DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL HIGHLIGHTS (Stand-alone)

(₹ in Lakhs)

Particulars	**For the year ended 31st March, 2016**	For the year ended 31st March, 2015
Total Income	**21,355.37**	6,421.83
Profit/(Loss) Before Depreciation, Finance Costs and Taxation	**5,587.46**	6311.83
Less: Depreciation	**471.32**	291.78
Profit/(Loss) Before Finance Cost and Taxation	**5,116.14**	6,020.05
Less: Finance Cost	**4,630.00**	3894.80
Profit/(Loss) Before Taxation	**486.14**	2125.25
Less: Provision for Taxation	**204.92**	699.64
Profit/(Loss) for the year after Taxation	**281.22**	1425.61
Add: Balance of Profit/(Loss) for earlier years	**2,847.39**	8485.75
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life	**–**	8.02
Amount available for appropriation	**3,128.61**	9903.34
Proposed Dividend on Equity Shares (including tax on distributed profits)	**–**	240.72
Proposed Dividend on Preference Shares (including tax on distributed profits)	**–**	–
Dividend paid on redemption of Preference shares (Including tax on distributed profits)	**–**	315.23
Transferred to General Reserve	**–**	–
Transferred to Capital Redemption Reserve	**–**	6500.00
Balance carried forward to the Balance Sheet	**3,128.61**	2847.39

Dividend

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

Reserves

Profit for the year after appropriation has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations/State of the company's affairs

During the year Mahindra World City (MWC), Chennai, promoted by your Company was adjudged winner in the category Best Township (Over 200 acres) at the NDTV Property Awards 2015.

At the end of 2015-16, the project had a total area of 1,524 acres. It has a total 64 industrial Customers — of which 27 are in the SEZ and 37 are in the DTA. Currently, 51 companies operate out of Mahindra World City, Chennai of which 1 company started operations in the DTA during the year. During the year, direct employment in Mahindra World City increased from 37,000 to around 38,000 persons. Exports was at Rs. 9,359 crores in 2015-16 as against Rs. 7,800 crores during 2014-15.

With stabilisation in the business zone, the focus is now in developing the residential, social and retail infrastructure. Mahindra World City, Chennai, has allocated ~285 acres for the development of residential and social infrastructure that will cater to the requirements of over 7,000 families. With handing over of units in phases of Aqualily and Iris Court which has continued during the year, the city has three operational residential projects which together have around 700 families living there, another project (Nova) is under construction..

On the retail and social infrastructure, considerable progress was made during the year. The MWC Club which was inaugurated in March 2015 has been well received by the community of members and Corporates both within MWC and the neighbouring corridors.

In the current year your Company added a significant base of service providers to The Canopy – the commercial centre, of MWC, Chennai including Nilgiris and Sunny Bee (Retail) , Fashion Equations (Women's Apparel); Airtel Customer Centre (Telecom); Habitat & Amul Ice cream (F&B) & Laundrexx (Others), thus enhancing the "Live" quotient at MWC Chennai.

On the Social Infrastructure front, Jeevan Hospitals which started the 1st phase of operations in 2014-15, started 24x7 services (OP, Pharmacy and Ambulance) in this year and shall be scaling up their offerings and facilities to a full -fledged hospital by H1 FY 2017. The Hostel for Singles is nearing completion and is expected to be ready for occupation by August 2016. Expansion plans for Mahindra World School have been drawn out and is expected to be operational for the academic year 2017-18. The Post office at Mahindra World City Chennai, the first all-women delivery post office in Chennai circle has been upgraded during the year to a delivery Post office and exclusively serves the companies and residential communities at Mahindra World City. Mahindra World City, Chennai,has continued to build on its community development and engagement initiatives during the year. This included fresh editions of its flagship programmes: the marathon run in aid of 'Nanhi Kali' which had over 1,200 participants, 'Champions Trophy' an inter-company sports tournament that had ~40 teams, 'Mindquest' — the Annual MWC quiz competition with over 70 teams and 'Courtyard Performances', which featured street theatre and other forms of performing arts. These have been well received by both participants and residents.

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

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

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

Share Capital

Authorised share capital of your company is Rs. 95 crores and Paid-up share capital of the company is Rs. 20 crores.

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

Non-Convertible Debentures

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

Networth

The net worth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was Rs. 116.92 Crores and Rs. 119.74 crores respectively.

Holding Company

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

Subsidiaries, Joint Ventures and Associate companies

During the year pursuant to the Joint Venture Agreement entered into with Sumitomo Corporation, Japan,the Shareholding Structure of Mahindra Industrial Park Chennai Limited (MIPCL) has changed whereby additional shares amounting to Rs. 1,019,500,000 were allotted at par to your Company and equity shares amounting to Rs. 680,000,000 were allotted to Sumitomo Corporation, Japan for a premium of Rs.1.323 per share, following which, the 60% of the paid-up share capital of MIPCL is held by your Company and 40% is held by Sumitomo Corporation, Japan.

MIPCL is a 60% owned subsidiary of your company and hence also a 53.4% subsidiary of Mahindra Lifespace Developers Limited. This company (MIPCL) is developing an industrial park in North Chennai, Tamil Nadu, spanning an area of approximately 300 acres.

Your Company also holds 25.78% of paid-up share capital of Mahindra Integrated Township Limited (MITL), which is an Associate Company.

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

Consolidated Financial Statement

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

Board of Directors

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

Name of Director	DIN	Designation
N Vaghul	00002014	Chairman and Independent Director
Sanjiv Kapoor	00004005	Independent Director
Arun Kumar Nanda	00010029	Non-Executive Non-Independent Director
Anita Arjundas	00243215	Non-Executive Non-Independent Director
V Balaraman	00267829	Independent Director
Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad (DIN: 02791944) a Non-executive and Non-independent Director retires by rotation at the 19th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year Mr. Uday Y Phadke, Non-executive director resigned from directorship effective 15th July, 2015, in accordance with his plan to step down from the Boards of Mahindra Group of Companies in a phased manner. The Board places on record its deep appreciation of the valuable services rendered by Mr. Uday Y Phadke during his tenure as Director of the company.

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

Key Managerial Personnel

As of 31st March, 2016, Mr. S. Chandru was the Manager & Company Secretary of the Company.

During the year under review, the following persons were appointed/had resigned as Key Managerial Personnel under the Companies Act, 2013.

Sr. no.	Name of the person	Nature of Change	Date of Change	Designation
1.	Mr. T. S. Krishnan	Resignation	29th February, 2016	Chief Financial Officer
2.	Mr. L Nataraj	Appointment	15th April, 2016	Chief Financial Officer

During the year, Mr. T S Krishnan resigned from the position of Chief Financial Officer of the Company with effect from 29th February 2016. The Board places on record its sincere appreciation of his association with the Company.

Consequent to above resignation, Mr. L Nataraj was appointed as the Chief Financial Officer of the Company with effect from 15th April, 2016.

Committees of the Board

Audit Committee

As on 31st March, 2016, the Audit Committee comprises of three independent Directors, namely Mr. Sanjiv Kapoor, Mr. N. Vaghul and Mr. V. Balaraman. During the year, the Audit Committee was reconstituted upon resignation of Mr Uday Y Phadke All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chief Financial Officer, Internal Auditor and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Committee met five times during the year. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and contribute to their long term social good and welfare.

The Company, in every financial year commencing from 1st April, 2014, in line with the new Companies Act, 2013, pledges to spend, two per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

The Company has constituted Corporate Social Responsibility Committee comprising of Mr. V. Balaraman - Independent Director, Ms. Anita Arjundas - Non Independent director and Ms. Sangeeta Prasad - Non Independent director. Mr. V. Balaraman is the Chairman of the Committee. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The Company's CSR policy is available on the Company's website: www.mahindraworldcity.com

The Company's CSR activities have traditionally focussed on education, skill development, health, environment and promoting sustainable practices.

The objective of the CSR policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Company's philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called ESOPs.

The Company has spent Rs. 78.45 lakhs as against the required CSR expenditure of Rs. 78.42 lakh calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at Annexure 1 to this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprise of two independent directors, namely Mr. N Vaghul and Mr. V Balaraman and one non-executive non-independent director, Ms. Anita Arjundas. Mr. V Balaraman is the Chairman of the Committee.

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

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

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by

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

Meetings Of Independent Directors

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

Meetings

During the financial year, Six Board Meetings had been convened and held on the following dates:

18th April, 2015, 14th July, 2015, 28th September, 2015, 16th October, 2015, 18th December, 2015 and 13th January, 2016

During the year, five Audit Committee meetings had been convened and held on the following dates :

18th April, 2015, 14th July, 2015, 16th October, 2015, 18th December, 2015 and 13th January, 2016

During the year, two meetings of the Nomination &Remuneration Committee had been convened and held on 14th July 2015 and 13th January 2016

During the year, four meetings of the CSR Committee had been convened and held on 18th April, 2015, 14th July, 2015, 16th October, 2015 and 13th January 2016

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

Sr. no.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Mr. N. Vaghul	6	5	2	NA
2.	Mr. A. K. Nanda	3	NA	NA	NA
3.	Mr. V. Balaraman	5	5	2	4
4.	Mr. Sanjiv Kapoor	3	3	NA	NA
5.	Ms. Anita Arjundas	6	NA	2	4
6.	Ms Sangeeta Prasad	6	NA	NA	4
7.	Mr. Uday Phadke*	2	2	NA	NA

Note: * Resigned from directorship with effect from 15th July, 2015

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

Code of Conduct

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

The Company has for the year under review, received declarations under the Codes from the Board members, Independent Directors and employees of the Company affirming compliance with the respective Codes.

Directors’ Responsibility Statement

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis; and

(e) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

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

Vigil Mechanism/Whistle Blower Mechanism

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

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. A.F. Ferguson & Co., Chartered Accountants, Chennai, retire as Auditors at the forthcoming Annual General Meeting. The members are requested to appoint Auditors from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

As required by the provisions of section 139 and 141 of Companies Act, 2013 the Company has received written consent and certificate from M/s. A.F. Ferguson & Co, Chartered Accountant, (ICAI Firm Registration Number 112066W), proposed to be re-appointed as Auditors for one year i.e. up to conclusion of the 20th Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

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

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

The requirements of having Cost auditor is presently not applicable to your Company.

Secretarial Auditor

The paid-up share capital of the company as on 31st is 2015 to Rs. 20 Crores which is less than the threshold limit required for appointment of Secretarial Auditor, and hence there is no requirement to have a Secretarial Audit for the financial year 2015-16.

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

As your Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 13.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013. Therefore, the form AOC-2 is not applicable to the Company. The Directors draw attention to Note no. 27.4 to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

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

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

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 5** to this report.

Employee Remuneration

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

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies

Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

Safety, Health and Environmental Performance

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

Sustainability

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

General

- During the year ended 31st March, 2016 , there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.
- No penalties/strictures were imposed on the Company by any statutory authority on any matter. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
- No fraud has been reported during the audit conducted by the Statutory Auditor and Secretarial Auditor of the Company.

Cautionary statement:

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

Acknowledgment

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

For and on behalf of the Board,

Sd
N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2016

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

THE ANNUAL REPORT ON CSR ACTIVITIES

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**
   a) The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at all its project locations so as to help the communities around these projects to prosper in all walks of life.
   b) The Company has formed a CSR policy which is available on the website of the company.
   c) The Company has planned the following projects in the identified areas:

      Sponsoring girl child education – Nanhi Kali – Education

      Supporting Education – Improving Infrastructures for schools in surrounding areas of Mahindra World City Chennai

      Cleanliness drive – Swachh Bharat - Public health & Sanitation

      Public Park – Environment

      Community Water facility – Health

      Supporting PHC with medical & non-medical equipment- Health

      Flood relief in surrounding areas of Mahindra World City Chennai- Others

2. **The composition of the CSR Committee of the Board of Directors is as under:**

   Mr. V. Balaraman – Independent Director

   Ms. Anita Arjundas – Non Executive Non-Independent Director

   Ms. Sangeeta Prasad – Non Executive Non-Independent Director
3. **Average net profit of the Company for the last three financial years:** Rs. 3,914 Lakhs
4. **Prescribed CSR Expenditure** (two per cent of the amount as in item 3 above): Rs. 78.28 Lakhs, Budget Rs. 78.42 Lakhs
5. **Details of CSR spent during the financial year**
   a. Total amount to be spent for the financial year: Rs. 78.45 Lakhs
   b. Amount unspent (if any): Nil
   c. Manner in which the amount spent during the financial year was utilised is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken**	**Amount outlay (budget) project or programme wise (Rs lakhs)**	**Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)**	**Cumulative spend up to the reporting period (Rs lakhs)**	**Amount spent: Direct or through implementing agency**
1.	Contribution to Nanhi Khali	Education of the girl child	Pan India where the Company has existing projects	39.21	Direct expenditure – 39.21	76.41	Implementing Agency: K.C.Mahindra Education Trust

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken**	**Amount outlay (budget) project or programme wise (Rs lakhs)**	**Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)**	**Cumulative spend up to the reporting period (Rs lakhs)**	**Amount spent: Direct or through implementing agency**
2.	Model ICDS (with all facilities). Active SMCs in the communities. Appropriate and sufficient Infrastructure at schools Extra teachers if needed for quality education. (time bound) Children's club.	Supporting Education	Mahindra World City Chennai, Kancheepuram District, Tamilnadu	12.31	Direct expenditure – 10.64	10.64	NGO: World Vision
3.	Swachh Bharat Initiative	Environment	Villages and Community around Mahindra World City Chennai, Kancheepuram District, Tamilnadu	9	Direct expenditure – 8.48	8.48	NGO: Appasaheb Apte Smriti Pratishthan
4.	Public Park	Environment	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	5	Direct expenditure –10.72	10.72	–
5.	Community Water Facilities Water testing at community water points. Appropriate water purification system in the community. Repairing of water points (to ensure Hygiene and cleanliness) Bore wells for safe drinking water	Health	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	8.57	Direct expenditure-4.39	4.39	NGO: World Vision

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken**	**Amount outlay (budget) project or programme wise (Rs lakhs)**	**Amount spent on the project/ programme Subheads: (1) Direct expenditure on project (2) Overheads (Rs lakhs)**	**Cumulative spend up to the reporting period (Rs lakhs)**	**Amount spent: Direct or through implementing agency**
6.	Supporting Kunnavakkam PHC with Medical & Non Medical Equipment	Health	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	2.33	Direct expenditure-2.01	2.01	NGO: World Vision
7.	Capacity building of Self Help Groups	Others	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	2	Direct expenditure-0	0	–
8.	Flood Relief	Others	Mahindra World City Chennai, Veerapuram Village Kancheepuram District, Tamilnadu	0	Direct expenditure-3	3	NGO: World Vision
			Total	**78.42**	**78.45**	–	–

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

Not Applicable, as the Company has spent all the amounts reserved for CSR activities i.e. 2% of average net profit for the last three financial years.

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

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

V Balaraman	**Sangeeta Prasad**
Director	Director
DIN : **00267829**	DIN : **02791944**
Chennai, 15th April, 2016	Chennai, 15th April, 2016

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

Policy on appointment of Directors and Senior Management

DEFINITIONS

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

"**Board**" means Board of Directors of the Company.

"**Company**" means Mahindra World City Developers Limited.

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

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

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

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

(i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)

(ii) Chief Financial Officer (CFO); and

(iii) Company Secretary (CS).

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

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

I. APPOINTMENT OF DIRECTORS

- The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:

1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in sprit by the Directors.

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

REMOVAL OF DIRECTORS

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

SENIOR MANAGEMENT PERSONNEL

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

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

N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2016

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

Policy on remuneration of Directors

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World city Developers Limited.

Policy Statement

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

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

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

Manager

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

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

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

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

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

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

Directors

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

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

Disclosures

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

Sd
N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2016

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

Policy on Remuneration of Key Managerial Personnel and Employees

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

Objective

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

Standards

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

  a) The increment that needs to be paid for different performance ratings as well as grades.

  b) The increment for promotions and the total maximum increment.

  c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

Sd/-
N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2016

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

A. CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	The operations of the Company are not energy intensive. However, as a part of sustainable development adequate measures have been initiated to reduce energy consumption like installation of Solar street lights.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	The first off-grid solar power plant in the state of Tamil Nadu was set up at Mahindra World City, Chennai in FY 11-12. Installed over 800 sq. mt. and equipped with a remote monitoring system, the 75 kW rooftop solar plant is expected to generate approximately 116,000 units (kWh) of clean electrical energy annually.
			Other initiatives to reduce energy consumption at MWC include use of energy efficient LED/Induction lighting. These LED/Induction lights, come with dimmable controllers which have a significant impact in maximising overall energy efficiency of the area. During the year, an MOU has been signed between World Resources India (WRI) and Mahindra World City Chennai (MWCC) to explore options for Green Energy Procurement to fulfil the peak demand of energy for customers within the city through Renewable sources
(iii)	the capital investment on energy conservation equipments	:	The above measures and the 75KW solar initiative has resulted in saving of around 0.69 lakh units of electricity this year.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

There is no earnings from Foreign Exchange in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are Nil.

For and on behalf of the Board,

Sd/-

N. Vaghul

Chairman

DIN : 00002014

Chennai, 15th April, 2016

ANNEXURE 6

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31^{ST} March, 2016

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

1. REGISTRATION AND OTHER DETAILS:

1.	CIN	U92490TN1997PLC037551
2.	Registration Date	19th February, 1997
3.	Name of the Company	Mahindra World City Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Towers, Ground Floor, No.17/18 Pat-ullos Road, Chennai 600 002 Tel. No.:044-64522294 Fax No. 044-28584713
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1	Builders - Property Developers	0403	95

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

\# on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	89.00	**2(46)**
2	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding co.	Nil	**2(46)**
3	Mahindra Industrial Park Chennai Limited	U45209TN2014PLC098543	Subsidiary	60	**2(87)(ii)**
4	Mahindra Integrated Township Limited	U45200TN2008PLC066292	Associate/Joint Venture	25.78	**2(6)**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
(2) **Foreign**									
a) NRIs–Individuals	–	–	–	–	–	–	–	–	–
b) Other–Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	–	–	–	–	–	–	–	–	–
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. Non-Institutions									
a) Bodies Corp.	–	–	–	–	–	–	–	–	–
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	20,000,000	20,000,000	100%	–	20,000,000	20,000,000	100%	–

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total Shares	
Body Corporate – Mahindra LIfespace Developers Ltd	17,799,999	89	**Nil**	17,799,999	89	**Nil**	–
Body corporate – Tamilnadu Industrial Development Corporation Ltd	22,00,000	11	**Nil**	22,00,000	11	**Nil**	–

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

There is no change in the Shareholding of Promoter Group.

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

Promoters hold 100% of the share capital of the company.

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year- 31st March, 2015		Shareholding at the end of the year – 31st March, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Directors and KMP do not hold any shares in the company.

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Ms. Sangeeta Prasad DIrector				
1.	At the beginning of the year	1*	0.00	1*	0.00
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	1*	0.00	1*	0.00
	S. Chandru Manager & Company Secretary				
1.	At the beginning of the year	1*	0.00	1*	0.00
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	1*	0.00	1*	0.00

*Note: * Shares jointly held with Mahindra Lifespace Developers Limited*

I) INDEBTEDNESS

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

(Rs. in Crs)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	201.25	167.50	–	368.75
ii) Interest due but not paid	–	4.49	–	4.49
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	201.25	171.99		373.24
Change in Indebtedness during the financial year				
• Addition	206.00			206.00
• Reduction	21.04	171.99		193.03
Net Change	184.95	171.99		12.96
Indebtedness at the end of the financial year				
i) Principal Amount	386.21	–	–	386.21
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	386.21	–	–	386.21

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager

						(Rs. in Lakhs)
Sr. No.	**Particulars of Remuneration**	**Name of MD/WTD/MANAGER**				
		S. Chandru				**Total Amt**
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	76.78				76.78
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.38				0.38
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–				
2.	Stock Option	6.29				6.29
3.	Sweat Equity				–	
4.	Commission	–				
	- as % of profit					
	- others, specify...					
5.	Others, please specify					
	Total (A)	83.45				83.45
	Ceiling as per the Act (read with section III (d) of schedule V)					240.00

B. Remuneration of other directors:

					(Rs. in Lakhs)
Sr. No.	**Particulars of Remuneration**	**Name of Directors**			**Total Amt**
1	**Independent Directors**	**N. Vaghul**	**V. Balaraman**	**Sanjiv Kapoor**	
	• Fee for attending board/committee meetings	1.40	1.50	0.75	3.65
	• Commission	0	0	0	0
	• Others, please specify				
	Total (1)	**1.40**	**1.50**	**0.75**	**3.65**
2.	**Other Non-Executive Directors**	**A. K. Nanda**	**TIDCO**		
	• Fee for attending board/committee meetings	0.55			0.55
	• Commission	0	0		0
	• Others, please specify	–	–		
	Total (2)	**0.55**	**0**		**0.55**
	Total (B)=(1+2)	0	0	0	4.20
	Total (A)				77.16
	Total Managerial Remuneration				81.36
	Overall Ceiling as per the Act (read with section III (d) of schedule V)				240.00

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

					(Rs. in Lakhs)
Sr. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		CEO	**Company Secretary**	**CFO**	**Total**
1.	Gross salary	–	–	–	–
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	23.41*	23.41
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	- as % of profit	–	–	–	–
	- others, specify...	–	–	–	–
5.	Others, please Specify	–	–	–	–
	Total	–	–	23.41	23.41

*Note: * CFO TS Krishnan resigned with effect from 28th February, 2016*

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/ Punishment/ Compounding fees imposed**	**Authority [RD/ NCLT/COURT]**	**Appeal made, if any (give Details)**
Penalty					
Punishment			**None**		
Compounding					

OTHER OFFICERS IN DEFAULT

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty/ Punishment/ Compounding fees imposed**	**Authority [RD/ NCLT/COURT]**	**Appeal made, if any (give Details)**
Penalty					
Punishment			None		
Compounding					

For and on behalf of the Board,

Sd
N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
   (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 26.1 to the financial statements).
      ii. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Geetha Suryanarayanan
Partner
Membership No.: 29519

Place: Chennai
Date: 15th 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 World City Developers Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

Geetha Suryanarayanan
Partner
Membership No.: 29519

Place: Chennai
Data: 15th April, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in lakh)	Amount Unpaid (₹ in lakh)
Income Tax Act, 1961	Income tax	Commissioner (Appeals)	2009-10	174.91	–

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not taken any loans or borrowings from banks and government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has not raised any money from public during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us and based on the Company's confirmation that they are covered under Para d, Section III (Remuneration payable by companies having no profit or inadequate profit without Central Government approval in certain special circumstances), Part II of Schedule V to the Companies Act 2013, relating to company in a Special Economic Zone as notified by Department of Commerce, the managerial remuneration paid/provided by the Company is in accordance with Section 197 read with the above Schedule V of the Companies Act 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 15th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	**200,000,000**	200,000,000
(b) Reserves and surplus	4	**997,361,563**	969,239,171
		1,197,361,563	1,169,239,171
Non-current liabilities			
(a) Long-term borrowings	5	**3,230,833,332**	3,519,791,667
(b) Deferred tax liabilities (net)	27.7	**248,812,370**	390,690,777
(c) Deferred Income		**118,665,109**	–
(d) Other long-term liabilities	6	**39,166,095**	38,301,970
(e) Long-term provisions	7	**3,675,101**	3,825,189
		3,641,152,007	3,952,609,603
Current liabilities			
(a) Short-term borrowings	8	**–**	–
(b) Trade payables	9		
(A) Total outstanding dues of micro enterprises and small enterprises		**–**	–
(B) Total outstanding dues of Creditors other than micro enterprises and small enterprises		**41,697,517**	24,167,235
(c) Other current liabilities	10	**713,077,714**	453,949,888
(d) Deferred Income		**6,645,198**	–
(e) Short-term provisions	11	**1,208,070**	25,383,910
		762,628,499	503,501,033
TOTAL		**5,601,142,069**	5,625,349,807
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		**535,475,323**	564,836,391
(ii) Intangible assets		**237,808**	356,875
(iii) Capital work-in-progress		**6,486,256**	949,716
(b) Non-current investments	13	**1,150,000,000**	130,500,000
(c) Long-term loans and advances	14	**198,797,195**	278,894,510
		1,890,996,582	975,537,492
Current assets			
(a) Inventories	15	**2,975,801,251**	4,087,710,715
(b) Trade receivables	16	**16,419,835**	13,558,123
(c) Cash and cash equivalents	17	**41,121,545**	15,929,253
(d) Short-term loans and advances	18	**633,942,253**	494,961,711
(e) Other current assets	19	**42,860,603**	37,652,513
		3,710,145,487	4,649,812,315
TOTAL		**5,601,142,069**	5,625,349,807

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

L. Nataraj
Chief Financial Officer

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016

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

Particulars	Note No.	**For the year ended 31st March, 2016** ₹	For the year ended 31st March, 2015 ₹
Revenue from operations	20	**2,115,700,618**	608,685,754
Other income	21	**19,836,795**	33,497,041
Total revenue		**2,135,537,413**	642,182,795
Expenses			
Cost of land and project development		**201,392,550**	12,313,960
Changes in inventories	22	**1,111,909,464**	(259,333,091)
Employee benefits expense	23	**39,095,752**	34,888,480
Finance costs	24	**462,999,778**	389,479,701
Depreciation and amortisation expense	12	**47,132,513**	29,177,715
Other expenses	25	**224,393,371**	223,131,124
Total expenses		**2,086,923,428**	429,657,889
Profit before tax		**48,613,985**	212,524,906
Tax expense:			
(a) Current tax expense - Normal Tax		**162,370,000**	39,194,620
(b) (Less): MAT credit		**–**	(39,194,620)
Net current tax expense		**162,370,000**	–
(c) Deferred tax		**(141,878,407)**	69,963,978
Net tax expense		**20,491,593**	69,963,978
Profit for the year		**28,122,392**	142,560,928
Basic and diluted earnings per share		**1.41**	5.55

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
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Sangeeta Prasad
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(DIN: 02791944)

L. Nataraj
Chief Financial Officer

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016

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

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
A. Cash flow from operating activities		
Net Profit before tax	**48,613,985**	212,524,906
Adjustments for:		
Depreciation and amortisation	**47,132,513**	29,177,715
Loss on sale of assets	**173,591**	155,918
Finance costs	**462,999,778**	389,479,701
Interest income	**(17,213,908)**	(7,162,419)
Dividend Income	**(843,703)**	(26,000,000)
Provision for Doubtful debts	**264,644**	467,763
Bad debts written off	**37,516**	209,237
Operating profit before working capital changes	**541,164,416**	598,852,821
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	**92,409,464**	(269,391,719)
Trade receivables	**(3,163,872)**	3,392,049
Short-term loans and advances	**(138,980,542)**	(11,035,007)
Long-term loans and advances	**(1,180,976)**	(1,011,527)
	(50,915,926)	(278,046,204)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	**17,530,282**	(4,252,062)
Other current liabilities	**(204,413,842)**	55,644,055
Other long-term liabilities	**864,125**	(1,363,426)
Deferred income	**125,310,307**	–
Short-term provisions	**(104,240)**	(3,848,783)
Long-term provisions	**(150,088)**	3,825,189
	(60,963,456)	50,004,973
Cash generated from operations	**429,285,034**	370,811,590
Net income tax (paid)/refunded	**(81,310,901)**	(62,150,364)
Net cash from operating activities (A)	**347,974,133**	308,661,226
B. Cash flow from investing activities		
Investment in share capital of subsidiary company	**–**	(500,000)
Capital expenditure on fixed assets, including capital advances	**(23,249,684)**	(119,533,787)
Proceeds from sale of fixed assets	**106,367**	347,352
Bank balances not considered as Cash and cash equivalents		
- Placed	**–**	(25,000)
Interest received		
- Mahindra Industrial Park Chennai Limited	**8,758,732**	
- Others	**3,247,086**	956,540
Dividend Received	**843,703**	26,000,000
Net cash used in investing activities (B)	**(10,293,796)**	(92,754,895)

Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
C. Cash flow from financing activities		
Redemption of preference shares	**–**	(650,000,000)
Borrowings from Related Parties (net)	**–**	1,675,000,000
Proceeds from Commercial Papers	**600,000,000**	–
Repayment of Commercial Papers	**(600,000,000)**	–
Proceeds from long-term borrowings	**2,060,000,000**	275,000,000
Repayment of inter-corporate deposits	**–**	(1,075,000,000)
Repayment of long term borrowings from related parties	**(1,675,000,000)**	–
Repayment of current maturities of long term borrowings	**(210,416,667)**	–
Finance cost	**(462,999,778)**	(344,541,345)
Dividends paid including tax	**(24,071,600)**	(87,684,548)
Net cash flow used in financing activities (C)	**(312,488,045)**	(207,225,893)
Net increase in Cash and cash equivalents (A+B+C)	**25,192,292**	8,680,438
Cash and cash equivalents at the beginning of the year	**15,904,253**	7,223,815
Cash and cash equivalents at the end of the year	**41,096,545**	15,904,253
Cash and cash equivalents at the end of the year	**41,096,545**	15,904,253
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 17)	**41,121,545**	15,929,253
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements: bank balance in earmarked deposits	**25,000**	25,000
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 17	**41,096,545**	**15,904,253**

See accompanying notes forming part of the financial statements

In terms of our report attached
For **A. F. Ferguson & Co**
Chartered Accountants
Firm's Registration No.112066W

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
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Sangeeta Prasad
Director
(DIN: 02791944)

L. Nataraj
Chief Financial Officer

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016

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

1 Corporate information

The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

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

2.2 Use of estimates

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

2.3 Inventories

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 with effect from 1st April, 2014.

Intangible assets are amortised over their estimated useful life as follows:

Software expenditure incurred is amortised over three years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

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

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

c) Club membership fee is recognized equally over the tenure of membership. In case of life membership, the fee is recognized over the estimated usage period of 20 years. Annual membership fee due from members are recognised over the period of subscription as per terms agreed with the members. Membership fee and annual subscription fee relating to the periods beyond the date of Balance Sheet is grouped under Deferred Income

d) Income from services is recognised upon rendering of services.

2.8 Other income

Interest income is accounted on time-proportion basis. Dividend income is accounted for, when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

<u>Capital work-in-progress:</u>

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets/liabilities are translated at exchange rates prevailing on the date of settlement or at the year end as applicable, and gain/loss arising out of such translation is adjusted to the profit and loss account.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are adjusted to the carrying value of the assets.

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences

<u>Defined contribution plans</u>

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made as and when services are rendered by the employees.

<u>Defined benefit plans</u>

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 Borrowing costs

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

2.16 Segment reporting

The company has a single reportable segment namely, lease of land and properties constructed thereon.

2.17 Earnings per share

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

2.18 Taxes on income

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

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

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

2.19 Impairment of assets

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

2.20 Provisions and contingencies

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

2.21 Service tax input credit

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

3 Share capital

Particulars		**As at 31st March, 2016**		As at 31st March, 2015	
		Number of shares	**₹**	Number of shares	₹
(a)	Authorised				
	Equity shares of ₹10 each with voting rights	**25,000,000**	**250,000,000**	25,000,000	250,000,000
	Unclassified shares of ₹10 each	**5,000,000**	**50,000,000**	5,000,000	50,000,000
	Cumulative Redeemable preference shares of ₹100 each	**6,500,000**	**650,000,000**	6,500,000	650,000,000
	Total		**950,000,000**		950,000,000
(b)	Issued, Subscribed and fully paid up				
	Equity shares of ₹10 each with voting rights	**20,000,000**	**200,000,000**	20,000,000	200,000,000
	Total		**200,000,000**		200,000,000

Notes:

(i) Terms/rights attached to Equity Shares

The company has only one class of Equity shares having a par value of ₹10/- per share. Each holder of Equity Shares is entitled to one vote per share.

The dividends proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

Repayment of capital will be in proportion to the number of equity shares held.

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

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31st March, 2016	As at 31st March, 2015
	Equity shares with voting rights	Equity shares with voting rights
	Number of shares	Number of shares
Mahindra Lifespace Developers Limited, the holding company	**17,799,999**	17,799,999

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

Class of shares/Name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
–Mahindra Lifespace Developers Limited	**17,799,999**	**89.00%**	17,799,999	89.00%
–Tamil Nadu Industrial Development Corporation Limited	**2,200,000**	**11.00%**	2,200,000	11.00%

(iv) There is no change in the number of shares and amount outstanding during the year.

	Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
4	**Reserves and surplus**		
(a)	General reserve		
	Opening balance	**34,500,000**	34,500,000
	Closing balance	**34,500,000**	34,500,000
(b)	Capital Redemption Reserve	**650,000,000**	650,000,000
(c)	Surplus in Statement of Profit and Loss		
	Opening balance	**284,739,171**	848,574,877
	Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax)	–	802,093
	Add: Profit for the year	**28,122,392**	142,560,928
	Less:		
	Dividends proposed to be distributed to equity shareholders (₹ ___ per share (previous year - ₹1.00 per share))	–	20,000,000
	Tax on proposed dividend	–	4,071,600
	Dividend paid on redemption of preference shares @ 8.5% for the period from April 1, 2014 to September 25, 2014	–	26,943,836
	Tax on dividend	–	4,579,105
	Transferred to Capital Redemption Reserve	–	650,000,000
	Closing balance	**312,861,563**	284,739,171
	Total	**997,361,563**	969,239,171
5	**Long-term borrowings**		
	Term loans (Secured)		
	From HDFC Limited - Term Loan - 1 (refer note (i))	**1,630,833,332**	1,844,791,667
	From HDFC Limited - Term Loan - 1 (refer note (ii))	**1,600,000,000**	–
	Loans From related parties (Unsecured)		
	from Holding Company (Interest @ 11%)	–	1,620,000,000
	from Mahindra Residential Developers Limited (Interest @ 12.00%)	–	55,000,000
	Total	**3,230,833,332**	3,519,791,667

Notes:

Term loan from HDFC Ltd

(i) Term loan carries an interest of 9.85%. Principal to be repaid in 12 equal quarterly instalments, commencing from April 2016.

(ii) Term loan carries an interest of HDFC CPLR - 728 points. Principal to be repaid in 12 equal quarterly instalments, commencing from March 2018, after a moratorium of 24 months. Current rate of interest is 10.37%

(iii) Term loans are secured by equitable Mortgage of specified lands or any other security acceptable to HDFC Limited.

(iv) For current maturities of long term borrowings, refer Note No. 10 in Other current liabilities.

	Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
6	**Other long-term liabilities**		
	Security deposit received (From Lessees)	**39,166,095**	38,301,970
	Total	**39,166,095**	38,301,970
7	**Long-term provisions**		
	(a) Provision for employee benefits:		
	(i) Compensated absences	**3,174,867**	2,639,187
	(ii) Gratuity	**500,234**	1,186,002
	Total	**3,675,101**	3,825,189
8	**Short-term borrowings**		
	From related parties (Unsecured)		
	Intercorporate Deposit from Holding Company	–	920,000,000
	Intercorporate Deposit from Mahindra Residential Developers Limited	–	155,000,000
	Total	–	1,075,000,000
9	**Trade payables**		
	Trade payables	**41,697,517**	24,167,235
	Total	**41,697,517**	24,167,235
10	**Other current liabilities**		
	Current maturities of long-term loan from HDFC Limited (Refer note 10.i)	**631,250,001**	167,708,333
	Advance received from Ultimate Holding Company (towards club membership)	–	122,500,000
	Interest payable on borrowings	–	44,938,356
	Statutory remittances (Contributions to PF, Withholding Taxes, VAT, Service Tax, etc.)	**10,457,024**	7,298,312
	Other payables	**35,268,333**	42,848,428
	Payable on purchase of fixed assets	**10,891,826**	52,640,503
	Earnest money deposit received	**893,000**	1,339,300
	Advances from customers	**11,600,132**	5,352,937
	Rental/other deposit from customers	**12,717,398**	9,323,719
	Total	**713,077,714**	453,949,888
	10 (i) Refer Note No. 5.(i) & (ii) for terms of repayment and interest		
11	**Short-term provisions**		
	(a) Provision for employee benefits:		
	(i) Compensated absences	**1,208,070**	1,312,310
	(ii) Gratuity	–	–
		1,208,070	1,312,310
	(i) Proposed equity dividend	–	20,000,000
	(iii) Tax on proposed dividends	–	4,071,600
		–	24,071,600
	Total	**1,208,070**	25,383,910

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

12 Fixed Asset

In ₹

Particulars	Gross block					Depreciation					Net block	
	As at 01.04.2015	Additions	Deletions	Adjustments	**As at 31.03.2016**	As at 01.04.2015	Transition Adjustment	For the period	Deletions	**As at 31.03.2016**	**As at 31.03.2016**	As at 31.03.2015
A. Tangible assets												
Land	20,838,405	–	–	–	**20,838,405**	–	–	–	–	–	**20,838,405**	20,838,405
(Previous year)	10,779,777	10,058,628	–	–	**20,838,405**	–	–	–	–	–	**20,838,405**	10,779,777
Buildings												
- Own use	230,254,285	13,778,777	–	–	**244,033,062**	29,839,237	–	10,247,934	–	**40,087,171**	**203,945,891**	200,415,048
(Previous year)	112,097,794	118,156,491	–	–	**230,254,285**	26,150,260	–	3,688,977	–	**29,839,237**	**200,415,048**	85,947,534
- Given under operating lease	116,977,826	–	–	–	**116,977,826**	28,683,849	–	3,886,861	–	**32,570,710**	**84,407,116**	88,293,977
(Previous year)	116,977,826	–	–	–	**116,977,826**	24,796,988	–	3,886,861	–	**28,683,849**	**88,293,977**	92,180,838
Plant and machinery	251,139,776	829,573	–	14,433,404	**266,402,753**	71,762,153	–	22,727,997	–	**94,490,150**	**171,912,603**	179,377,623
(Previous year)	221,357,958	29,465,243	–	316,575	**251,139,776**	52,625,097	154,879	18,982,177	–	**71,762,153**	**179,377,623**	168,732,861
Office equipment	9,588,594	–	–	–	**9,588,594**	2,212,683	–	1,371,817	–	**3,584,500**	**6,004,094**	7,375,911
(Previous year)	1,651,328	8,253,841	–	(316,575)	**9,588,594**	887,110	629,150	696,423	–	**2,212,683**	**7,375,911**	764,218
Furniture and fixtures	63,413,333	1,660,393	–	(14,433,404)	**50,640,322**	2,081,584	–	5,768,005	–	**7,849,589**	**42,790,733**	61,331,749
(Previous year)	2,274,007	61,139,326	–	–	**63,413,333**	1,800,734	72,264	208,586	–	**2,081,584**	**61,331,749**	473,273
Computers	4,337,981	201,159	–	–	**4,539,140**	1,722,700	–	718,235	–	**2,440,935**	**2,098,205**	2,615,281
(Previous year)	1,726,668	2,611,313	–	–	**4,337,981**	717,238	358,816	646,646	–	**1,722,700**	**2,615,281**	1,009,430
Vehicles	7,429,843	1,462,433	563,791	–	**8,328,485**	2,841,446	–	2,292,597	283,834	**4,850,209**	**3,478,276**	4,588,397
(Previous year)	8,046,092	–	616,249	–	**7,429,843**	1,886,706	–	1,067,719	–	**2,841,446**	**4,588,397**	6,159,386
Total	703,980,043	17,932,335	563,791	–	**721,348,587**	139,143,652	–	47,013,446	283,834	**185,873,264**	**535,475,323**	564,836,391
Total (Previous year)	474,911,450	229,684,842	616,249	–	**703,980,043**	108,864,133	1,215,109	29,177,389	–	**139,143,652**	**564,836,391**	366,047,317
B. Intangible assets												
Software	5,915,924	–	–	–	**5,915,924**	5,559,049	–	119,067	–	**5,678,116**	**237,808**	356,875
(Previous year)	5,558,724	357,200	–	–	**5,915,924**	5,558,723	–	326	–	**5,559,049**	**356,875**	1
Total	5,915,924	–	–	–	**5,915,924**	5,559,049	–	119,067	–	**5,678,116**	**237,808**	356,875
Total (Previous year)	5,558,724	357,200	–	–	**5,915,924**	5,558,723	–	326	–	**5,559,049**	**356,875**	1
Total (A+B)	709,895,967	17,932,335	563,791	–	**727,264,511**	144,702,701	–	47,132,513	283,834	**191,551,380**	**535,713,131**	565,193,266
Total (A+B) Previous year	480,470,174	230,042,042	616,249	–	**709,895,967**	114,422,856	–	29,177,715	–	**144,702,701**	**565,193,266**	366,047,318

Particulars	**As at 31st March, 2016**		As at 31st March, 2015	
	Nos:	**₹**	Nos:	₹
13 Non-current investments				
Investments (At cost): Unquoted, Trade - Long Term				
Investment in equity instruments in Subsidiary				
- Mahindra Industrial Park Chennai Limited (101,950,000 Equity shares of ₹10 each subscribed during the year at par)	**102,000,000**	**1,020,000,000**	50,000	500,000
Investment in equity instruments in Joint venture company				
- Mahindra Integrated Township Limited	**13,000,000**	**130,000,000**	13,000,000	130,000,000
	115,000,000	**1,150,000,000**	13,050,000	130,500,000

Particulars	**As at 31st March, 2016 ₹**	As at 31st March, 2015 ₹
14 Long-term loans and advances (Unsecured, Considered good)		
Capital advances	–	219,192
Security deposits	**5,595,863**	4,414,887
Advance income tax (net of provisions)	**193,201,332**	138,723,811
MAT credit entitlement	–	135,536,620
Total	**198,797,195**	278,894,510

Particulars	**As at 31st March, 2016**	As at 31st March, 2015
	₹	₹
15 Inventories (at lower of cost and net realisable value)		
Work-in-progress		
(representing cost of land and related expenditure)	**2,974,839,029**	4,084,203,280
Inventory procured for the Club	**962,222**	3,507,435
	2,975,801,251	4,087,710,715
16 Trade receivables (Unsecured, Considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	**448,491**	1,629,419
Doubtful	**732,407**	467,763
Less: Provision for doubtful trade receivables	**732,407**	467,763
	448,491	1,629,419
Other Trade receivables	**15,971,344**	11,928,704
Total	**16,419,835**	13,558,123

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

	Particulars	As at 31st March, 2016 ₹	As at 31st March, 2015 ₹
17	**Cash and cash equivalents**		
(a)	Cash on hand	**159,731**	57,273
(b)	Balances with banks		
	In current accounts	**40,936,814**	15,846,980
	In earmarked deposits (Refer Note 17(i)	**25,000**	25,000
	Total	**41,121,545**	15,929,253
18	**Short-term loans and advances** (Unsecured unless specifically stated, Considered good)		
(a)	Security deposits	**675,000**	675,000
(b)	Loans and advances to employees	**–**	128,712
(c)	Prepaid expenses	**1,110,010**	3,158,976
(d)	Balances with government authorities Service Tax input credit	**37,102,886**	5,681,313
(e)	Advances for purchase of land		
	Secured	**328,754,905**	473,263,192
	Unsecured	**3,405,000**	3,405,000
(f)	Other advances	**262,894,452**	8,649,518
	Total	**633,942,253**	494,961,711
19	**Other current assets**		
	Interest accrued on Advance for purchase of land	**42,860,603**	37,652,513
	Total	**42,860,603**	37,652,513

	Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
20	**Revenue from operations**		
(a)	Land Lease Premium	**–**	369,040,460
(b)	Sale of land - (refer note below)	**1,846,085,080**	–
(c)	Rental income	**15,396,975**	14,890,581
(d)	Operation and maintenance income	**231,837,510**	224,754,713
(e)	Club membership fees	**6,599,644**	–
(f)	Club Annual subscription fees	**3,679,166**	–
(g)	Club operating income	**9,664,243**	–
(h)	Others	**2,438,000**	–
	Total	**2,115,700,618**	608,685,754

Note: Revenue from sale of land represents 264.875 acres of land sold to the subsidiary, based on the Joint Venture Agreement with Sumitomo Corporation, Japan. This revenue is net of revenue from sale of 32.42 acres, on which subsidiary has a right to return, if the litigation in respect of that land is not resolved by 31st March, 2018.

	Particulars	For the year ended 31st March, 2016 ₹	For the year ended 31st March, 2015 ₹
21	**Other income**		
	Interest on Advance for purchase of land	**5,208,090**	6,912,556
	Interest on overdue receivables	**8,758,732**	–
	Interest on Fixed deposit with bank	**150,685**	249,863
	Reedemption of Mutual funds	**3,096,401**	–
	Dividend from Mutual funds	**843,703**	–
	Dividend income from shares	**–**	26,000,000
	Miscellaneous income	**1,779,184**	334,622
	Total	**19,836,795**	33,497,041
22	**Changes in inventories**		
	Inventories at the end of the year:		
	Work-in-progress	**2,974,839,029**	4,084,203,280
	Inventory - club	**962,222**	3,507,435
		2,975,801,251	4,087,710,715
	Inventories at the beginning of the year:		
	Project work-in-progress	**4,084,203,280**	3,828,377,624
	Inventory - club	**3,507,435**	–
		4,087,710,715	3,828,377,624
	Net (increase)/decrease	**1,111,909,464**	(259,333,091)
23	**Employee benefits expense**		
	Salaries and wages	**34,828,779**	29,586,534
	Contributions to provident and other funds	**1,394,091**	1,725,236
	Commission to non-whole time directors	**–**	1,686,575
	Staff welfare expenses	**2,872,882**	1,890,135
	Total	**39,095,752**	34,888,480
24	**Finance costs**		
(a)	Interest expense on:		
	(i) Term loan from HDFC Limited	**271,976,764**	223,117,993
	(ii) Term loan from Related parties	**179,575,071**	166,358,493
	(iii) Commercial Papers	**11,439,600**	–
	(iv) Other Interest	**8,343**	3,215
	Total	**462,999,778**	389,479,701
25	**Other expenses**		
	Power and fuel	**30,580,809**	29,673,587
	Rent including lease rentals	**899,717**	1,039,107
	Repairs and maintenance		
	- Machinery	**–**	309,778
	- Others	**1,352,502**	888,889
	Insurance	**2,084,771**	1,748,469
	Rates and taxes	**1,699,661**	874,080
	Communication	**3,092,981**	3,347,796
	Travelling and conveyance	**7,709,573**	7,722,208
	Printing and stationery	**766,136**	767,596
	Sales commission	**–**	2,611,913
	Business promotion	**7,539,766**	13,514,209
	Legal and professional	**19,520,971**	25,036,702
	Directors sitting fees	**420,000**	150,000
	Payments to auditors	**1,140,812**	1,054,947
	Loss on Sale of Fixed Assets	**173,591**	155,918
	Operation and Maintenance Expenses	**120,491,846**	119,978,717
	Provision for Doubtful Trade Receivables	**264,644**	467,763
	Bad debts	**37,516**	209,237
	Corporate social Responsibility (CSR) activities	**7,844,750**	7,471,763
	Club expenses	**18,233,777**	–
	Miscellaneous expenses	**539,549**	6,108,445
	Total	**224,393,371**	223,131,124

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

	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
(i)	Payments to the auditors comprises (net of service tax input credit)		
	Statutory audit	**775,000**	750,000
	Other services	**360,000**	300,000
	Reimbursement of expenses	**5,812**	4,947
	Total	**1,140,812**	1,054,947

26 Additional information to the financial statements

	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
26.1	**Contingent liabilities and commitments**		
(i)	**Contingent liabilities**		
	Income Tax matters disputed and not provided for - under appeal		
	Tax on borrowing costs inventorised in books but claimed as expenditure under Income Tax and disputed by the department - ₹224,098,620 (for the years ended 31st March, 2013, 31st March, 2012 and 31st March, 2011 is ₹88,748,075, ₹75,743,139 and ₹59,607,406/- respectively. However even if this liability crystallizes, there would be future tax benefits available on account of timing difference except for interest and income tax rate differences.		
	Other Matters disputed	**4,153,852**	768,833
	Note : The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.		
(ii)	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for - Tangible assets	–	53,029,878

26.2 There are no dues to Micro and Small Enterprises and these have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

26.3	**Expenditure in foreign currency**	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
	Professional Charges	**7,262,126**	–
	Total	**7,262,126**	–

27 Disclosures under Accounting Standards

	Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
		₹	₹
27.1	**Details of borrowing costs inventorised**		
	Borrowing costs inventorised during the year	**238,435,827**	287,113,236

27.2 The Company has a single reportable segment namely, lease of land and properties constructed thereon.

27.3 (1) Additional information to the financial statements - Gratuity

a) Defined Contribution plans

The Company makes Providend fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized ₹1,178 (In 000's) (PY ₹1,484 (In 000's) for Provident fund contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Contributions to provident and other funds' in Note 23 Employee benefits expense. The details of actuarial valuation are given below:

		Gratuity (Funded)	
		2015-16	2014-15
		₹	₹
a.	**Net Asset/(Liability) recognized in the balance sheet**		
	Present Value of Defined Benefit Obligation	**3,698,537**	3,597,239
	Fair Value of Plan assets	**3,198,303**	2,411,237
	Liability recognised in the balance sheet	**500,234**	1,186,002
b.	**Expense recognized in the Statement of Profit & Loss**		
	Past service cost	–	–
	Current Service cost	**359,644**	378,879
	Interest cost	**278,290**	277,384
	Expected return on plan assets	**(212,424)**	(172,172)
	Actuarial (gains)/Losses	**(564,313)**	(103,250)
	Total expenses	**(138,803)**	380,841
c.	**Change in present value of Defined Benefit obligation**		
	Present Value of the obligation at the beginning of the year	**3,597,239**	3,217,102
	Past service cost	–	–
	Current Service cost	**359,644**	378,879
	Interest Cost	**278,290**	277,384
	Actuarial (Gains)/Losses	**(477,790)**	61,720
	Benefits Paid	**(58,846)**	(337,846)
	Present value of the obligation as at the end of the year	**3,698,537**	3,597,239

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

	Gratuity (Funded) 2015-16	2014-15
	₹	₹
d. **Change in fair value of plan assets**		
Present value of plan assets as the beginning of the year	**2,411,237**	2,230,192
Expected return on plan assets	**212,424**	172,172
Contributions made	**546,965**	181,750
Benefits paid	**(58,846)**	(337,846)
Actuarial Gains/(Losses)	**86,523**	164,969
Present value of plan assets at the end of the year	**3,198,303**	2,411,237
e. **Principal actuarial assumptions**		
Discount Rate	**7.90%**	7.80%
Expected return on plan assets	**8.00%**	8.00%
Mortality	LIC (2006-08) Ultimate mortality tables	
f. Estimate of amount of contribution in the immediate next year	**500,000**	50,000

g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

i. Experience adjustment as provided by actuary:	For the years: 2015-16	2014-15	2013-14	2012-13	2011-12
Present value of DBO	**3,597,239**	3,597,239	3,217,102	3,800,161	4,024,903
Fair value of plan assets	**3,198,303**	2,411,237	2,230,192	2,846,742	1,177,668
Experience gain/(loss) adjustments on plan liabilities	**(212,424)**	449,140	(29,123)	1,647,213	(1,645,523)
Experience gain/(loss) adjustments on plan assets	**86,523**	164,969	84,623	(160,976)	(127,992)

Particulars	**For the year ended 31st March, 2016**	For the year ended 31st March, 2015
Actuarial assumptions for long-term compensated absences		
Discount rate	**7.90%**	7.80%
Expected return on plan assets	**8.00%**	8.00%
Salary escalation	**12.00%**	12.00%
Attrition	**2.00%**	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

27.3 (2) Additional information to the financial statements - Employee benefits

Disclosures on Employee share based payments:

Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity - settled options to the employees of the Company as per the following details:

Amount ₹

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Options outstanding as at 31st March, 2016	Options outstanding as at 31st March, 2015	Employee compensation cost incurred by the Parent company and not charged to the Company for the year ended 31st March, 2016	year ended 31st March, 2015
ESOS 2006	25th April, 2008	31,050	23,950	2,500	4,600	23,950	26,450	–	–
ESOS 2012	4th August, 2012	9,000	–	6,300	–	2,700	5,400	706,809	706,809
	28th January, 2016	1,500	–	–	–	1,500	–	27,584	–
Total charge for the year								**734,393**	**706,809**

Other terms

ESOS Scheme	ESOS 2006	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12, 24, 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

The holding company has adopted intrinsic value method for computing the compensation cost for the Options granted. The Intrinsic value, i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period in the books of the parent company. The Parent company has also confirmed that there will be no recovery of the above ESOP cost from the Company.

Note: The above details are as provided by the holding company and the auditors have placed reliance on the same.

27.4 Related party transactions

27.4 a. Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespaces Developers Limited
Subsidiary	Mahindra Industrial Park Chennai Ltd
Fellow Subsidiaries	Mahindra World City (Jaipur) Limited
	Mahindra Residential Developers Limited (Subsidiary of MITL)
	Mahindra Consulting Engineers Limited
	Mahindra Integrated Business Solutions Private Ltd.
	Mahindra Holidays & Resorts (India) Ltd
Joint Venture	Mahindra Integrated Township Limited (MITL)
Key Management Personnel (KMP)	Mr. S Chandru, Manager and Chief Operating Officer
Manager under the companies Act, 2013	Mr. Jayantt Manmadkar (With effect from 21st January, 2015) Mr. Ankit Shah (With effect from 16th October, 2015) - Company Seceratary Mr. Sivaranjan Kumar Tulluri (With effect from 13th January, 2015) - Chief Financial Officer
	Mr. T.S. Krishnan, Chief Financial Officer (upto 29th February, 2016)

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

In ₹

	Ultimate Holding Company	**Holding Company**	**Subsidiary**	**Fellow Subsidiaries**	**Joint Venture**	**KMP**
Transactions during the year						
Sale of Land ₹2,104,667,000 net of Amount derecognised ₹258,581,920/-			2,104,667,000 –			
Operation and maintenance Income	18,516,240 (16,973,220)	167,790 (2,442,717)			25,230,706 (21,166,860)	
- Mahindra Residential Developers Limited				2,974,320 (6,298,644)		
Water charges	7,402,460 (7,340,630)				3,703,841 (6,829,507)	
- Mahindra Residential Developers Limited				3,696,798 (7,014,211)		
Club income	3,500,000 –					
Profesional charges received			1,649,184 –			
Interest received			8,758,732 –			
Rent received		– (2,471,304)			2,845,800 –	
Reimbursement of expenses			11,283,775 –			
Dividend income from shares					– (26,000,000)	
Professional Charges	350,000 (15,000)					
- Mahindra Consulting Engineers Limited				4,813,317 (9,394,000)		
- Mahindra Integrated Business Solutions Pvt Ltd				108,100 (108,000)		
Travelling Expenses - Mahindra Holidays & Resorts India Limited				– (1,098,155)		
Rent Paid	612,227 (687,177)					
Interest Paid		175,940,550 (158,318,493)				
Mahindra Residential Developers Limited				3,634,521 (8,040,000)		
Purchase of Fixed asset	– (4,257,307)					
Inter Corporate Deposit received		– (750,000,000)				
- Mahindra Residential Developers Limited				– 10,000,000		
Term loan repaid		1,620,000,000 (50,000,000)				
- Mahindra Residential Developers Limited				55,000,000 (110,000,000)		
Advances received	– (32,500,000)					
Investment in share capital			1,019,500,000 (500,000)			
<u>Managerial Remuneration*</u>						
Manager and Chief Operating Officer						7,716,362 (7,725,836)
Chief Financial Officer						2,341,252 (1,884,975)
Director's Commission						– (1,686,575)
Dividend Paid on Equity & Preference Shares		17,800,000 (72,747,260)				
<u>Balance Outstanding as at the year end</u>						
Receivables	805,155 (801,680)		258,581,920 –			
Payables	5,645,653 (129,653,449)	– (1,666,841,928)			8,642,835 (6,650,775)	
- Mahindra Residential Developers Limited				2,306,889 (57,306,889)		
- Mahindra Integrated Business Solutions Private Ltd.				10,420 (10,053)		

Note: Figures in bracket relates to the previous year

* Remuneration payable to Manager & CFO is approved by Nomination & Remuneration committee

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

27.5 The Company's leasing arrangements are in respect of commercial premises given under operating lease.

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

27.5 Leases

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Gross carrying amount of premises	**116,977,826**	116,977,826
Accumulated depreciation	**32,570,710**	28,683,849
Depreciation for the year	**3,886,861**	3,886,861

27.6 Earnings per share

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	₹	₹
Basic and diluted		
Net profit for the year	**28,122,392**	142,560,928
Less: Preference dividend and tax thereon paid on redemption	**–**	31,522,941
Net profit for the year attributable to the equity shareholders (₹)	**28,122,392**	111,037,987
Weighted average number of equity shares (Nos.)	**20,000,000**	20,000,000
Par value per share (₹)	**10**	10
Earnings per share - Basic and diluted (₹)	**1.41**	5.55

27.7 Deferred tax (liability)/asset

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	**(56,223,798)**	(53,840,252)
Interest inventorised but claimed as allowable for tax purposes	**(194,532,011)**	(434,117,014)
Less: Transition Adjustment on depreciation	**–**	413,016
Tax effect of items constituting deferred tax liability	**(250,755,809)**	(487,544,250)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	**1,689,968**	1,777,986
Brought forward business losses	**–**	94,913,604
Provision for Doubtful Debts	**253,471**	161,883
Tax effect of items constituting deferred tax assets	**1,943,439**	96,853,473
Net deferred tax (liability)/asset	**(248,812,370)**	(390,690,777)

Particulars	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
Deferred tax reconciliation:		
Deferred tax expenses for the year based on the movement in net deferred tax liability as at the beginning and end of the year as shown above	**141,878,407**	69,550,962
Add: Deferred tax impact netted off from depreciation on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus.	**–**	413,016
Deferred tax impact in the Statement of Profit and Loss	**141,878,407**	69,963,978

27.8 Joint Venture Disclosures

i. Interest in Joint Ventures

Name of the Company	Country of Incorporation	Proportion of ownership interest
Mahindra Integrated Township Limited	India	25.78%

ii. Interest in assets, liabilities, income, expenses and capital commitment with respect to the Joint Ventures

Particulars	2015–16	2014–15
Tangible fixed assets	**1,913,946**	57,191
Non-current Investments	**170,905,496**	170,905,601
Long term loans and advances	**20,293,979**	17,850,223
Inventories	**265,048,708**	238,052,206
Trade receivables	**7,941,932**	28,848,994
Cash and cash equivalents	**17,282,036**	33,208,962
Short term loans and advances	**19,625,092**	23,834,579
Other Current Assets	**73,103,198**	49,357,212
Trade payables	**61,145,210**	71,603,490
Other Current Liabilities	**55,908,970**	79,480,301
Short term borrowings	**56,096,589**	69,594,528
Short term provisions	**3,245,272**	2,618,816
Long term Borrowings	**193,318,132**	148,726,083
Long term Provisions	**3,438,239**	–
Income	**150,234,370**	401,253,693
Expenses	**133,649,821**	293,008,298

28.1 The Company does not have material foreseeable losses on the long term contracts as on 31st March, 2016

28.2 The Company did not enter into any derivative contracts during the year

28.3 There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year

29 Previous year's figures

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

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 15th April, 2016

For and on behalf of the Board of Directors

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

L. Nataraj
Chief Financial Officer

S. Chandru
Manager and Chief Operating Officer and Company Secretary
(ACS: 4772)

Place : Chennai
Date : 15th April, 2016