

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Ninth report together with the audited financial statement of your Company for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS

Particulars	(₹ in lakh)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> 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.

#### 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 ₹ 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 31<sup>st</sup> 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:

16<sup>th</sup> April 2015, 10<sup>th</sup> July 2015, 15<sup>th</sup> October, 2015, 19<sup>th</sup> January, 2016 and 23<sup>rd</sup> March, 2016.

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

16<sup>th</sup> April 2015, 10<sup>th</sup> July 2015, 15<sup>th</sup> October, 2015 and 19<sup>th</sup> January, 2016.

During the year, one meeting of Nomination & Remuneration Committee was convened and held on 16<sup>th</sup> April, 2015.

During the year, three meetings of the Corporate Social Responsibility Committee were convened and held on 16<sup>th</sup> April, 2015, 15<sup>th</sup> October, 2015, 19<sup>th</sup> January, 2015. The Previous Annual General Meeting was held on 14<sup>th</sup> 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 14<sup>th</sup> 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 31<sup>st</sup> 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 7<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> 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 7<sup>th</sup> Annual General Meeting till the conclusion of the 12<sup>th</sup> 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 9<sup>th</sup> Annual General Meeting till the conclusion of the 12<sup>th</sup> 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, 13<sup>th</sup> 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.

<p><b>Sangeeta Prasad</b> (Chairperson of Board and CSR Committee)</p> <p>Mumbai, 13<sup>th</sup> April, 2016</p>	<p><b>Jayant Manmadkar</b> (Member of CSR Committee)</p> <p>Mumbai, 13<sup>th</sup> April, 2016</p>
---	---

## 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, 13<sup>th</sup> 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, 13<sup>th</sup> 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, 13<sup>th</sup> April, 2016

## ANNEXURE 5

### WHISTLE BLOWER POLICY

**1. The Whistle Blower Policy shall come into effect from 1<sup>st</sup> 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, 13<sup>th</sup> April, 2016

**ANNEXURE 6**

**1. CONSERVATION OF ENERGY**

(i)	the steps taken or impact on conservation of energy;	: 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.  Steps taken for energy conservation:  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	: 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.  During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself.  These expenditures are mainly for:  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, 13<sup>th</sup> April, 2016

**ANNEXURE 7****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):-</b>	–	250,000	250,000	100	–	250,000	250,000	100%	0.00
<b>(2) Foreign</b>									
a) NRI – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A)=(A)(1) + (A)(2)</b>	–	250,000	250,000	100%	–	250,000	250,000	100%	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	–	–	–	–	–	–	–	–	–
<b>2. Non-Institutions</b>									
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	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
	<b>Total</b>	<b>2,50,000</b>	<b>100</b>	<b>-</b>	<b>2,50,000</b>	<b>100</b>	<b>-</b>	<b>0.00</b>

**(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
<b>Sangeeta Prasad – Director</b> 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
<b>Indebtedness at the beginning of the financial year</b>				
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
<b>Total (i + ii + iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b>				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
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
<b>Total (i + ii + iii)</b>	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
	<b>Total (1)</b>	<b>1.10</b>	<b>1.10</b>	<b>0.60</b>	<b>2.8</b>
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
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1 + 2)</b>	<b>1.10</b>	<b>1.10</b>	<b>0.60</b>	<b>2.8</b>
	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)
<b>A. Company</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 13<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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: 13<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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: 13<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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: 13<sup>th</sup> April, 2016

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

	Note	As at 31 <sup>st</sup> March, 2016 ₹ in lakh	As at 31 <sup>st</sup> March, 2015 ₹ in lakh
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital.....	3	26.00	26.00
Reserves and surplus.....	4	9,239.86	8,788.11
<b>Current Liabilities</b>			
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
<b>Total</b> .....		<b>13,449.46</b>	<b>13,470.16</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Long term loans and advances.....	8	409.96	918.94
<b>Current Assets</b>			
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
<b>Total</b> .....		<b>13,449.46</b>	<b>13,470.16</b>

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: 13<sup>th</sup> April, 2016

For and on behalf of the Board of Directors

<b>Sangeeta Prasad</b>	Chairperson	(DIN: 02791944)
<b>Raghunath Murti</b>	Director	(DIN: 00082761)
<b>Sanjay Jain</b>	Director	(DIN: 06446899)
<b>Sanjiv Kapoor</b>	Director	(DIN: 00004005)
<b>Jayant Manmadkar</b>	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai  
Date: 13<sup>th</sup> April, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Note	For the year ended 31 <sup>st</sup> March, 2016 ₹ in lakh	For the year ended 31 <sup>st</sup> March, 2015 ₹ in lakh
<b>INCOME</b>			
Revenue from operations.....	14	<b>3,139.92</b>	6,418.79
Other income.....	15	<b>243.14</b>	350.45
		<b>3,383.06</b>	6,769.24
<b>EXPENDITURE</b>			
Projects costs.....	16	<b>3,520.74</b>	5,169.84
Changes in inventories.....	17	<b>(1,303.99)</b>	(837.32)
Finance costs.....	18	-	2.91
Other expenses.....	19	<b>599.88</b>	672.09
		<b>2,816.63</b>	5,007.52
<b>Profit before tax</b> .....		<b>566.43</b>	1,761.72
<b>Tax expense</b>			
Current tax.....		<b>114.68</b>	369.26
<b>Profit for the year</b> .....		<b>451.75</b>	1,392.46
<b>Earnings per Share (Basic/Diluted)</b> .....		<b>180.70</b>	-

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: 13<sup>th</sup> April, 2016

For and on behalf of the Board of Directors

<b>Sangeeta Prasad</b>	Chairperson	(DIN: 02791944)
<b>Raghunath Murti</b>	Director	(DIN: 00082761)
<b>Sanjay Jain</b>	Director	(DIN: 06446899)
<b>Sanjiv Kapoor</b>	Director	(DIN: 00004005)
<b>Jayant Manmadkar</b>	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai  
Date: 13<sup>th</sup> April, 2016



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	For the year ended 31 <sup>st</sup> March, 2016 ₹ in lakh	For the year ended 31 <sup>st</sup> March, 2015 ₹ in lakh
<b>A. Cash Flow from Operating Activities</b>		
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)
<b>Operating Profit before Working Capital Changes</b> .....	<b>366.48</b>	<b>1,547.81</b>
<b>Changes in Working Capital:</b>		
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)
Cash (Used in)/Generated from Operations .....	(1,687.51)	(343.27)
Net income tax paid .....	(1,321.03)	1,204.54
<b>Net Cash generated from/(Used in) Operating Activities</b> .....	<b>(1,476.73)</b>	<b>775.21</b>
<b>B. Cash Flow from Investing Activities:</b>		
Intercorporate 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
<b>Net Cash generated from/(Used in) Investing Activities</b> .....	<b>1,239.70</b>	<b>1,190.17</b>
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of term loan to HDFC Limited .....	-	(300.00)
Finance costs .....	-	(2.91)
Dividend and dividend tax paid .....	-	(1,871.92)
<b>Net Cash generated from/(Used in) Financing Activities</b> .....	<b>-</b>	<b>(2,174.83)</b>
<b>Net (Decrease) in Cash and Cash Equivalents (A+B+C)</b> .....	<b>(237.03)</b>	<b>(209.45)</b>
Cash and Cash equivalents at the beginning of the year .....	310.02	519.47
<b>Cash and Cash Equivalents at the End of the Year</b> .....	<b>72.99</b>	<b>310.02</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per Balance Sheet .....	341.11	464.39
<b>Less:</b> Bank balances not considered as Cash and Cash Equivalents .....	<b>268.12</b>	<b>154.37</b>
	<b>72.99</b>	<b>310.02</b>

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: 13<sup>th</sup> April, 2016

For and on behalf of the Board of Directors

<b>Sangeeta Prasad</b>	Chairperson	(DIN: 02791944)
<b>Raghunath Murti</b>	Director	(DIN: 00082761)
<b>Sanjay Jain</b>	Director	(DIN: 06446899)
<b>Sanjiv Kapoor</b>	Director	(DIN: 00004005)
<b>Jayant Manmadkar</b>	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai  
Date: 13<sup>th</sup> April, 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### 1. Corporate Information

The Company was incorporated on 1<sup>st</sup> 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 1<sup>st</sup> April, 2012 and relating to projects where revenue is being recognized for the first time on or after 1<sup>st</sup> 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 31<sup>ST</sup> 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	As at
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in lakh	₹ in lakh
<b>3. Share Capital</b>		
<b>Authorized</b>		
450,000 Equity Shares of ₹ 10 each.....	45.00	45.00
50,000 Preference Shares of ₹ 10 each...	5.00	5.00
	50.00	50.00
<b>Issued, Subscribed and Paid up</b>		
250,000 Equity Shares of ₹ 10 each....	25.00	25.00
10,000 Tranche I Preference shares of ₹ 10 each.....	1.00	1.00
	26.00	26.00

**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		As at	
	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	No of Shares	Percentage of Holding	No of Shares	Percentage of Holding
<b>Equity Shares</b>				
Mahindra Integrated Township Limited, Holding Company	2,50,000	100%	2,50,000	100%
<b>Preference Shares</b>				
Mahindra Integrated Township Limited, Holding Company	10,000	100%	10,000	100%

Particulars	As at	As at
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹ in lakh	₹ in lakh
<b>4. Reserves and Surplus</b>		
Securities Premium Account.....	5,435.33	5,435.33
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the beginning of the year.....	3,352.78	3,832.24
<b>Add: Profit for the Year.....</b>	<b>451.75</b>	<b>1,392.46</b>
<b>Less: Appropriations:</b>		
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 ...	<b>3,804.53</b>	<b>3,352.78</b>
	<b>9,239.86</b>	<b>8,788.11</b>
<b>5. Trade Payables</b>		
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
	<b>2,009.17</b>	<b>2,321.65</b>
<b>6. Other Current Liabilities</b>		
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
	<b>1,989.06</b>	<b>2,146.14</b>
<b>7. Short Term Provisions</b>		
Defect liabilities.....	185.37	188.26
	<b>185.37</b>	<b>188.26</b>
<b>8. Long Term Loans and Advances (Unsecured, considered good)</b>		
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
	<b>409.96</b>	<b>918.94</b>

\* **Note 6.1** - Amounts collected from Customers towards Corpus fund and advance towards water/electricity charges, transferable to Home owners' Association upon formation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	As at	As at	Particulars	For the	For the
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2016	year ended
	₹ in lakh	₹ in lakh		₹ in lakh	₹ in lakh
<b>9. Inventories</b>			<b>15. Other Income</b>		
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	–
<b>10. Trade Receivables (Unsecured, considered good)</b>			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>
<b>11. Cash and Bank Balances</b>			<b>16. Project Costs</b>		
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>	<b>17. Changes in Inventories</b>		
			Inventories at the end of the year:		
<b>12. Short Term Loans and Advances (Unsecured, considered good unless stated otherwise)</b>			Construction materials.....	615.66	364.61
Mobilisation advances - secured by bank guarantee from vendors.....	110.72	310.66	Work-in-progress.....	2,606.00	5,188.36
Supplier advances .....	180.19	276.32	Finished units.....	5,739.13	2,103.83
Service tax input credit.....	671.81	511.83		<u>8,960.79</u>	<u>7,656.80</u>
Expenses recoverable from holding company .....	44.00	–	Inventories at the beginning of the year:		
Security deposits .....	2.80	2.80	Construction materials.....	364.61	1,193.80
Inter corporate deposits to related party (Refer Note 23).....	1,100.00	1,700.00	Work-in-progress.....	5,188.36	3,744.86
	<u>2,109.52</u>	<u>2,801.61</u>	Finished Units .....	2,103.83	1,880.82
				<u>7,656.80</u>	<u>6,819.48</u>
<b>13. Other Current Assets</b>			<b>Net (increase)/decrease.....</b>	<u>(1,303.99)</u>	<u>(837.32)</u>
Interest accrued on intercompany deposits to related party (Refer Note 23) .....	3.03	–	<b>18. Finance Costs</b>		
Interest accrued on deposits with banks.....	–	0.34	Interest on term loan .....	–	2.59
Unbilled revenue.....	1,313.59	1,221.59	Interest on delayed payment of service tax .....	–	0.32
	<u>1,316.62</u>	<u>1,221.93</u>		<u>–</u>	<u>2.91</u>
			<b>19. Other Expenses</b>		
	<b>For the</b>	<b>For the</b>	Legal & professional fees.....	30.70	9.88
	<b>year ended</b>	<b>year ended</b>	Deputation charges .....	135.18	156.00
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	Auditors remuneration		
	<b>₹ in lakh</b>	<b>₹ in lakh</b>	– Audit fees .....	5.75	5.50
<b>14. Revenue from Operations</b>			– Other services .....	2.90	1.90
Income from projects .....	3,139.92	6,418.79	– Reimbursement of expenses/ levies.....	0.02	0.02
	<u>3,139.92</u>	<u>6,418.79</u>	Rates and taxes .....	0.79	0.61
			Repairs and maintenance * .....	0.49	47.63
			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
			Miscellaneous expenses .....	19.74	2.54
				<u>599.88</u>	<u>672.09</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 31<sup>ST</sup> MARCH, 2016**

	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	₹ in lakh	₹ in lakh
<b>20. Expenditure in Foreign Currency:</b>		
Travel .....	3.21	0.44
Exhibition and Participation Charges.....	5.95	3.93
Professional Services .....	5.00	-
	<b>14.16</b>	<b>4.37</b>

**21. Contingent Liability:**

Disputed Income Tax Demands under appeal.....	270.03	121.05
---	--------	--------

Note: The Company does not have any other pending litigations which would impact its financial position as on 31<sup>st</sup> 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:

Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	₹ in lakh	
			Holding Company	Fellow Subsidiary
Interest Income			159.60	
- MWCDL			(156.13)	36.35
				(80.40)
Sale of Materials			-	
			(15.18)	
Marketing Expenses Claimed			44.00	
			(-)	
Purchase of Materials/Services	10.45			
- MHRIL	(27.22)			-
- EPCMIL				(1.00)
				4.90
				(-)
Deputation Charges		296.91		
		(324.00)		
Office establishment		45.25	68.92	
		(124.80)	(-)	
Maintenance Charges				66.71
- MWCDL				(133.13)

Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	₹ in lakh	
			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				550.00
- MWCDL (ICD converted to loan)				(1100.00)
Dividend Paid				-
- Preference Dividend			(1324.50)	
- Equity Dividend			-	
			(275.50)	
<b>Balances at year end:</b>				
<b>Receivables:</b>				
Deposits				23.07
- MWCDL				(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)
<b>Payables:</b>	0.18	470.24		
	(3.72)	(220.91)		
- EPCMIL				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 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	₹ in lakh	₹ in lakh
Profit after Tax .....	451.75	1,392.46
<b>Less:</b> 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 (₹) .....	<b>180.70</b>	-

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:**

Sr. No.	Particulars	₹ in lakh	
		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 31<sup>ST</sup> MARCH, 2016**

Sr. No.	Particulars	₹ in lakh	
		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 <sup>st</sup> April, 2015	Additions	Utilization	As at 31 <sup>st</sup> 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: 13<sup>th</sup> April, 2016

For and on behalf of the Board of Directors

<b>Sangeeta Prasad</b>	Chairperson	(DIN: 02791944)
<b>Raghunath Murti</b>	Director	(DIN: 00082761)
<b>Sanjay Jain</b>	Director	(DIN: 06446899)
<b>Sanjiv Kapoor</b>	Director	(DIN: 00004005)
<b>Jayant Manmadkar</b>	Non-Executive Non-Independent Director	(DIN: 03044559)

Place: Mumbai  
Date: 13<sup>th</sup> April, 2016