	(3,739,562)
Other Current Assets	4,690,923	4,039,338
<i>Adjustments for Increase/(Decrease) in operating liabilities</i>		
Trade Payables	2,296,290	22,945,217
Other Current Liabilities	68,059,108	(77,790,748)
Other Long term Liabilities	(13,847,360)	9,583,653
Short Term Provisions	1,987,638	(52,729,251)
Long Term Provision	1,921,267	(4,021,529)
Cash generated from Operations	332,495,707	964,592,796
Income Tax paid	(53,739,136)	(141,011,150)
Net cash flow from operating activities (A)	278,756,571	823,581,646
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(81,921,343)	(134,018,806)
Net movement in deposits not considered as Cash and cash equivalents	10,489,031	12,486,522
Interest received	6,231,735	8,839,919
Gain on redemption of Mutual Fund Investments	34,333,207	20,973,762
Net cash flow from/(used) in investing activities (B)	(30,867,370)	(91,718,603)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	–	650,000,000
Repayment of long-term borrowings	(750,000,000)	(661,000,000)
Proceeds/(Repayment) of working capital borrowings	492,304,165	7,695,835
Dividend including dividend distribution tax paid	(102,304,000)	(116,995,000)
Finance costs paid	(384,232,542)	(324,212,669)
Net cash flow (used) in financing activities (C)	(744,232,377)	(444,511,834)
Net increase/(decrease) in Cash and cash equivalents (A+B+C)	(496,343,176)	287,351,209
Cash and cash equivalents at the beginning of the year	601,533,398	314,182,189
Cash and cash equivalents at the end of the year	105,190,222	601,533,398

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)	89,061,919	51,720,495
Less: Bank balances not considered as Cash and cash equivalents		
(i) in deposit accounts maturing after 3 months.....	9,402,303	12,536,404
(ii) in earmarked accounts (Refer Note 19)	16,675,561	24,030,491
Net Cash and cash equivalents.....	62,984,055	15,153,600
Add: Current investments considered as part of Cash and cash equivalents		
Investment in units of Mutual Funds (Refer Note 16).....	42,206,167	586,379,798
	105,190,222	601,533,398
Cash and cash equivalents at the end of the year*		
* Comprises:		
(a) Cash on hand.....	20,014	62,035
(b) Balances with banks		
(i) In current accounts.....	62,964,041	15,091,565
(ii) In deposit accounts with original maturity of less than 3 months.....	—	—
(c) Current investments considered as part of Cash and cash equivalents (Refer Note 16).....	42,206,167	586,379,798
	105,190,222	601,533,398

See accompanying notes forming part of the Financial Statements
In terms of our report attached.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : April 21, 2016

Sanjay Srivastava
Manager & COO

Sanjay Jain
Chief Financial Officer

Prashi Jain
Company Secretary
(ACS: 37806)

For and on behalf of the Board of Directors

Veenu Gupta Director (DIN: 02170999)
Sangeeta Prasad Director (DIN: 02791944)

Place : Jaipur
Date : April 21, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1. Corporate information

The Company is engaged in the business of development of an Industrial park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

Note 2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialize.

2.3 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortization

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 based on estimated useful life of tangible assets.

Leasehold land is amortized over the period of lease i.e. 99 years.

Cost of Interiors of building given on lease is amortized over the period of lease.

Assets costing less than ₹ 5,000 is depreciated fully in the year of purchase.

Motor Vehicle provided to employees by the company is depreciated over a period of 48 months.

Life of DG and HVAC Plant and Machinery has been depreciated over 12 years.

Intangible assets are amortized over their estimated useful life as follows:

Software expenditure incurred is amortized over three years.

The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

2.7 Revenue recognition

- a) Land lease premium is recognized as income upon creation of leasehold rights in favor of the lessee or upon an agreement to create leasehold rights with handing over of possession.
- b) Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight line basis over the non cancellable lease period.
- c) Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for, when the right to receive it is established.

2.9 Fixed assets (Tangible and Intangible assets)

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.13 Borrowing costs

Borrowing costs include interest and amortization of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalization of such assets are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.14 Segment reporting

The Company has a single reportable segment namely, lease of land and properties constructed thereon.

2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.16 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) and after reducing the dividend obligation (including Dividend Distribution Tax) on Preference Shares by the weighted average number of equity shares outstanding during the year.

2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that

originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.18 Impairment of assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.19 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Service tax input credit

Service tax input credit is recognized for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits.

Note 3. Share Capital

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Authorized		
150,000,000 equity shares of ₹ 10 each	1,500,000,000	1,500,000,000
50,000,000 Preference shares of ₹ 10 each	500,000,000	500,000,000
	2,000,000,000	2,000,000,000
Issued, subscribed and fully paid up		
150,000,000 Equity shares of ₹ 10/- each fully paid up	1,500,000,000	1,500,000,000
50,000,000 Preference Share of ₹ 10/- each fully paid up	500,000,000	500,000,000
	2,000,000,000	2,000,000,000
Total	2,000,000,000	2,000,000,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**3.a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares	Value of Shares	No of Shares	Value of Shares
Equity Shares				
At the beginning of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued during the year	–	–	–	–
Outstanding at the end of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Preference Shares				
At the beginning of the year	50,000,000	500,000,000	50,000,000	500,000,000
Issued during the year	–	–	–	–
Outstanding at the end of the year	50,000,000	500,000,000	50,000,000	500,000,000

3.b Terms/Rights attached to Equity Shares

The Company has only one class of Equity shares having a par value of ₹ 10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹ 4,50,00,000/- (₹ 0.30 per share) (Previous Year ₹ 4,50,00,000/- (₹ 0.30 per share))

Repayment of capital will be in proportion to the number of equity shares held.

3.c Terms of Conversion/redemption of 8% Redeemable Cumulative Preference Shares (RCPS)

- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 23rd December, 2008. These Preference Shares are due for redemption on 23rd December, 2016.
- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 4th November, 2011. The Company is entitled to redeem these shares at the end of 5 years i.e., on 4th November, 2016, otherwise redemption can be extended up to the end of 8th year i.e., up to 4th November, 2019, with preference shareholders' approval.
- Each holder of RCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RCPS in case of dividends are in arrear.
- The amount of dividend proposed to be distributed to preference shareholders i.e., ₹ 4,00,00,000/- (₹ 0.80 per share) (Previous Year ₹ 4,00,00,000/- (₹ 0.80 per share))

3.d Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares	Value of Shares	No of Shares	Value of Shares
Holding Company (74%)				
Mahindra Lifespace Developers Limited				
Equity	111,000,000	1,110,000,000	111,000,000	1,110,000,000
Preference Shares	37,000,000	370,000,000	37,000,000	370,000,000
Rajasthan State Industrial Development and Investment Corporation Limited (26%)				
Equity	39,000,000	390,000,000	39,000,000	390,000,000
Preference Shares	13,000,000	130,000,000	13,000,000	130,000,000

Note 4. Reserves & Surplus

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
(a) Debenture Redemption Reserve		
Opening Balance	561,458,333	318,750,000
Add: Additions during the year Transferred from surplus in Statement of Profit & Loss	59,375,000	242,708,333
Closing balance	620,833,333	561,458,333
(b) Surplus in Statement of Profit and loss		
Opening Balance	39,646,603	5,645,332
Less: Adjustment of depreciation on tangible fixed assets with remaining useful life ₹ NIL on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax) (Refer Note 32)....	–	876,444
Add: Profit for the year	128,609,707	379,890,048
Less: Appropriations		
Transferred to Debenture Redemption Reserve	59,375,000	242,708,333
Dividends proposed to be distributed to equity shareholders..	45,000,000	45,000,000
Dividends proposed to be distributed to preference shareholders	40,000,000	40,000,000
Tax on dividend	17,304,000	17,304,000
	6,577,310	39,646,603
Closing balance Total	627,410,643	601,104,936

Note 5. Long Term Borrowings (Secured)**

10.00% Redeemable Non Convertible Debentures	1,000,000,000	1,750,000,000
10.90% Redeemable Non Convertible Debentures	650,000,000	650,000,000
Total	1,650,000,000	2,400,000,000

**** (Refer note 11 for current maturities of long term borrowings)**

10.00% Redeemable Non Convertible Debentures

- Company has issued 2,500 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 250 Crores repayable in 3, 4 and 5 years in the ratio of 30:30:40 respectively along with redemption premium as below:-

Series	A	B	C
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	750	750	1,000
Total Value (₹)	750,000,000	750,000,000	1,000,000,000
Redemption Premium per debenture (₹)	77,835	110,794	147,421
Maturity Date	13-Jul-15 Refer 5.b	13-Jul-16	13-Jul-17

- During the year the first tranche of ₹ 75 crore was repaid on 13th July 2015 along with premium on redemption of ₹ 5.83 crore.

- These Debentures are secured by way of first pari passu charge along with:-

- the debenture holders of ₹ 50 crores as mentioned below in note 9.b. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

and Hypothecation of movable assets with the Debenture trustee.

- ii) the debenture holders of ₹ 65 crore as mentioned below in note 5.f. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 times at all times during the currency of debentures.

- 5.d Interest on these debentures is payable annually in July.

10.90% Redeemable Non Convertible Debentures

- 5.e Company has issued 650 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 65 crore repayable in 3, 4 and 5 years in the ratio of 31:31:38 respectively as below:-

Series	Series I	Series II	Series III
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	200	200	250
Total Value (₹)	200,000,000	200,000,000	250,000,000
Maturity Date	19-Dec-17	19-Dec-18	19-Dec-19

- 5.f These Debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 175 crore (Out of 250 crore issued in July'12) as mentioned above in note 5.c. and debenture holders of ₹ 50 crore as mentioned below in note 9.b. on the assets of the project (excluding specified assets) by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 X at all times during the currency of debentures.

- 5.g Interest on these debentures is payable annually in December.

Note 6. Deferred Tax Liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deferred Tax Liability:		
Fixed Assets.....	195,184,100	182,027,938
Less: Transition Adjustment	—	(451,300)
Income accrued based on lease equalization.....	(574,007)	(1,432,542)
	194,610,093	180,144,096
Deferred Tax Assets:		
Accrued expenses allowable on payment	3,354,432	1,871,053
Net Deferred tax liability (Total) ..	191,255,661	178,273,043
Deferred tax reconciliation:		
Deferred tax expense for the year based on the movement in net deferred tax liability as at the beginning and the end of the year as shown above	12,982,618	43,926,465
Add: Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus. Refer Note 4 and 32	—	451,300
Deferred tax impact in the Statement of Profit and Loss	12,982,618	44,377,765

Note 7. Other Long Term Liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deposits from lessees	30,694,666	44,542,026
Total	30,694,666	44,542,026

Note 8. Long term Provisions

Compensated absences	2,201,796	1,869,763
Gratuity.....	3,897,070	2,307,836
Provision for premium on redemption of debentures (Refer Note 5.a)	109,694,038	136,509,120
Total	115,792,904	140,686,719

Note 9. Short Term borrowings (secured)

9.50% Redeemable Non Convertible Debentures.....	500,000,000	—
Overdraft from banks*	—	7,695,835
Total	500,000,000	7,695,835

*Overdraft from banks is secured against earmarked Fixed deposits mentioned in note 19. The overdraft is repayable on demand.

9.50% Redeemable Non Convertible Debentures

- 9.a Company has issued 50 Redeemable Secured Non Convertible Debentures of ₹ 1 crore each aggregating to ₹ 50 crore repayable in 1 year with call options on 06th January, 2016, 29th February, 2016, 06th April, 2016 and 06th June, 2016. It can be fully exercised on these dates. As of 31st March, 2016 company has not exercised its call option.

Series	Series I
Face Value (₹)	10,000,000
No. of Debentures	50
Total Value (₹)	500,000,000
Maturity Date	11-Jul-16

- 9.b These Debentures are secured by way of first pari passu charge along with:-

- i) the debenture holders of ₹ 175 crore (Out of 250 crore issued in July'12) as mentioned below in note 5.c. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds and Hypothecation with the Debenture trustee.

- ii) the debenture holders of ₹ 65 crore as mentioned in note 5.f. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 times at all times during the currency of debentures.

- 9.c Interest on these debentures is payable on redemption.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note 10. Trade payables**

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Trade payables		
Total outstanding dues of micro enterprises and small enterprises...	10,150,185	11,192,141
Total outstanding dues of creditors other than micro enterprises and small enterprises.....	78,181,215	74,842,969
Total	88,331,400	86,035,110

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Payable on purchase of Fixed Assets	39,353,016	50,982,758
Other liabilities	70,328,728	40,687,287
Total	1,401,768,265	1,340,341,991

** Refer Note 5.a - Long Term Borrowings - for terms of repayment and security

*** This premium is towards debentures redeemable in July 2016. Refer Note 5.a

Note 11. Other current Liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Current maturities of long term NCDs**	750,000,000	750,000,000
Interest accrued and not due on Debentures.....	180,147,024	199,445,344
Premium on redemption of debentures (Refer Note 5.b***)	77,180,732	52,885,504
Other Payables		
Statutory Remittances	2,374,100	3,998,692
Earnest money deposit received	497,000	497,000
Advances from customers	160,415,904	152,139,193
Deposit from lessees.....	121,471,761	89,706,213

Note 12. Short term provisions

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Compensated absences	2,449,373	627,669
Gratuity.....	201,096	35,162
Proposed Equity Dividend.....	45,000,000	45,000,000
Proposed Preference Dividend	40,000,000	40,000,000
Tax on Proposed Dividend	17,304,000	17,304,000
Total	104,954,469	102,966,831

Note 13. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Tangible Assets										
Leasehold land	44,308,273	—	—	44,308,273	3,608,107	443,167	—	4,051,274	40,256,999	40,700,166
Buildings										
Owned	456,666,547	73,510,160	—	530,176,707	28,003,037	14,571,710	—	42,574,747	487,601,960	428,663,510
Given under operating lease	993,513,708	985,973	—	994,499,681	93,439,156	20,162,125	—	113,601,281	880,898,400	900,074,552
Plant and machinery										
Owned	102,280,690	43,453,514	—	145,734,204	25,130,180	18,737,585	—	43,867,765	101,866,439	77,150,510
Given under operating lease	118,592,704	754,697	—	119,347,401	34,495,923	13,051,532	—	47,547,455	71,799,946	84,096,781
Office equipment	3,338,288	1,585,123	—	4,923,411	1,447,614	662,489	—	2,110,103	2,813,308	1,890,674
Furniture and fixtures										
Owned	8,728,118	125,400	—	8,853,518	3,235,008	1,148,217	—	4,383,225	4,470,293	5,493,110
Given under operating lease	139,059,988	—	—	139,059,988	89,816,606	14,934,694	—	104,751,300	34,308,688	49,243,382
Computers	5,488,553	595,243	—	6,083,796	4,615,432	679,819	—	5,295,251	788,545	873,121
Vehicles	4,545,739	591,727	—	5,137,466	2,112,632	1,378,027	—	3,490,659	1,646,807	2,433,107
Total Tangible Assets	1,876,522,608	121,601,837	—	1,998,124,445	285,903,695	85,769,365	—	371,673,060	1,626,451,385	1,590,618,913

In ₹

Note 14. Intangible Assets

Software	5,203,368	—	—	5,203,368	5,203,367	—	—	5,203,367	1	1
Total Intangible Assets	5,203,368	—	—	5,203,368	5,203,367	—	—	5,203,367	1	1
Total	1,881,725,976	121,601,837	—	2,003,327,813	291,107,062	85,769,365	—	376,876,427	1,626,451,386	1,590,618,914

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note 13. Fixed Assets (Previous Year)**

In ₹

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2014	Additions	Adjustments	Deductions	As at 31.03.2014	As at 01.04.2014	Transition Adjustment (Refer Note 1)	For the year	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets												
Leasehold land	42,253,019	2,055,254	-	-	44,308,273	3,176,032	-	432,075	-	3,608,107	40,700,166	39,076,987
Buildings												
Owned	346,512,637	110,153,910	-	-	456,666,547	20,613,137	-	7,389,900	-	28,003,037	428,663,510	325,899,500
Given under operating lease	988,285,883	5,227,825	-	-	993,513,708	72,691,193	-	20,747,963	-	93,439,156	900,074,552	915,594,690
Plant and machinery												
Owned	73,836,608	28,444,082	-	-	102,280,690	18,775,367	441,053	5,913,760	-	25,130,180	77,150,510	55,061,241
Given under operating lease	118,592,704	-	-	-	118,592,704	22,686,025	-	11,809,898	-	34,495,923	84,096,781	95,906,679
Office equipment	2,191,276	1,147,012	-	-	3,338,288	434,511	463,161	549,942	-	1,447,614	1,890,674	1,756,765
Furniture and fixtures												
Owned	8,461,560	266,558	-	-	8,728,118	2,114,827	-	1,120,181	-	3,235,008	5,493,110	6,346,733
Given under operating lease	139,059,988	-	-	-	139,059,988	73,318,359	-	16,498,247	-	89,816,606	49,243,382	65,741,629
Computers	4,974,345	514,208	-	-	5,488,553	3,413,214	423,530	778,688	-	4,615,432	873,121	1,561,131
Vehicles	4,545,739	-	-	-	4,545,739	1,363,963	-	748,669	-	2,112,632	2,433,107	3,181,776
Total Tangible Assets	1,728,713,759	147,808,849	-	-	1,876,522,608	218,586,628	1,327,744	65,989,323	-	285,903,695	1,590,618,913	1,510,127,131

Note 14. Intangible Assets (Previous Year)

In ₹

Software	5,203,368	-	-	-	5,203,368	5,203,367	-	-	-	5,203,367	1	1
Total Intangible Assets	5,203,368	-	-	-	5,203,368	5,203,367	-	-	-	5,203,367	1	1
Total	1,733,917,127	147,808,849	-	-	1,881,725,976	223,789,995	1,327,744	65,989,323	-	291,107,062	1,590,618,914	1,510,127,132

**Note 15. Long term Loans and advances
(Unsecured unless otherwise
stated and considered good.)**

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Capital advances (Secured by Bank Guarantee from vendors)	3,664,630	9,117,559
Security deposits	8,628,964	7,051,064
Deposits in respect of premises taken on lease	186,168	186,168
Export duty refund receivable	8,290,887	8,290,887
Advance income tax (net of provisions)	108,855,899	117,936,763
Prepaid expenses	52,527,620	14,845,938
Total	182,154,168	157,428,379

Note 16. Current Investments (At lower of cost and fair value)

Particulars	Units As at 31 st March, 2016	₹ As at 31 st March, 2015	As at 31 st March, 2016	As at 31 st March, 2015
Investment in Mutual funds (unquoted & non trade)				
ICICI - Ultra Short Term Plan - Direct Growth		5,308,832		75,000,000

Particulars	Units As at March 31, 2016	₹ As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
DSP Black Rock Money manager Fund - Direct plan - growth		231		431,269
JM Money Manager Fund Super Plus Plan - Growth		7,846,192		152,024,210
IDFC Money Manager Fund - Treasury Plan		3,631,816		80,000,000
JM High Liquidity Fund - Growth Option (452)	48,834	778,187	2,008,684	29,511,947
JM - Floater Long Term Fund Direct Growth Option	449,783		10,433,594	
BSL Cash Plus Direct Growth	20,719		5,014,525	
IDFC Cash Fund - Growth - Direct Plan	8,729		16,011,815	
Reliance Interval Fund Quarterly Plan Series - II		2,642,371		50,000,000
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option		2,063		7,000,000
Birla Sunlife Savings Fund	30,037		8,737,549	
Templeton India Ultra Short Bond Fund Super Institutional Plan - Direct Growth		10,631,481		192,412,372
Total	558,102	30,841,173	42,206,167	586,379,798

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note 17. Inventories (at lower of cost and net realisable value)**

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Work In Progress	4,626,565,778	4,369,752,207
<i>(representing cost of land and related expenditure including borrowing costs)</i>		
Total	4,626,565,778	4,369,752,207

Note 18. Trade Receivable. (Unsecured considered good)

Trade receivables outstanding for a period exceeding six months from the date they were due for payment.....	4,27,08,576	4,86,55,348
Other Trade receivables	3,93,56,871	1,35,87,022
Total	8,20,65,447	6,22,42,370

Note 19. Cash and cash equivalents

Cash on hand	20,014	62,035
Balances with Banks		
in Current account.....	6,29,64,041	1,50,91,565
In Deposits maturing after 3 months....	9,402,303	12,536,404
in earmarked deposits (with restriction on usage)*	1,66,75,561	2,40,30,491
Total	8,90,61,919	5,17,20,495

* The earmarked deposits are given as security against term loan, Bank over draft and other non-fund based facilities.

Note 20. Short term Loans and advances (Unsecured, considered good unless otherwise stated)

Prepaid expenses	3,456,269	2,096,367
Mobilization and other advances given to vendors (secured against bank guarantee)	–	1,962,834
Balances with Government authorities (Service tax)	5,360,232	1,542,179
Other advances given to vendors.....	27,991,920	2,889,285
Other recoverable from Employees.....	12,910	–
Total	36,821,331	8,490,665

Note 21. Other current assets

Deferred lease rent	1,658,596	5,949,519
Interest accrued on Fixed Deposits.....	2,683,610	2,267,230
Contractually recoverable expenses.....	1,000,000	1,400,000
Total	5,342,206	9,616,749

Note 22. Revenue from operations

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Land Lease Premium	489,437,704	1,032,810,158
Property Rentals	187,276,728	171,009,364
Income from Operation and Maintenance.....	147,635,030	112,389,167
Total	824,349,462	1,316,208,689

Note 23. Other Income

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Interest on		
Deposits from Banks	4,214,428	4,699,001
Others	2,433,687	926,021
Gain on Redemption of Mutual funds	34,333,207	20,973,762
Miscellaneous Income.....	48,400	18,657
Liabilities no longer required written back.....	2,281,097	–
Total	43,310,819	26,617,441

Note 24. Changes in Inventory of Work in Progress

Opening work in progress	4,369,752,207	4,369,974,693
Less: Closing work in progress	4,626,565,778	4,369,752,207
Total	(256,813,571)	222,486

Note 25. Employee Benefits Expense

Salaries, Wages and Bonus...	59,096,610	55,644,447
Contribution to Provident and other funds.....	2,078,283	1,816,273
Gratuity	2,104,457	1,328,020
Staff welfare	1,560,997	2,110,403
Total	64,840,347	60,899,143

Note 26. Finance Costs

Interest on Term Loans.....	–	54,012,174
Interest on Inter Corporate Deposits	–	7,085,616
Interest on Debentures	301,939,899	269,993,288
Premium on Redemption of Debentures.....	55,856,396	69,686,530
Interest - Others.....	56,666	1,548,520
Other Borrowing Costs.....	4,561,407	9,965,554
Total	362,414,368	412,291,682

Note 27. Other Expenses

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Legal and Professional.....	6,193,533	3,931,669
Electricity.....	26,229,815	19,578,870
Rent	1,285,522	1,312,846
Rates and Taxes	286,920	711,790
Insurance	2,208,323	2,838,364

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Repairs and Maintenance	6,207,872	5,457,545
Commission	1,617,600	10,536,082
Marketing & Advertisement	24,956,331	28,136,807
Operation & Maintenance Expenses	100,290,124	93,966,043
Travelling and Conveyance	8,882,461	8,883,403
Communication	1,209,791	1,283,046
Payments to auditors (Refer Note (i) below)	1,011,294	931,788
Expenditure on Corporate Social Responsibility	7,994,201	5,026,506
Miscellaneous Expenses	1,401,901	2,322,459
Total	189,775,688	184,917,218

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Payment to the auditors comprises (net of service tax refund)		
Statutory Audit	630,000	575,000
Other services	372,000	350,000
Reimbursement of expenses	9,294	6,788
Total	1,011,294	931,788

Additional information to the financial statements

Note 28. Contingent liabilities and commitments (to the extent not provided for)

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
(i) Contingent liabilities		
(a) Income Tax matters disputed and under appeal		
By Company	–	3,072,880
By Tax authorities	17,341,638	17,341,638
(b) Demands received by the company not acknowledged as debt		
Shehri Jamabandi (Urban assessment/ Ground rent demanded by Jaipur Development Authority, Government of Rajasthan)	3,217,938,890	–

Note:-

The above amount is based on demands raised, which the company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals.

(c) Rajasthan Entry Tax ...	3,028,161	4,292,646
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(ii) **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for on Tangible Assets

77,041,393	33,197,642
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Note 29. Due to Micro, Small and Medium Enterprises

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Principal Amount remaining unpaid to any supplier at the end of the accounting year ...	10,150,185	11,192,141

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

There is no overdue amounts any time during the year and hence no interest amount is due or paid during the year.

Note 30. Value of imports calculated on CIF basis

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Capital Goods	–	6,297,804

Note 31. Expenditure in foreign currency

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Travel	348,555	–
Advertisement	–	272,639
Subscription	199,257	255,299
	547,812	527,938

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Disclosures under Accounting Standards****Additional information to the financial statements - Employee benefits****Note Disclosures on Employee share based payments:**

Note 32(a) Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity – settled options to the employees of the Company as per the following details:

In ₹

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Options outstanding as at		Employee compensation cost incurred by the Parent company and not charged to the Company for the	
						31 st March, 2016	31 st March, 2015	year ended 31 st March, 2016	year ended 31 st March, 2015
ESOS 2008	25 th April, 2008	64,550	49,450	1,250	13,550	49,750	49,750	–	–
ESOS 2012	4 th August, 2012	11,000	4,300	2,350	1,950	6,700	7,600	616,495	1,073,303
	17 th October, 2014	9,000	1,500	300	–	8,700	9,000	1,138,669	474,445
	28 th January, 2016	2,500	–	–	–	2,500	–	45,974	–
Total charge for the year								1,801,138	1,547,748

Other terms

ESOS Scheme	ESOS 2008	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12, 24, 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

The Parent company has adopted intrinsic value method for computing the compensation cost for the Options granted. 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 in the books of the parent company. The Parent company has also confirmed that there will be no recovery of the above ESOP cost from the Company.

Note: The above details are as provided by the parent company and the auditors have placed reliance on the same.

Note 32(b) Employee Benefits

	Gratuity (Unfunded)			Gratuity (Unfunded)	
	2015-16 ₹	2014-15 ₹		2015-16 ₹	2014-15 ₹
a. Net Asset/(Liability) recognized in the balance sheet as at March 31, 2016			Benefits Paid	(349,289)	(464,009)
Liability recognised in the balance sheet	4,098,166	2,342,998	Present value of the obligation as at the end of the year	4,098,166	2,342,998
Non current	3,897,070	2,307,836	d. Principal actuarial assumptions.....		
Current	201,096	35,162	Discount Rate	7.46%	7.77%
b. Expense recognized in the Profit & Loss account			Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Past service cost	1,307,032	–	e. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
Current Service cost	635,336	653,788	f. Experience adjustment as provided by actuary:	Year	
Interest cost	168,481	114,722		2015-16	2014-15
Actuarial (gains)/Losses	(6,392)	559,510		2013-14	2012-13
Total expenses	2,104,457	1,328,020		2011-12	
c. Change in present value of Defined Benefit obligation			Present value of obligation	4,098,166	2,342,998
Present Value of the obligation at the beginning of the year	2,342,998	1,478,987	Experience adjustment on plan liabilities	50,247	95,631
Past service cost	1,307,032	–		(162,668)	(169,416)
Current Service cost	635,336	653,788		(126,336)	
Interest Cost	168,481	114,722			
Actuarial (Gains)/Losses	(6,392)	559,510			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note 33. Details of borrowing costs capitalized**

	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Borrowing cost capitalized during the year as		
– Inventory	144,752,942	183,519,809

Note 34. Related party transactions

Details of related parties:

Particulars

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited

Particulars

Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited Mahindra Susten Private Limited (Formerly known as Mahindra EPC Services Private Limited) Mahindra Consulting Engineers Limited Mahindra Holidays & Resorts India Limited
Key Management Personnel (KMP)	Mr. Sanjay Srivastava - Chief Operating Officer Mr. Sanjay Jain - Chief Financial Officer Ms. Prashi Jain - Company Secretary (KMP from Current year)

Note: Related parties have been identified by the Management and disclosed where transaction entered into.

Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31st March, 2016:

In ₹

Particulars	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Holidays & Resorts India Limited	Mahindra Consulting Engineers Limited	Mr. Sanjay Srivastava	Mr. Sanjay Jain	Ms. Prashi Jain
Rendering of services	2,911,118 (1,585,564)			12,000 (12,000)					
Receiving of services	826,260 (831,740)		108,500 (108,000)		– (1,277,067)	– (95,000)			
Security Deposit Received	135,000 (–)								
Finance (including loans and equity contributions in cash or in kind)									
ICD Taken		– (20,000,000)							
ICD Repaid		– (20,000,000)							
Interest on ICD		– (7,085,616)							
Preference Shares Dividend Paid		29,600,000 (29,600,000)							
Equity Shares Dividend Paid		33,300,000 (44,400,000)							
Remuneration							112,75,154 (9,968,046)	5,206,518 (4,680,569)	293,378 (–)
Balances outstanding at the end of the year									
Trade receivables	843,763 (–)			2,446 (6,742)					
Trade payables	2,148,493 (486,757)	– (–)	19,019 (9,315)		– (–)	– (–)	– (–)	– (–)	– (–)
Deposits Payable	834,518 (699,518)								

Note 1: Figures Shown above do not include the re-imbursement amounts.

Note 2: Figures in bracket relate to the previous year.

Note 35. Leases

The Company's leasing arrangements are in respect of commercial premises given under operating lease.

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Gross carrying amount of premises and other assets	1,252,907,070	1,243,382,226
Accumulated depreciation	265,900,036	217,269,532
Depreciation for the year	48,148,351	48,573,955

Future minimum lease payments under non-cancellable operating leases (lock in period of 2 to 3 years for the building and 9 years 5 months for interiors)

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Not later than 1 year	66,368,702	13,703,238
Later than 1 year and not later than 5 years	118,853,519	164,771,545
Later than 5 years	3,127,235	101,559,471

Significant Leasing Arrangements

Lease is non-cancellable during the lock in period.

In respect of buildings, primary lease period is for 5 years, renewable for further 2 terms of 5 years each.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**Note 36. Earnings per share**

Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
Basic & Diluted		
Net profit for the year from continuing operations	128,609,707	379,890,048
Less: Preference dividend and tax thereon	48,143,059	48,143,059
Net profit for the year from continuing operations attributable to the equity shareholders	80,466,648	331,746,989
Weighted average number of equity shares	150,000,000	150,000,000
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	0.54	2.21

Note 37. (i) The Company does not have material foreseeable losses on long term contracts as on March 31, 2016.

(ii) The Company did not enter into any derivative contracts during the year.

(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

Note 38. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : April 21, 2016

Sanjay Srivastava
Manager & COO

Sanjay Jain
Chief Financial Officer

Prashi Jain
Company Secretary
(ACS: 37806)

For and on behalf of the Board of Directors

Veenu Gupta Director (DIN: 02170999)
Sangeeta Prasad Director (DIN: 02791944)

Place : Jaipur
Date : April 21, 2016

DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Nineteenth report together with the audited financial statements of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS (Stand-alone)

	(₹ in Lakhs)	
Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income	21,355.37	6,421.83
Profit/(Loss) Before Depreciation, Finance Costs and Taxation	5,587.46	6311.83
Less: Depreciation	471.32	291.78
Profit/(Loss) Before Finance Cost and Taxation	5,116.14	6,020.05
Less: Finance Cost	4,630.00	3894.80
Profit/(Loss) Before Taxation	486.14	2125.25
Less: Provision for Taxation	204.92	699.64
Profit/(Loss) for the year after Taxation	281.22	1425.61
Add: Balance of Profit/(Loss) for earlier years	2,847.39	8485.75
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life	–	8.02
Amount available for appropriation	3,128.61	9903.34
Proposed Dividend on Equity Shares (including tax on distributed profits)	–	240.72
Proposed Dividend on Preference Shares (including tax on distributed profits)	–	–
Dividend paid on redemption of Preference shares (Including tax on distributed profits)	–	315.23
Transferred to General Reserve	–	–
Transferred to Capital Redemption Reserve	–	6500.00
Balance carried forward to the Balance Sheet	3,128.61	2847.39

Dividend

With a view to conserve the resources of the Company for its growth plan, your Directors have not recommended dividend for financial year 2015-2016.

Reserves

Profit for the year after appropriation has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations/State of the company's affairs

During the year Mahindra World City (MWC), Chennai, promoted by your Company was adjudged winner in the category Best Township (Over 200 acres) at the NDTV Property Awards 2015.

At the end of 2015-16, the project had a total area of 1,524 acres. It has a total 64 industrial Customers — of which 27 are in the SEZ and 37 are in the DTA. Currently, 51 companies operate out of Mahindra World City, Chennai of which 1 company started operations in the DTA during the year. During the year, direct employment in Mahindra World City increased from 37,000 to around 38,000 persons. Exports was at Rs. 9,359 crores in 2015-16 as against Rs. 7,800 crores during 2014-15.

With stabilisation in the business zone, the focus is now in developing the residential, social and retail infrastructure. 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 phases of Aqualily and Iris Court which has continued during the year, the city has three operational residential projects which together have around 700 families living there, another project (Nova) is under construction..

On the retail and social infrastructure, considerable progress was made during the year. The MWC Club which was inaugurated in March 2015 has been well received by the community of members and Corporates both within MWC and the neighbouring corridors.

In the current year your Company added a significant base of service providers to The Canopy – the commercial centre, of MWC, Chennai including Nilgiris and Sunny Bee (Retail) , Fashion Equations (Women's Apparel); Airtel Customer Centre (Telecom); Habitat & Amul Ice cream (F&B) & Laundrex (Others), thus enhancing the "Live" quotient at MWC Chennai.

On the Social Infrastructure front, Jeevan Hospitals which started the 1st phase of operations in 2014-15, started 24x7 services (OP, Pharmacy and Ambulance) in this year and shall

be scaling up their offerings and facilities to a full -fledged hospital by H1 FY 2017. The Hostel for Singles is nearing completion and is expected to be ready for occupation by August 2016. Expansion plans for Mahindra World School have been drawn out and is expected to be operational for the academic year 2017-18. The Post office at Mahindra World City Chennai, the first all-women delivery post office in Chennai circle has been upgraded during the year to a delivery Post office and exclusively serves the companies and residential communities at Mahindra World City. Mahindra World City, Chennai, has continued to build on its community development and engagement initiatives during the year. This included fresh editions of its flagship programmes: the marathon run in aid of 'Nanhi Kali' which had over 1,200 participants, 'Champions Trophy' an inter-company sports tournament that had ~40 teams, 'Mindquest' — the Annual MWC quiz competition with over 70 teams and 'Courtyard Performances', which featured street theatre and other forms of performing arts. These have been well received by both participants and residents.

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

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

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

Share Capital

Authorised share capital of your company is Rs. 95 crores and Paid-up share capital of the company is Rs. 20 crores.

During the year, the Company has neither issued any shares (including equity shares with differential rights or any sweat equity share) nor granted employee stock options. Further, there were no shares having voting rights not exercised directly by the employees for the purchase of which or subscription to which loan was given by the Company.

Non-Convertible Debentures

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

Networth

The net worth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 116.92 Crores and Rs. 119.74 crores respectively.

Holding Company

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

Subsidiaries, Joint Ventures and Associate companies

During the year pursuant to the Joint Venture Agreement entered into with Sumitomo Corporation, Japan, the Shareholding Structure of Mahindra Industrial Park Chennai

Limited (MIPCL) has changed whereby additional shares amounting to Rs. 1,019,500,000 were allotted at par to your Company and equity shares amounting to Rs. 680,000,000 were allotted to Sumitomo Corporation, Japan for a premium of Rs.1.323 per share, following which, the 60% of the paid-up share capital of MIPCL is held by your Company and 40% is held by Sumitomo Corporation, Japan.

MIPCL is a 60% owned subsidiary of your company and hence also a 53.4% subsidiary of Mahindra Lifespace Developers Limited. This company (MIPCL) is developing an industrial park in North Chennai, Tamil Nadu, spanning an area of approximately 300 acres.

Your Company also holds 25.78% of paid-up share capital of Mahindra Integrated Township Limited (MITL), which is an Associate Company.

No other company became or ceased to be a Subsidiary/ Associate/Joint Venture company of the Company during the year.

Consolidated Financial Statement

During the year, the Board of Directors reviewed the affairs of Mahindra Industrial Park Chennai Limited, subsidiary of your company. In accordance with Section 129(3) of the Companies Act, 2013 and applicable accounting standard, we have prepared audited consolidated financial statement, which is attached along with the financial statement of the Company. Further, a statement containing salient features of the financial statement of our subsidiary in the prescribed format AOC-1 is also attached to the financial statement.

Board of Directors

As at 31st March, 2016, the Board of Directors comprise of following:

Name of Director	DIN	Designation
N Vaghul	00002014	Chairman and Independent Director
Sanjiv Kapoor	00004005	Independent Director
Arun Kumar Nanda	00010029	Non-Executive Non-Independent Director
Anita Arjundas	00243215	Non-Executive Non-Independent Director
V Balaraman	00267829	Independent Director
Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad (DIN: 02791944) a Non-executive and Non-independent Director retires by rotation at the 19th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year Mr. Uday Y Phadke, Non-executive director resigned from directorship effective 15th July, 2015, in

accordance with his plan to step down from the Boards of Mahindra Group of Companies in a phased manner. The Board places on record its deep appreciation of the valuable services rendered by Mr. Uday Y Phadke during his tenure as Director of the company.

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

Key Managerial Personnel

As of 31st March, 2016, Mr. S. Chandru was the Manager & Company Secretary of the Company.

During the year under review, the following persons were appointed/had resigned as Key Managerial Personnel under the Companies Act, 2013.

Sr. no.	Name of the person	Nature of Change	Date of Change	Designation
1.	Mr. T. S. Krishnan	Resignation	29 th February, 2016	Chief Financial Officer
2.	Mr. L Nataraj	Appointment	15 th April, 2016	Chief Financial Officer

During the year, Mr. T S Krishnan resigned from the position of Chief Financial Officer of the Company with effect from 29th February 2016. The Board places on record its sincere appreciation of his association with the Company.

Consequent to above resignation, Mr. L Nataraj was appointed as the Chief Financial Officer of the Company with effect from 15th April, 2016.

Committees of the Board

Audit Committee

As on 31st March, 2016, the Audit Committee comprises of three independent Directors, namely Mr. Sanjiv Kapoor, Mr. N. Vaghul and Mr. V. Balaraman. During the year, the Audit Committee was reconstituted upon resignation of Mr Uday Y Phadke. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chief Financial Officer, Internal Auditor and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Committee met five times during the year. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and contribute to their long term social good and welfare.

The Company, in every financial year commencing from 1st April, 2014, in line with the new Companies Act, 2013, pledges to spend, two per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

The Company has constituted Corporate Social Responsibility Committee comprising of Mr. V. Balaraman - Independent

Director, Ms. Anita Arjundas - Non Independent director and Ms. Sangeeta Prasad - Non Independent director. Mr. V. Balaraman is the Chairman of the Committee. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The Company's CSR policy is available on the Company's website: www.mahindraworldcity.com

The Company's CSR activities have traditionally focussed on education, skill development, health, environment and promoting sustainable practices.

The objective of the CSR policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Company's philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called ESOPs.

The Company has spent Rs. 78.45 lakhs as against the required CSR expenditure of Rs. 78.42 lakh calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at Annexure 1 to this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprise of two independent directors, namely Mr. N Vaghul and Mr. V Balaraman and one non-executive non-independent director, Ms. Anita Arjundas. Mr. V Balaraman is the Chairman of the Committee.

The following policies of the Company on appointment of Directors and Senior Management and remuneration of Directors and Key Managerial Personnel and Employees, as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2**, **Annexure 3** and **Annexure 4**, respectively to this report:

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy on remuneration of Directors (**Annexure 3**)
3. Policy on remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by

Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof, and Chairperson of the Company has been carried out by Independent Directors. Evaluation of Independent Directors has been carried out by the entire Board of Directors, excluding the Director being evaluated. Structured questionnaires, covering various aspects of the evaluation such as adequacy of the size and composition of the Board with regard to skill, experience, independence, diversity, attendance and adequacy of time given by the Directors to discharge their duties; corporate governance practices, etc. have been circulated to the Directors for the evaluation process. The Directors expressed their satisfaction with the evaluation process.

Meetings Of Independent Directors

The Independent Directors of the Company met without the presence of the Non-Independent Directors or Chief Financial Officer or any other Management Personnel. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings

During the financial year, Six Board Meetings had been convened and held on the following dates:

18th April, 2015, 14th July, 2015, 28th September, 2015, 16th October, 2015, 18th December, 2015 and 13th January, 2016

During the year, five Audit Committee meetings had been convened and held on the following dates :

18th April, 2015, 14th July, 2015, 16th October, 2015, 18th December, 2015 and 13th January, 2016

During the year, two meetings of the Nomination & Remuneration Committee had been convened and held on 14th July 2015 and 13th January 2016

During the year, four meetings of the CSR Committee had been convened and held on 18th April, 2015, 14th July, 2015, 16th October, 2015 and 13th January 2016

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

Sr. no.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Mr. N. Vaghul	6	5	2	NA
2.	Mr. A. K. Nanda	3	NA	NA	NA
3.	Mr. V. Balaraman	5	5	2	4
4.	Mr. Sanjiv Kapoor	3	3	NA	NA

Sr. no.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
5.	Ms. Anita Arjundas	6	NA	2	4
6.	Ms Sangeeta Prasad	6	NA	NA	4
7.	Mr. Uday Phadke*	2	2	NA	NA

Note: * Resigned from directorship with effect from 15th July, 2015

The previous Annual General Meeting of the Company was held on 14th July, 2015.

Code of Conduct

The Company had adopted Code of Conduct ("the Code/s") for its Directors, Independent Directors, Senior Management and employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

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

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis; and
- They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee of the Board reviews the internal control systems with the management and auditors.

Vigil Mechanism/Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell. The Whistle Blower Policy of the Company is placed on the website of the company at www.mahindraworldcity.com

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company 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. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, retire as Auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required by the provisions of section 139 and 141 of Companies Act, 2013 the Company has received written consent and certificate from M/s. A.F. Ferguson & Co, Chartered Accountant, (ICAI Firm Registration Number 112066W), proposed to be re-appointed as Auditors for one year i.e. up to conclusion of the 20th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

The Board has recommended to the shareholders for approval re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, as the Statutory Auditors to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The Auditor's Report does not contain any qualification, reservation or adverse remark and therefore does not call for any further comments.

The requirements of having Cost auditor is presently not applicable to your Company.

Secretarial Auditor

The paid-up share capital of the company as on 31st is 2015 to Rs. 20 Crores which is less than the threshold limit required for appointment of Secretarial Auditor, and hence there is no requirement to have a Secretarial Audit for the financial year 2015-16.

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

As your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 13.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company. The Directors draw attention to Note no. 27.4 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to Regulation 34(3) and 53(f) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to the Holding Company, Mahindra Lifespace Developers Limited.

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 5** to this report.

Employee Remuneration

Being an unlisted Company, the details of employee remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies

Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

Safety, Health and Environmental Performance

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working are well informed on safety, health and measure to reduce energy consumption.

Sustainability

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

General

- During the year ended 31st March, 2016 , there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- No fraud has been reported during the audit conducted by the Statutory Auditor and Secretarial Auditor of the Company.

Cautionary statement:

Certain statements in the Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.

Acknowledgment

The Directors 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,

Sd
N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2016

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016**THE ANNUAL REPORT ON CSR ACTIVITIES****1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

- a) The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at all its project locations so as to help the communities around these projects to prosper in all walks of life.
- b) The Company has formed a CSR policy which is available on the website of the company.
- c) The Company has planned the following projects in the identified areas:
 Sponsoring girl child education – Nanhi Kali – Education
 Supporting Education – Improving Infrastructures for schools in surrounding areas of Mahindra World City Chennai
 Cleanliness drive – Swachh Bharat - Public health & Sanitation
 Public Park – Environment
 Community Water facility – Health
 Supporting PHC with medical & non-medical equipment- Health
 Flood relief in surrounding areas of Mahindra World City Chennai- Others

2. The composition of the CSR Committee of the Board of Directors is as under:

Mr. V. Balaraman – Independent Director

Ms. Anita Arjundas – Non Executive Non-Independent Director

Ms. Sangeeta Prasad – Non Executive Non-Independent Director

3. Average net profit of the Company for the last three financial years: Rs. 3,914 Lakhs**4. Prescribed CSR Expenditure** (two per cent of the amount as in item 3 above): Rs. 78.28 Lakhs, Budget Rs. 78.42 Lakhs**5. Details of CSR spent during the financial year**

- a. Total amount to be spent for the financial year: Rs. 78.45 Lakhs
- b. Amount unspent (if any): Nil
- c. Manner in which the amount spent during the financial year was utilised is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise (Rs lakhs)	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)	Cumulative spend up to the reporting period (Rs lakhs)	Amount spent: Direct or through implementing agency
1.	Contribution to Nanhi Khali	Education of the girl child	Pan India where the Company has existing projects	39.21	Direct expenditure – 39.21	76.41	Implementing Agency: K.C.Mahindra Education Trust

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise (Rs lakhs)	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)	Cumulative spend up to the reporting period (Rs lakhs)	Amount spent: Direct or through implementing agency
2.	Model ICDS (with all facilities). Active SMCs in the communities. Appropriate and sufficient Infrastructure at schools Extra teachers if needed for quality education. (time bound) Children's club.	Supporting Education	Mahindra World City Chennai, Kancheepuram District, Tamilnadu	12.31	Direct expenditure – 10.64	10.64	NGO: World Vision
3.	Swachh Bharat Initiative	Environment	Villages and Community around Mahindra World City Chennai, Kancheepuram District, Tamilnadu	9	Direct expenditure – 8.48	8.48	NGO: Appasaheb Apte Smriti Pratishthan
4.	Public Park	Environment	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	5	Direct expenditure –10.72	10.72	–
5.	Community Water Facilities Water testing at community water points. Appropriate water purification system in the community. Repairing of water points (to ensure Hygiene and cleanliness) Bore wells for safe drinking water	Health	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	8.57	Direct expenditure-4.39	4.39	NGO: World Vision

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken	Amount outlay (budget) project or programme wise (Rs lakhs)	Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)	Cumulative spend up to the reporting period (Rs lakhs)	Amount spent: Direct or through implementing agency
6.	Supporting Kunnavakkam PHC with Medical & Non Medical Equipment	Health	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	2.33	Direct expenditure-2.01	2.01	NGO: World Vision
7.	Capacity building of Self Help Groups	Others	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	2	Direct expenditure-0	0	—
8.	Flood Relief	Others	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	0	Direct expenditure-3	3	NGO: World Vision
			Total	78.42	78.45	—	—

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not Applicable, as the Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company

The implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

V Balaraman

Director

DIN : 00267829

Chennai, 15th April, 2016

Sangeeta Prasad

Director

DIN : 02791944

Chennai, 15th April, 2016

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on appointment of Directors and Senior Management

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra World City Developers Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"HR" means the Human Resource department of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team/Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
 3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non – adherence to the applicable policies of the Company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Manager based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2016

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016**Policy on remuneration of Directors****Purpose**

This Policy sets out the approach to Compensation of Directors, in Mahindra World city Developers Limited.

Policy Statement

We have a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy which guides us to focus on enhancing the value, to attract, to retain and motivate Directors for achieving objectives of the Company and to become a major player in Indian Real Estate Sector, to maintain the pioneer status in the Integrated Business City format, to be the most trusted brand in the business we operate in and focus on customer centricity through transparency, quality and on-time delivery, to be a thought leader and establish industry benchmarks in Sustainable Development.

In order to effectively implement this, we have built our Compensation structure by a regular annual benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Manager

Remuneration of the Manager reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Manager, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies. The policy aims at a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The remuneration to the Manager shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as per the policy of the Company from time to time and as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of appointment, the variable compensation will be determined annually by the NRC based on the performance of Manager.

The term of office and remuneration of Manager is subject to the approval of the Board of Directors, shareholders, and Central Government, as may be required and within the statutory limits laid down in this regard from time to time.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Manager in accordance with the provisions of Schedule V of the Companies Act, 2013.

If a Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration for Manager is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him/her fairly and responsibly. The remuneration to the Manager comprises of salary, perquisites and benefits as per policy of the Company and performance based incentive apart from retirement benefits like P.F., Superannuation, Gratuity, Leave Encashment, etc. as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended/approved by the Remuneration Committee/Board.

Directors

The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Non-Independent Director who receives remuneration from the holding company or any other group company is not paid any sitting fees or any remuneration. In addition to the above the Directors are entitled for reimbursement of expenses incurred in discharge of their duties.

The Company may also grant Stock Options to the eligible employees and Directors (other than Independent Directors) in accordance with the ESOP Schemes of the Company from time to time and subject to the compliance of the applicable statutes and regulations.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Manager and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report/website as per statutory requirements in this regard.

Sd
N. Vaghul
 Chairman
 DIN: 00002014

Chennai, 15th April, 2016

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on Remuneration of Key Managerial Personnel and Employees

This Policy shall be effective from the financial year 2014 - 15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with Statutes

Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance

is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a) The increment that needs to be paid for different performance ratings as well as grades.
 - b) The increment for promotions and the total maximum increment.
 - c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

Sd/-
N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2016

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016**A. CONSERVATION OF ENERGY:**

(i)	the steps taken or impact on conservation of energy;	:	The operations of the Company are not energy intensive. However, as a part of sustainable development adequate measures have been initiated to reduce energy consumption like installation of Solar street lights.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	The first off-grid solar power plant in the state of Tamil Nadu was set up at Mahindra World City, Chennai in FY 11-12. Installed over 800 sq. mt. and equipped with a remote monitoring system, the 75 kW rooftop solar plant is expected to generate approximately 116,000 units (kWh) of clean electrical energy annually.
			Other initiatives to reduce energy consumption at MWC include use of energy efficient LED/Induction lighting. These LED/Induction lights, come with dimmable controllers which have a significant impact in maximising overall energy efficiency of the area. During the year, an MOU has been signed between World Resources India (WRI) and Mahindra World City Chennai (MWCC) to explore options for Green Energy Procurement to fulfil the peak demand of energy for customers within the city through Renewable sources
(iii)	the capital investment on energy conservation equipments	:	The above measures and the 75KW solar initiative has resulted in saving of around 0.69 lakh units of electricity this year.

B. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	Not applicable
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Not applicable
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	Not applicable
(iv)	the expenditure incurred on Research and Development	:	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no earnings from Foreign Exchange in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are Nil.

For and on behalf of the Board,

Sd/-

N. Vaghul

Chairman

DIN : 00002014

Chennai, 15th April, 2016

ANNEXURE 6**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31ST March, 2016*(Pursuant to section 92(3) of the Companies (Management and Administration) Rules, 2014)***1. REGISTRATION AND OTHER DETAILS:**

1.	CIN	U92490TN1997PLC037551
2.	Registration Date	19th February, 1997
3.	Name of the Company	Mahindra World City Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No.17/18 Pat-ullos Road, Chennai 600 002 Tel. No.:044-64522294 Fax No. 044-28584713
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1	Builders - Property Developers	0403	95

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

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	89.00	2(46)
2	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding co.	Nil	2(46)
3	Mahindra Industrial Park Chennai Limited	U45209TN2014PLC098543	Subsidiary	60	2(87)(ii)
4	Mahindra Integrated Township Limited	U45200TN2008PLC066292	Associate/Joint Venture	25.78	2(6)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
(2) Foreign									
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	–	–	–	–	–	–	–	–	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	20,000,000	20,000,000	100%	–	20,000,000	20,000,000	100%	–

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total Shares	
Body Corporate – Mahindra Lifespace Developers Ltd	17,799,999	89	Nil	17,799,999	89	Nil	–
Body corporate – Tamilnadu Industrial Development Corporation Ltd	22,00,000	11	Nil	22,00,000	11	Nil	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

There is no change in the Shareholding of Promoter Group.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Promoters hold 100% of the share capital of the company.

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year- 31 st March, 2015		Shareholding at the end of the year – 31 st March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Directors and KMP do not hold any shares in the company.

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Ms. Sangeeta Prasad Director				
1.	At the beginning of the year	1*	0.00	1*	0.00
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	1*	0.00	1*	0.00
	S. Chandru Manager & Company Secretary				
1.	At the beginning of the year	1*	0.00	1*	0.00
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	1*	0.00	1*	0.00

Note: * Shares jointly held with Mahindra Lifespace Developers Limited

I) INDEBTEDNESS

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

(Rs. in Crs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	201.25	167.50	–	368.75
ii) Interest due but not paid	–	4.49	–	4.49
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	201.25	171.99		373.24
Change in Indebtedness during the financial year				
• Addition	206.00			206.00
• Reduction	21.04	171.99		193.03
Net Change	184.95	171.99		12.96
Indebtedness at the end of the financial year				
i) Principal Amount	386.21	–	–	386.21
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	386.21	–	–	386.21

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager**

		(Rs. in Lakhs)				
Sr. No.	Particulars of Remuneration	Name of MD/WTD/MANAGER				
		S. Chandru				Total Amt
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	76.78				76.78
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.38				0.38
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–				
2.	Stock Option	6.29				6.29
3.	Sweat Equity				–	
4.	Commission	–				
	- as % of profit					
	- others, specify...					
5.	Others, please specify					
	Total (A)	83.45				83.45
	Ceiling as per the Act (read with section III (d) of schedule V)					240.00

B. Remuneration of other directors:

					(Rs. in Lakhs)
Sr. No.	Particulars of Remuneration	Name of Directors			Total Amt
1	Independent Directors	N. Vaghul	V. Balaraman	Sanjiv Kapoor	
	• Fee for attending board/committee meetings	1.40	1.50	0.75	3.65
	• Commission	0	0	0	0
	• Others, please specify				
	Total (1)	1.40	1.50	0.75	3.65
2.	Other Non-Exesutive Directors	A. K. Nanda	TIDCO		
	• Fee for attending board/committee meetings	0.55			0.55
	• Commission	0	0		0
	• Others, please specify	–	–		
	Total (2)	0.55	0		0.55
	Total (B)=(1 +2)	0	0	0	4.20
	Total (A)				77.16
	Total Managerial Remuneration				81.36
	Overall Ceiling as per the Act (read with section III (d) of schedule V)				240.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD.

Sr. No.	Particulars of Remuneration	(Rs. in Lakhs)			
		Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	–	–	–	–
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	23.41*	23.41
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify...	–	–	–	–
5.	Others, please Specify	–	–	–	–
	Total	–	–	23.41	23.41

Note: * CFO TS Krishnan resigned with effect from 28th February, 2016

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment					
Compounding					

OTHER OFFICERS IN DEFAULT

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
Penalty	None				
Punishment					
Compounding					

For and on behalf of the Board,

Sd
N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Mahindra World City Developers Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 26.1 to the financial statements).
 - ii. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For A. F. Ferguson & Co.
Chartered Accountants
Firm's Registration No.: 112066W

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 15th April, 2016

Membership No.: 29519

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph f under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

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

We have audited the internal financial controls over financial reporting of Mahindra World City Developers Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

For A. F. Ferguson & Co.

Chartered Accountants

Firm’s Registration No.: 112066W

Geetha Suryanarayanan

Partner

Membership No.: 29519

Place: Chennai

Date: 15th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakh)	Amount Unpaid (₹ in lakh)
Income Tax Act, 1961	Income tax	Commissioner (Appeals)	2009-10	174.91	—

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not taken any loans or borrowings from banks and government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has not raised any money from public during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us and based on the Company’s confirmation that they are covered under Para d, Section III (Remuneration payable by companies having no profit or inadequate profit without Central Government approval in certain special circumstances), Part II of Schedule V to the Companies Act 2013, relating to company in a Special Economic Zone as notified by Department of Commerce, the managerial remuneration paid/provided by the Company is in accordance with Section 197 read with the above Schedule V of the Companies Act 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company

has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For A. F. Ferguson & Co
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 15th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital.....	3	200,000,000	200,000,000
(b) Reserves and surplus.....	4	997,361,563	969,239,171
		1,197,361,563	1,169,239,171
Non-current liabilities			
(a) Long-term borrowings.....	5	3,230,833,332	3,519,791,667
(b) Deferred tax liabilities (net)	27.7	248,812,370	390,690,777
(c) Deferred Income.....		118,665,109	—
(d) Other long-term liabilities	6	39,166,095	38,301,970
(e) Long-term provisions	7	3,675,101	3,825,189
		3,641,152,007	3,952,609,603
Current liabilities			
(a) Short-term borrowings	8	—	—
(b) Trade payables.....	9	—	—
(A) Total outstanding dues of micro enterprises and small enterprises		—	—
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises.....		41,697,517	24,167,235
(c) Other current liabilities	10	713,077,714	453,949,888
(d) Deferred Income.....		6,645,198	—
(e) Short-term provisions	11	1,208,070	25,383,910
		762,628,499	503,501,033
TOTAL.....		5,601,142,069	5,625,349,807
ASSETS			
Non-current assets			
(a) Fixed assets.....	12		
(i) Tangible assets.....		535,475,323	564,836,391
(ii) Intangible assets		237,808	356,875
(iii) Capital work-in-progress.....		6,486,256	949,716
(b) Non-current investments.....	13	1,150,000,000	130,500,000
(c) Long-term loans and advances.....	14	198,797,195	278,894,510
		1,890,996,582	975,537,492
Current assets			
(a) Inventories	15	2,975,801,251	4,087,710,715
(b) Trade receivables	16	16,419,835	13,558,123
(c) Cash and cash equivalents	17	41,121,545	15,929,253
(d) Short-term loans and advances.....	18	633,942,253	494,961,711
(e) Other current assets.....	19	42,860,603	37,652,513
		3,710,145,487	4,649,812,315
TOTAL.....		5,601,142,069	5,625,349,807

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Sangeeta Prasad
Director
(DIN: 02791944)

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Anita Arjundas
Director
(DIN: 00243215)

L. Nataraj
Chief Financial Officer

Place : Chennai
Date : 15th April, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Revenue from operations	20	2,115,700,618	608,685,754
Other income	21	19,836,795	33,497,041
Total revenue		2,135,537,413	642,182,795
Expenses			
Cost of land and project development.....		201,392,550	12,313,960
Changes in inventories	22	1,111,909,464	(259,333,091)
Employee benefits expense.....	23	39,095,752	34,888,480
Finance costs	24	462,999,778	389,479,701
Depreciation and amortisation expense.....	12	47,132,513	29,177,715
Other expenses	25	224,393,371	223,131,124
Total expenses		2,086,923,428	429,657,889
Profit before tax		48,613,985	212,524,906
Tax expense:			
(a) Current tax expense - Normal Tax.....		162,370,000	39,194,620
(b) (Less): MAT credit		–	(39,194,620)
Net current tax expense.....		162,370,000	–
(c) Deferred tax.....		(141,878,407)	69,963,978
Net tax expense.....		20,491,593	69,963,978
Profit for the year		28,122,392	142,560,928
Basic and diluted earnings per share		1.41	5.55

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Sangeeta Prasad
Director
(DIN: 02791944)

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Anita Arjundas
Director
(DIN: 00243215)

L. Nataraj
Chief Financial Officer

Place : Chennai
Date : 15th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
A. Cash flow from operating activities		
Net Profit before tax	48,613,985	212,524,906
Adjustments for:		
Depreciation and amortisation	47,132,513	29,177,715
Loss on sale of assets	173,591	155,918
Finance costs	462,999,778	389,479,701
Interest income	(17,213,908)	(7,162,419)
Dividend Income	(843,703)	(26,000,000)
Provision for Doubtful debts	264,644	467,763
Bad debts written off	37,516	209,237
Operating profit before working capital changes	541,164,416	598,852,821
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	92,409,464	(269,391,719)
Trade receivables	(3,163,872)	3,392,049
Short-term loans and advances	(138,980,542)	(11,035,007)
Long-term loans and advances	(1,180,976)	(1,011,527)
	(50,915,926)	(278,046,204)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	17,530,282	(4,252,062)
Other current liabilities	(204,413,842)	55,644,055
Other long-term liabilities	864,125	(1,363,426)
Deferred income	125,310,307	–
Short-term provisions	(104,240)	(3,848,783)
Long-term provisions	(150,088)	3,825,189
	(60,963,456)	50,004,973
Cash generated from operations	429,285,034	370,811,590
Net income tax (paid)/refunded	(81,310,901)	(62,150,364)
Net cash from operating activities (A)	347,974,133	308,661,226
B. Cash flow from investing activities		
Investment in share capital of subsidiary company	–	(500,000)
Capital expenditure on fixed assets, including capital advances	(23,249,684)	(119,533,787)
Proceeds from sale of fixed assets	106,367	347,352
Bank balances not considered as Cash and cash equivalents		
- Placed	–	(25,000)
Interest received		
- Mahindra Industrial Park Chennai Limited	8,758,732	
- Others	3,247,086	956,540
Dividend Received	843,703	26,000,000
Net cash used in investing activities (B)	(10,293,796)	(92,754,895)

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
C. Cash flow from financing activities		
Redemption of preference shares	–	(650,000,000)
Borrowings from Related Parties (net)	–	1,675,000,000
Proceeds from Commercial Papers	600,000,000	–
Repayment of Commercial Papers.....	(600,000,000)	–
Proceeds from long-term borrowings	2,060,000,000	275,000,000
Repayment of inter-corporate deposits.....	–	(1,075,000,000)
Repayment of long term borrowings from related parties	(1,675,000,000)	–
Repayment of current maturities of long term borrowings	(210,416,667)	–
Finance cost	(462,999,778)	(344,541,345)
Dividends paid including tax.....	(24,071,600)	(87,684,548)
Net cash flow used in financing activities (C)	(312,488,045)	(207,225,893)
Net increase in Cash and cash equivalents (A+B+C)	25,192,292	8,680,438
Cash and cash equivalents at the beginning of the year	15,904,253	7,223,815
Cash and cash equivalents at the end of the year.....	41,096,545	15,904,253
Cash and cash equivalents at the end of the year.....	41,096,545	15,904,253
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 17)	41,121,545	15,929,253
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: bank balance in earmarked deposits	25,000	25,000
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17.....	41,096,545	15,904,253

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Sangeeta Prasad
Director
(DIN: 02791944)

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016

Anita Arjundas
Director
(DIN: 00243215)

L. Nataraj
Chief Financial Officer

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1 Corporate information

The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Inventories

Inventories are valued at lower of cost and net realisable value. Work in progress represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 with effect from 1st April, 2014.

Intangible assets are amortised over their estimated useful life as follows: Software expenditure incurred is amortised over three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

- Land lease premium is recognised 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 recognised on an accrual basis as per terms of the agreement with the lessees.
- Club membership fee is recognized equally over the tenure of membership. In case of life membership, the fee is recognized over the estimated usage period of 20 years. Annual

membership fee due from members are recognised over the period of subscription as per terms agreed with the members. Membership fee and annual subscription fee relating to the periods beyond the date of Balance Sheet is grouped under Deferred Income

- Income from services is recognised upon rendering of services.

2.8 Other income

Interest income is accounted on time-proportion basis. Dividend income is accounted for, when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are adjusted to the carrying value of the assets.

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made as and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 Borrowing costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.16 Segment reporting

The company has a single reportable segment namely, lease of land and properties constructed thereon.

2.17 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.18 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more

subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.19 Impairment of assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.20 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

3 Share capital

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹10 each with voting rights	25,000,000	250,000,000	25,000,000	250,000,000
Unclassified shares of ₹10 each	5,000,000	50,000,000	5,000,000	50,000,000
Cumulative Redeemable preference shares of ₹100 each	6,500,000	650,000,000	6,500,000	650,000,000
Total		950,000,000		950,000,000
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹10 each with voting rights	20,000,000	200,000,000	20,000,000	200,000,000
Total		200,000,000		200,000,000

Notes:

(i) Terms/rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	Equity shares with voting rights	Equity shares with voting rights
	Number of shares	Number of shares
Mahindra Lifespace Developers Limited, the holding company	17,799,999	17,799,999

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

Class of shares/Name of shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights –Mahindra Lifespace Developers Limited	17,799,999	89.00%	17,799,999	89.00%
–Tamil Nadu Industrial Development Corporation Limited	2,200,000	11.00%	2,200,000	11.00%

(iv) There is no change in the number of shares and amount outstanding during the year.

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
4 Reserves and surplus		
(a) General reserve		
Opening balance.....	34,500,000	34,500,000
Closing balance.....	34,500,000	34,500,000
(b) Capital Redemption Reserve.....	650,000,000	650,000,000
(c) Surplus in Statement of Profit and Loss		
Opening balance.....	284,739,171	848,574,877
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax).....	–	802,093
Add: Profit for the year.....	28,122,392	142,560,928
Less:		
Dividends proposed to be distributed to equity shareholders (₹ ____ per share (previous year - ₹1.00 per share)).....	–	20,000,000
Tax on proposed dividend.....	–	4,071,600
Dividend paid on redemption of preference shares @ 8.5% for the period from April 1, 2014 to September 25, 2014.....	–	26,943,836
Tax on dividend.....	–	4,579,105
Transferred to Capital Redemption Reserve.....	–	650,000,000
Closing balance.....	312,861,563	284,739,171
Total.....	997,361,563	969,239,171

5 Long-term borrowings

Term loans (Secured)		
From HDFC Limited - Term Loan - 1 (refer note (i)).....	1,630,833,332	1,844,791,667
From HDFC Limited - Term Loan - 1 (refer note (ii)).....	1,600,000,000	–
Loans From related parties (Unsecured)		
from Holding Company (Interest @ 11%)....	–	1,620,000,000
from Mahindra Residential Developers Limited (Interest @ 12.00%).....	–	55,000,000
Total.....	3,230,833,332	3,519,791,667

Notes:

Term loan from HDFC Ltd

- Term loan carries an interest of 9.85%. Principal to be repaid in 12 equal quarterly instalments, commencing from April 2016.
- Term loan carries an interest of HDFC CPLR - 728 points. Principal to be repaid in 12 equal quarterly instalments, commencing from March 2018, after a moratorium of 24 months. Current rate of interest is 10.37%
- Term loans are secured by equitable Mortgage of specified lands or any other security acceptable to HDFC Limited.
- For current maturities of long term borrowings, refer Note No. 10 in Other current liabilities.

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
6 Other long-term liabilities		
Security deposit received (From Lessees).....	39,166,095	38,301,970
Total.....	39,166,095	38,301,970
7 Long-term provisions		
(a) Provision for employee benefits:		
(i) Compensated absences.....	3,174,867	2,639,187
(ii) Gratuity.....	500,234	1,186,002
Total.....	3,675,101	3,825,189
8 Short-term borrowings		
From related parties (Unsecured)		
Intercompany Deposit from Holding Company.....	–	920,000,000
Intercompany Deposit from Mahindra Residential Developers Limited.....	–	155,000,000
Total.....	–	1,075,000,000
9 Trade payables		
Trade payables.....	41,697,517	24,167,235
Total.....	41,697,517	24,167,235
10 Other current liabilities		
Current maturities of long-term loan from HDFC Limited (Refer note 10.i).....	631,250,001	167,708,333
Advance received from Ultimate Holding Company (towards club membership).....	–	122,500,000
Interest payable on borrowings.....	–	44,938,356
Statutory remittances (Contributions to PF, Withholding Taxes, VAT, Service Tax, etc.).....	10,457,024	7,298,312
Other payables.....	35,268,333	42,848,428
Payable on purchase of fixed assets.....	10,891,826	52,640,503
Earnest money deposit received.....	893,000	1,339,300
Advances from customers.....	11,600,132	5,352,937
Rental/other deposit from customers.....	12,717,398	9,323,719
Total.....	713,077,714	453,949,888

10 (i) Refer Note No. 5.(i) & (ii) for terms of repayment and interest

11 Short-term provisions

(a) Provision for employee benefits:		
(i) Compensated absences.....	1,208,070	1,312,310
(ii) Gratuity.....	–	–
Total.....	1,208,070	1,312,310
(i) Proposed equity dividend.....	–	20,000,000
(iii) Tax on proposed dividends.....	–	4,071,600
Total.....	1,208,070	25,383,910

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

12 Fixed Asset

In ₹

Particulars	Gross block					Depreciation					Net block	
	As at 01.04.2015	Additions	Deletions	Adjustments	As at 31.03.2016	As at 01.04.2015	Transition Adjustment	For the period	Deletions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
A. Tangible assets												
Land	20,838,405	—	—	—	20,838,405	—	—	—	—	—	20,838,405	20,838,405
(Previous year)	10,779,777	10,058,628	—	—	20,838,405	—	—	—	—	—	20,838,405	10,779,777
Buildings												
- Own use	230,254,285	13,778,777	—	—	244,033,062	29,839,237	—	10,247,934	—	40,087,171	203,945,891	200,415,048
(Previous year)	112,097,794	118,156,491	—	—	230,254,285	26,150,260	—	3,688,977	—	29,839,237	200,415,048	85,947,534
- Given under operating lease	116,977,826	—	—	—	116,977,826	28,683,849	—	3,886,861	—	32,570,710	84,407,116	88,293,977
(Previous year)	116,977,826	—	—	—	116,977,826	24,796,988	—	3,886,861	—	28,683,849	88,293,977	92,180,838
Plant and machinery	251,139,776	829,573	—	14,433,404	266,402,753	71,762,153	—	22,727,997	—	94,490,150	171,912,603	179,377,623
(Previous year)	221,357,958	29,465,243	—	316,575	251,139,776	52,625,097	154,879	18,982,177	—	71,762,153	179,377,623	168,732,861
Office equipment.....	9,588,594	—	—	—	9,588,594	2,212,683	—	1,371,817	—	3,584,500	6,004,094	7,375,911
(Previous year)	1,651,328	8,253,841	—	(316,575)	9,588,594	887,110	629,150	696,423	—	2,212,683	7,375,911	764,218
Furniture and fixtures	63,413,333	1,660,393	—	(14,433,404)	50,640,322	2,081,584	—	5,768,005	—	7,849,589	42,790,733	61,331,749
(Previous year)	2,274,007	61,139,326	—	—	63,413,333	1,800,734	72,264	208,586	—	2,081,584	61,331,749	473,273
Computers	4,337,981	201,159	—	—	4,539,140	1,722,700	—	718,235	—	2,440,935	2,098,205	2,615,281
(Previous year)	1,726,668	2,611,313	—	—	4,337,981	717,238	358,816	646,646	—	1,722,700	2,615,281	1,009,430
Vehicles	7,429,843	1,462,433	563,791	—	8,328,485	2,841,446	—	2,292,597	283,834	4,850,209	3,478,276	4,588,397
(Previous year)	8,046,092	—	616,249	—	7,429,843	1,886,706	—	1,067,719	—	2,841,446	4,588,397	6,159,386
Total	703,980,043	17,932,335	563,791	—	721,348,587	139,143,652	—	47,013,446	283,834	185,873,264	535,475,323	564,836,391
Total (Previous year)	474,911,450	229,684,842	616,249	—	703,980,043	108,864,133	1,215,109	29,177,389	—	139,143,652	564,836,391	366,047,317
B. Intangible assets												
Software	5,915,924	—	—	—	5,915,924	5,559,049	—	119,067	—	5,678,116	237,808	356,875
(Previous year)	5,558,724	357,200	—	—	5,915,924	5,558,723	—	326	—	5,559,049	356,875	1
Total	5,915,924	—	—	—	5,915,924	5,559,049	—	119,067	—	5,678,116	237,808	356,875
Total (Previous year)	5,558,724	357,200	—	—	5,915,924	5,558,723	—	326	—	5,559,049	356,875	1
Total (A+B).....	709,895,967	17,932,335	563,791	—	727,264,511	144,702,701	—	47,132,513	283,834	191,551,380	535,713,131	565,193,266
Total (A+B) Previous year	480,470,174	230,042,042	616,249	—	709,895,967	114,422,856	—	29,177,715	—	144,702,701	565,193,266	366,047,318

Particulars	As at		As at	
	31 st March, 2016		31 st March, 2015	
	Nos:	₹	Nos:	₹
13 Non-current investments				
Investments (At cost):				
Unquoted, Trade -				
Long Term				
Investment in equity				
instruments in Subsidiary				
- Mahindra Industrial Park				
Chennai Limited	102,000,000	1,020,000,000	50,000	500,000
(101,950,000 Equity				
shares of ₹10 each				
subscribed during the				
year at par)				
Investment in equity				
instruments in Joint venture				
company				
- Mahindra Integrated				
Township Limited	13,000,000	130,000,000	13,000,000	130,000,000
	<u>115,000,000</u>	<u>1,150,000,000</u>	<u>13,050,000</u>	<u>130,500,000</u>
14 Long-term loans and advances				
(Unsecured, Considered good)				
Capital advances			—	219,192
Security deposits		5,595,863		4,414,887
Advance income tax (net of provisions).....		193,201,332		138,723,811
MAT credit entitlement			—	135,536,620
Total		<u>198,797,195</u>		<u>278,894,510</u>

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
15 Inventories (at lower of cost and net realisable value)		
Work-in-progress		
(representing cost of land and related expenditure)	2,974,839,029	4,084,203,280
Inventory procured for the Club	962,222	3,507,435
	<u>2,975,801,251</u>	<u>4,087,710,715</u>
16 Trade receivables (Unsecured, Considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	448,491	1,629,419
Doubtful	732,407	467,763
Less: Provision for doubtful trade receivables	732,407	467,763
	448,491	1,629,419
Other Trade receivables	15,971,344	11,928,704
Total	<u>16,419,835</u>	<u>13,558,123</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	As at 31 st March, 2016	As at 31 st March, 2015	Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹		₹	₹
17 Cash and cash equivalents			22 Changes in inventories		
(a) Cash on hand.....	159,731	57,273	<u>Inventories at the end of the year:</u>		
(b) Balances with banks			Work-in-progress	2,974,839,029	4,084,203,280
In current accounts	40,936,814	15,846,980	Inventory - club	962,222	3,507,435
In earmarked deposits (Refer Note 17(i) ...	25,000	25,000		<u>2,975,801,251</u>	<u>4,087,710,715</u>
Total.....	<u>41,121,545</u>	<u>15,929,253</u>	<u>Inventories at the beginning of the year:</u>		
18 Short-term loans and advances			Project work-in-progress.....	4,084,203,280	3,828,377,624
(Unsecured unless specifically stated, Considered good)			Inventory - club	3,507,435	—
(a) Security deposits.....	675,000	675,000		<u>4,087,710,715</u>	<u>3,828,377,624</u>
(b) Loans and advances to employees.....	—	128,712	Net (increase)/decrease	<u>1,111,909,464</u>	<u>(259,333,091)</u>
(c) Prepaid expenses	1,110,010	3,158,976	23 Employee benefits expense		
(d) Balances with government authorities			Salaries and wages.....	34,828,779	29,586,534
Service Tax input credit	37,102,886	5,681,313	Contributions to provident and other funds	1,394,091	1,725,236
(e) Advances for purchase of land			Commission to non-whole time directors.....	—	1,686,575
Secured.....	328,754,905	473,263,192	Staff welfare expenses.....	2,872,882	1,890,135
Unsecured.....	3,405,000	3,405,000	Total.....	<u>39,095,752</u>	<u>34,888,480</u>
(f) Other advances	262,894,452	8,649,518	24 Finance costs		
Total.....	<u>633,942,253</u>	<u>494,961,711</u>	(a) Interest expense on:		
19 Other current assets			(i) Term loan from HDFC Limited	271,976,764	223,117,993
Interest accrued on Advance for purchase of land	42,860,603	37,652,513	(ii) Term loan from Related parties ..	179,575,071	166,358,493
Total.....	<u>42,860,603</u>	<u>37,652,513</u>	(iii) Commercial Papers	11,439,600	—
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015	(iv) Other Interest	8,343	3,215
	₹	₹	Total.....	<u>462,999,778</u>	<u>389,479,701</u>
20 Revenue from operations			25 Other expenses		
(a) Land Lease Premium	—	369,040,460	Power and fuel.....	30,580,809	29,673,587
(b) Sale of land - (refer note below)	1,846,085,080	—	Rent including lease rentals	899,717	1,039,107
(c) Rental income.....	15,396,975	14,890,581	Repairs and maintenance		
(d) Operation and maintenance income.....	231,837,510	224,754,713	- Machinery.....	—	309,778
(e) Club membership fees.....	6,599,644	—	- Others.....	1,352,502	888,889
(f) Club Annual subscription fees.....	3,679,166	—	Insurance	2,084,771	1,748,469
(g) Club operating income.....	9,664,243	—	Rates and taxes	1,699,661	874,080
(h) Others	2,438,000	—	Communication	3,092,981	3,347,796
Total.....	<u>2,115,700,618</u>	<u>608,685,754</u>	Travelling and conveyance.....	7,709,573	7,722,208
Note: Revenue from sale of land represents 264.875 acres of land sold to the subsidiary, based on the Joint Venture Agreement with Sumitomo Corporation, Japan. This revenue is net of revenue from sale of 32.42 acres, on which subsidiary has a right to return, if the litigation in respect of that land is not resolved by 31 st March, 2018.			Printing and stationery.....	766,136	767,596
21 Other income			Sales commission	—	2,611,913
Interest on Advance for purchase of land.....	5,208,090	6,912,556	Business promotion	7,539,766	13,514,209
Interest on overdue receivables.....	8,758,732	—	Legal and professional	19,520,971	25,036,702
Interest on Fixed deposit with bank	150,685	249,863	Directors sitting fees.....	420,000	150,000
Redemption of Mutual funds.....	3,096,401	—	Payments to auditors	1,140,812	1,054,947
Dividend from Mutual funds	843,703	—	Loss on Sale of Fixed Assets.....	173,591	155,918
Dividend income from shares.....	—	26,000,000	Operation and Maintenance Expenses.....	120,491,846	119,978,717
Miscellaneous income.....	1,779,184	334,622	Provision for Doubtful Trade Receivables	264,644	467,763
Total.....	<u>19,836,795</u>	<u>33,497,041</u>	Bad debts	37,516	209,237
			Corporate social Responsibility (CSR) activities ...	7,844,750	7,471,763
			Club expenses	18,233,777	—
			Miscellaneous expenses	539,549	6,108,445
			Total.....	<u>224,393,371</u>	<u>223,131,124</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit)		
Statutory audit.....	775,000	750,000
Other services	360,000	300,000
Reimbursement of expenses.....	5,812	4,947
Total	1,140,812	1,054,947

26 Additional information to the financial statements

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹

26.1 Contingent liabilities and commitments**(i) Contingent liabilities**

Income Tax matters disputed and not provided for - under appeal

Tax on borrowing costs inventorised in books but claimed as expenditure under Income Tax and disputed by the department - ₹224,098,620 (for the years ended 31st March, 2013, 31st March, 2012 and 31st March, 2011 is ₹88,748,075, ₹75,743,139 and ₹59,607,406/- respectively. However even if this liability crystallizes, there would be future tax benefits available on account of timing difference except for interest and income tax rate differences.

Other Matters disputed..... **4,153,852** 768,833

Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets - 53,029,878

26.2 There are no dues to Micro and Small Enterprises and these have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

26.3 Expenditure in foreign currency	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
Professional Charges	7,262,126	-
Total	7,262,126	-

27 Disclosures under Accounting Standards

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
27.1 Details of borrowing costs inventorised		
Borrowing costs inventorised during the year	238,435,827	287,113,236

27.2 The Company has a single reportable segment namely, lease of land and properties constructed thereon.

27.3 (1) Additional information to the financial statements - Gratuity**a) Defined Contribution plans**

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized ₹1,178 (In 000's) (PY ₹1,484 (In 000's) for Provident fund contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Contributions to provident and other funds' in Note 23 Employee benefits expense. The details of actuarial valuation are given below:

	Gratuity (Funded)	
	2015-16	2014-15
	₹	₹
a. Net Asset/(Liability) recognized in the balance sheet		
Present Value of Defined Benefit Obligation	3,698,537	3,597,239
Fair Value of Plan assets.....	3,198,303	2,411,237
Liability recognised in the balance sheet	500,234	1,186,002
b. Expense recognized in the Statement of Profit & Loss		
Past service cost.....	-	-
Current Service cost	359,644	378,879
Interest cost.....	278,290	277,384
Expected return on plan assets.....	(212,424)	(172,172)
Actuarial (gains)/Losses	(564,313)	(103,250)
Total expenses	(138,803)	380,841
c. Change in present value of Defined Benefit obligation		
Present Value of the obligation at the beginning of the year	3,597,239	3,217,102
Past service cost.....	-	-
Current Service cost	359,644	378,879
Interest Cost	278,290	277,384
Actuarial (Gains)/Losses.....	(477,790)	61,720
Benefits Paid.....	(58,846)	(337,846)
Present value of the obligation as at the end of the year	3,698,537	3,597,239

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Gratuity (Funded)	
	2015-16	2014-15
	₹	₹
d. Change in fair value of plan assets		
Present value of plan assets as the beginning of the year	2,411,237	2,230,192
Expected return on plan assets	212,424	172,172
Contributions made	546,965	181,750
Benefits paid	(58,846)	(337,846)
Actuarial Gains/(Losses)	86,523	164,969
Present value of plan assets at the end of the year...	3,198,303	2,411,237
e. Principal actuarial assumptions		
Discount Rate	7.90%	7.80%
Expected return on plan assets	8.00%	8.00%
Mortality	LIC (2006-08) Ultimate mortality tables	
f. Estimate of amount of contribution in the immediate next year.....	500,000	50,000
g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.		

27.3 (2) Additional information to the financial statements - Employee benefits**Disclosures on Employee share based payments:**

Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity - settled options to the employees of the Company as per the following details:

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Amount ₹			
						Options outstanding as at		Employee compensation cost incurred by the Parent company and not charged to the Company for the	
						31 st March, 2016	31 st March, 2015	year ended 31 st March, 2016	year ended 31 st March, 2015
ESOS 2006	25 th April, 2008	31,050	23,950	2,500	4,600	23,950	26,450	—	—
ESOS 2012	4 th August, 2012	9,000	—	6,300	—	2,700	5,400	706,809	706,809
	28 th January, 2016	1,500	—	—	—	1,500	—	27,584	—
Total charge for the year								734,393	706,809

Other terms

ESOS Scheme	ESOS 2006	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12, 24, 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

The holding company has adopted intrinsic value method for computing the compensation cost for the Options granted. 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 in the books of the parent company. The Parent company has also confirmed that there will be no recovery of the above ESOP cost from the Company.

Note: The above details are as provided by the holding company and the auditors have placed reliance on the same.

i.	Experience adjustment as provided by actuary:	For the years:				
		2015-16	2014-15	2013-14	2012-13	2011-12
	Present value of DBO...	3,597,239	3,597,239	3,217,102	3,800,161	4,024,903
	Fair value of plan assets	3,198,303	2,411,237	2,230,192	2,846,742	1,177,668
	Experience gain/(loss) adjustments on plan liabilities	(212,424)	449,140	(29,123)	1,647,213	(1,645,523)
	Experience gain/(loss) adjustments on plan assets	86,523	164,969	84,623	(160,976)	(127,992)

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Actuarial assumptions for long-term compensated absences		
Discount rate	7.90%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	12.00%	12.00%
Attrition	2.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

27.4 Related party transactions**27.4 a. Details of related parties:**

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Subsidiary	Mahindra Industrial Park Chennai Ltd
Fellow Subsidiaries	Mahindra World City (Jaipur) Limited
	Mahindra Residential Developers Limited (Subsidiary of MITL)
	Mahindra Consulting Engineers Limited
	Mahindra Integrated Business Solutions Private Ltd.
	Mahindra Holidays & Resorts (India) Ltd
Joint Venture	Mahindra Integrated Township Limited (MITL)
Key Management Personnel (KMP)	Mr. S Chandru, Manager and Chief Operating Officer
Manager under the companies Act, 2013	Mr. Jayantt Manmadkar (With effect from 21 st January, 2015)
	Mr. Ankit Shah (With effect from 16 th October, 2015) - Company Seceretary
	Mr. Sivarajan Kumar Tulluri (With effect from 13 th January, 2015) - Chief Financial Officer
	Mr. T.S. Krishnan, Chief Financial Officer (upto 29 th February, 2016)

Note: Related parties have been identified by the Management and relied upon by the auditors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**27.4 b. Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:**

	Ultimate Holding Company	Holding Company	Subsidiary	Fellow Subsidiaries	Joint Venture	In ₹ KMP
Transactions during the year						
Sale of Land ₹2,104,667,000 net of Amount derecognised ₹258,581,920/-			2,104,667,000			
Operation and maintenance Income	18,516,240 (16,973,220)	167,790 (2,442,717)			25,230,706 (21,166,860)	
- Mahindra Residential Developers Limited				2,974,320 (6,298,644)		
Water charges	7,402,460 (7,340,630)				3,703,841 (6,829,507)	
- Mahindra Residential Developers Limited				3,696,798 (7,014,211)		
Club income	3,500,000					
Professional charges received			1,649,184			
Interest received			8,758,732			
Rent received					2,845,800	
Reimbursement of expenses		(2,471,304)	11,283,775			
Dividend income from shares						
Professional Charges	350,000 (15,000)				(26,000,000)	
- Mahindra Consulting Engineers Limited				4,813,317 (9,394,000)		
- Mahindra Integrated Business Solutions Pvt Ltd				108,100 (108,000)		
Travelling Expenses						
- Mahindra Holidays & Resorts India Limited				(1,098,155)		
Rent Paid	612,227 (687,177)					
Interest Paid		175,940,550 (158,318,493)				
Mahindra Residential Developers Limited				3,634,521 (8,040,000)		
Purchase of Fixed asset						
	(4,257,307)					
Inter Corporate Deposit received						
- Mahindra Residential Developers Limited		(750,000,000)				
Term loan repaid		1,620,000,000 (50,000,000)				
- Mahindra Residential Developers Limited				55,000,000 (110,000,000)		
Advances received						
	(32,500,000)					
Investment in share capital			1,019,500,000 (500,000)			
<u>Managerial Remuneration*</u>						
Manager and Chief Operating Officer						7,716,362 (7,725,836)
Chief Financial Officer						2,341,252 (1,884,975)
Director's Commission						
Dividend Paid on Equity & Preference Shares		17,800,000 (72,747,260)				(1,686,575)
<u>Balance Outstanding as at the year end</u>						
Receivables	805,155 (801,680)		258,581,920			
Payables	5,645,653 (129,653,449)				8,642,835 (6,650,775)	
- Mahindra Residential Developers Limited		(1,666,841,928)		2,306,889 (57,306,889)		
- Mahindra Integrated Business Solutions Private Ltd.				10,420 (10,053)		

Note: Figures in bracket relates to the previous year

* Remuneration payable to Manager & CFO is approved by Nomination & Remuneration committee

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

27.5 The Company's leasing arrangements are in respect of commercial premises given under operating lease.

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

27.5 Leases

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
Gross carrying amount of premises	116,977,826	116,977,826
Accumulated depreciation.....	32,570,710	28,683,849
Depreciation for the year.....	3,886,861	3,886,861

27.6 Earnings per share

Particulars	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
	₹	₹
<u>Basic and diluted</u>		
Net profit for the year	28,122,392	142,560,928
Less: Preference dividend and tax thereon paid on redemption	-	31,522,941
Net profit for the year attributable to the equity shareholders (₹)	28,122,392	111,037,987
Weighted average number of equity shares (Nos.)	20,000,000	20,000,000
Par value per share (₹)	10	10
Earnings per share - Basic and diluted (₹)...	1.41	5.55

27.7 Deferred tax (liability)/asset

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(56,223,798)	(53,840,252)
Interest inventorised but claimed as allowable for tax purposes	(194,532,011)	(434,117,014)
Less: Transition Adjustment on depreciation	-	413,016
Tax effect of items constituting deferred tax liability	(250,755,809)	(487,544,250)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits....	1,689,968	1,777,986
Brought forward business losses	-	94,913,604
Provision for Doubtful Debts	253,471	161,883
Tax effect of items constituting deferred tax assets	1,943,439	96,853,473
<u>Net deferred tax (liability)/asset</u>	<u>(248,812,370)</u>	<u>(390,690,777)</u>

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹	₹
Deferred tax reconciliation: Deferred tax expenses for the year based on the movement in net deferred tax liability as at the beginning and end of the year as shown above	141,878,407	69,550,962
Add: Deferred tax impact netted off from depreciation on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus.	-	413,016
Deferred tax impact in the Statement of Profit and Loss	141,878,407	69,963,978

27.8 Joint Venture Disclosures**i. Interest in Joint Ventures**

Name of the Company	Country of Incorporation	Proportion of ownership interest
Mahindra Integrated Township Limited	India	25.78%

**ii. Interest in assets, liabilities, income, expenses and capital
commitment with respect to the Joint Ventures**

Particulars	2015-16	2014-15
Tangible fixed assets	1,913,946	57,191
Non-current Investments	170,905,496	170,905,601
Long term loans and advances	20,293,979	17,850,223
Inventories.....	265,048,708	238,052,206
Trade receivables.....	7,941,932	28,848,994
Cash and cash equivalents.....	17,282,036	33,208,962
Short term loans and advances.....	19,625,092	23,834,579
Other Current Assets	73,103,198	49,357,212
Trade payables	61,145,210	71,603,490
Other Current Liabilities.....	55,908,970	79,480,301
Short term borrowings.....	56,096,589	69,594,528
Short term provisions	3,245,272	2,618,816
Long term Borrowings.....	193,318,132	148,726,083
Long term Provisions.....	3,438,239	-
Income	150,234,370	401,253,693
Expenses.....	133,649,821	293,008,298

28.1 The Company does not have material foreseeable losses on the long term contracts as on 31st March, 2016

28.2 The Company did not enter into any derivative contracts during the year

28.3 There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year

29 Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification/disclosure.

For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Sangeeta Prasad
Director
(DIN: 02791944)

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016

Anita Arjundas
Director
(DIN: 00243215)

L. Nataraj
Chief Financial Officer