

Directors' Report to the Members

Your Directors present their Nineteenth report together with the Audited Financial Statement of your Company for the year ended 31st March, 2015.

Financial Highlights (Standalone)

Particulars	(₹ in lakhs)	
	For the year ended 31 st March 2015	For the year ended 31 st March, 2014
Total Income.....	15,567.10	6,259.26
Profit/(Loss) before Depreciation, Interest and Taxation.....	5,097.41	702.80
Less: Depreciation.....	1.31	1.19
Profit/(Loss) Before Interest and Taxation	5096.10	701.61
Less: Interest.....	896.59	1,217.60
Profit/(Loss) Before Taxation	4,199.51	(515.99)
Less : Provision for Taxation	148.11	-
Profit/(Loss) for the year after Taxation.....	4,051.39	(515.99)
Add : Balance of Profit /(Loss) for earlier years.....	(710.84)	(194.85)
Amount available for appropriation.....	3340.55	(710.84)
Depreciation on Transition Adjustment.....	0.52	
Dividend on Equity Shares.....	1008.70	
Balance carried forward to the Balance Sheet	2,331.33	(710.84)

DIVIDEND

Interim dividends of ₹ 2/- per equity share of the face value ₹ 10 each of the company was declared on 29th Sep 2014. The equity dividend (including tax on distributed profits) amounts to ₹ 1008.70 lakhs and is paid out of the profits for the year 2014-15.

Your Directors recommend that the Interim dividend paid on equity shares be confirmed as the final dividend.

Reserves

Profit for the year less dividend declared (including tax thereon) has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations

Your Company is engaged as a co-developer in developing residential township area at Mahindra World City, New Chennai. Its current developments include 'Iris Court' and 'Nova'. MITL has a balance of approximately 140 acres to be developed in phases for offering products in different formats and segments 'Iris Court', located in Mahindra World City, Chennai, is spread over 18 acres with a total saleable area of 0.86 million square feet and 92% of the area have been sold upto March, 2015. The first phase of the project covering 0.27 million square feet was completed and majorly handed over to customer. Construction of Subsequent Phase 2 & 3A is completed. Construction of the final phase 3 B is underway and progressing as per schedule.

'Nova' in Mahindra World City, Chennai is spread over 7 acres with a saleable area of 0.54 million square feet was launched in the year 13-14. During the year, the Company launched the second phase of the project which has 363 units. 48% of area has been sold as of March, 2015. The construction work both Phase 1 and 2 is progressing as per Schedule.

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

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

During the year under review, no revision was made in the financial statement of the Company.

Share Capital

Authorised share capital of your Company is ₹60 crores and Paid-up share capital of the Company is ₹ 50.43 crores. The paid-up equity capital of the company is held by Mahindra Life space Developers Limited (MLDL) and Mahindra World City Developers Limited in the ratio of 73.36:25.78 respectively.

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares.

As of 31st March, 2015 in accordance with the Employee Stock Option Scheme – 2006 (ESOS - 2006), 4, 35,000 Stock Options were exercised under ESOS - 2006. During the Year Company has not granted any Employee Stock Options. The Shares arising out of exercise of Employee Stock Options

are directly allotted to the eligible employees and therefore the requirement of disclosure in respect of voting rights not exercised directly by the employees does not apply to your Company.

Non-Convertible Debentures

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

Network

The network of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 4332.66 Lacs and ₹ 7474.83 Lacs 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.

Mahindra Residential Developers Limited (MRDL) continues to be a subsidiary of your Company and consequently a subsidiary company of, Mahindra Lifespace Developers Limited and of the ultimate holding company Mahindra & Mahindra Limited.

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statement of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21 on consolidated financial statements issued by the Institute of Chartered Accountants of India form part of this Annual Report.

The Consolidated financial statement of the Company is attached along with the financial statement of the Company

Mahindra Residential Developers Limited (MRDL), which is a wholly owned subsidiary of your Company, and a co-developer in developing residential township area in MWC is developing a gated residential community, a premium project, in approximately 55 acres within Mahindra World City, New Chennai, under the name 'Aquality'. The project offers villas and apartments covering 1.57 million square feet, of which 1.39 million square feet has been launched in multiple phases. During 2014-15, construction was completed in Phase 2B, taking the total completed area under the project to 0.93 million square feet. The handing over of all completed phases is in progress. Construction is in progress for Phase 2C and is progressing as per schedule. 68 per cent of the total units launched in this project have been sold upto March 2015.

A report on the financial position of MRDL as per the Companies Act, 2013 is provided as Annexure to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

Corporate Social Responsibility (CSR)

As the Company does not meet any of the criteria prescribed under Section 135(1) of the Companies Act, 2013 the provisions

with respect to CSR were not applicable to the Company for the FY 2014-15.

As the profit of the Company for FY 2014 -15 is more than ₹5 Crore the provisions of Section 135 of the Companies Act, 2013 and Rules thereunder relating to CSR will be applicable from FY 2015-16. Accordingly, the Board at its meeting held on 17th April, 2015 has constituted a Corporate Social Responsibility Committee in accordance with their statutory requirements in this regards.

Directors

During the year, Mr. Rajagopalan Santhanam (DIN: 000237740) and Mr. M. S. Jagan (DIN: 02002827) were appointed as Independent Directors not liable to retire by rotation, to hold the office for a term upto 5 (five) consecutive years commencing from 18th March, 2015. Mr. Rajagopalan Santhanam and Mr. M. S. Jagan have given a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas (DIN: 00243215) 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. Anita Arjundas 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, Ms. Sangeeta Prasad (DIN : 02791944) resigned as Director of the Company with effect from 18th March, 2015. The Board places on record its sincere appreciation of the valuable services rendered by Ms. Sangeeta Prasad during her tenure as Director of the company.

During the year, the Nomination and Remuneration Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. M.S.Jagan, Mr. Ravi Santhanam and two non-independent Directors, namely Ms. Anita Arjundas and Mr. S.Chandru.

Mr. Ravi Santhanam is the Chairman of the Committee.

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

The following policies of the Company are attached herewith and marked as **Annexure 1, Annexure 2A and Annexure 2B** to this report.

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

Key Managerial Personnel

During the year under review, the Company has appointed following persons as Key Managerial Personnel under the Companies Act, 2013. None of the Key Managerial Personnel draw any remuneration from the Company. All Key Managerial Personnel of the Company receive remuneration from the Holding Company, Mahindra Lifespace Developers Limited.

Sr. no.	Name of the person	Designation
1.	Mr. Manmadkar Jayantt	Manager
2.	Ms Arti Rameshchandra Batavia (Ms Arti Shinde)	Company Secretary
3.	Ms K Bharathy	Chief Financial Officer

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 of the Company affirming compliance with the respective Codes.

Meetings

During the year five Board Meetings were convened and held on following dates:

18th April, 2014, 22th July, 2014, 29th September 2014, 10th October, 2014, 21th January, 2015 and 18th March, 2015.

During the year FY 2014-15 Audit Committee meetings were convened and held on the following dates:

18th April, 2014, 22nd July, 2014, 10th Oct, 2014, 21st Jan, 2015 and 18th March, 2015

During the year FY 2014-15 Nomination & Remuneration Committee meetings were convened and held on the following dates:

21st January, 2015 and 18th March, 2015.

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
1.	Ms. Anita Arjundas	6	4	2
2.	Mr S Chandru	6	4	2
3.	Ms Sangeeta Prasad (Resigned w.e.f. 18 th March, 2015)	6	4	2
4.	Mr. Rajagopalan Santhanam (Appointed w.e.f. 18 th March, 2015)	0	0	0
5.	Mr M S Jagan (Appointed w.e.f. 18 th March, 2015)	1	0	1

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 standard 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, 2015 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 safe guarding 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 periodically reviews the internal control systems with the management and auditors

Composition of Audit Committee

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of two independent Directors, namely Mr. M S Jagan, Mr. Rajagopalan Santhanam and one Non-Executive Non-Independent Director, Ms. Anita Arjundas.

Mr M S Jangan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson, Chief Financial Officer, and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Board has accepted all recommendations of the Audit Committee made from time to time.

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 attached in Annexure - 3

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 periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

M/s. A. F. Ferguson & Co., Chartered Accountants, (Reg No. 112066W) Chennai, retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint Auditors in terms of relevant provisions of the Companies Act, 2013 and fix their remuneration.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. A. F. Ferguson & Co., Chartered Accountants, Chennai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 19th Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

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.

The Company has appointed M/s Mazars, Chartered Accountants as the Internal Auditor of the Company for the financial year 2014-15.

Secretarial Auditor

The Board has appointed M/s M.K. Surana & Co, practising Company Secretary, to conduct the secretarial audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended 31st March, 2015 is annexed herewith and marked as **Annexure - 4** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

As your Company is engaged in the business of developing Residential Units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the financial statement at Note no. 12.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 11.

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. Therefore, the form AOC-2 is not applicable to the Company. Your Directors draw attention to Note no. 27 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 Clause 32 of the Listing Agreement with the parent company Mahindra Lifespace Developers Limited and ultimate parent company Mahindra & Mahindra Limited listed with the Stock Exchanges.

The particulars of Loans given, Investments made and Guarantees & Securities provided are given under notes to Financial statement and same form part of this Report.

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 under review are given in the prescribed format in the **Annexure 5** to this report

Employee Remuneration

The Company had no employee, who was employed throughout the financial year under review and was in receipt of remuneration from the Company of not less than ₹ Sixty lacs per annum or was employed for a part of the financial year and was in receipt of remuneration from the Company of not less than ₹ Five lacs per month during any part of the financial year ended on 31st March, 2015. Therefore the statement containing particulars of employees 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 is not attached to this report. None of the employees is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/her spouse and dependent children) more than 2% of the Equity shares of the Company.

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

General

During the year ended 31st March, 2015, 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.

Cautionary statement:

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

Acknowledgment

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

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee (NRC) of the Board of Directors (Board) of the Company reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when Independent Director is to be appointed :

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

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

2. 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.

3. SENIOR MANAGEMENT PERSONNEL

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

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

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 2A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**POLICY FOR REMUNERATION OF THE DIRECTORS****Purpose**

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

Policy Statement

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

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

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

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

Executive Directors:

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

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

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

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 2B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015:

Policy on Remuneration of Key Managerial Personnel and Employees

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

Objective

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

Standards

All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.

Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.

The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.

The variable component of the remuneration will be a function of the employee's grade.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:

- a) The increment that needs to be paid for different performance ratings as well as grades.
- b) The increment for promotions and the total maximum increment.
- c) The maximum increase in compensation cost in % and absolute.

Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and On Behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

Whistle Blower Policy

1. The Whistle Blower Policy shall come into effect from 1st April 2014.

2. Preface

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

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

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

3. Definitions

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

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

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

4. Scope

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

5. Eligibility

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

6. Procedure

- a. All Protected Disclosures should be addressed to the Board.
- b. If a protected disclosure is received by any Executive(s) of the Company other than the Board member, the same should be forwarded to the Board of Directors for further appropriate action.
- c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).
- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Board shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.
- f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

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

- j. Subjects have a right to be informed of the outcome of the investigation.
- k. The investigation shall be completed normally within 45 days of the receipt of the Protected Disclosure.

8. Protection

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

9. Disqualifications

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

or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

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

11. Decision

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

12. Reporting

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

13. Retention of documents

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

14. Amendment

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

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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

To,
The Members,
Mahindra Integrated Township Limited
Kancheepuram

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

Based on our verification of the Mahindra Integrated Township Limited's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by Mahindra Integrated Township Limited for the financial year ended on 31.03.2015, according to the provisions of The Companies Act, 2013 (the Act) and the rules made thereunder and we report that the Company has generally complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company.

We have also examined the compliances of the provisions of the following other laws applicable specifically to the company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:

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

- (xxxii) The Personal Injuries (Compensation Insurance) Act, 1963
- (xxxiii) The Private Security Agency (Regulation) Act, 2005
- (xxxiv) The Stamp Acts as applicable at various locations.
- (xxxv) The Co-operative Societies Act, as applicable at various locations
- (xxxvi) Shops & Establishment Act, as applicable at various locations.
- (xxxvii) The Benami Transaction Prohibition Act 1988
- (xxxviii) The Cyber Law
- (xxxix) The Electricity Act, 2003
- (xl) The Foreign Exchange Management Act, 1999
- (xli) The Income Tax Act, 1961 and Rules thereunder
- (xlii) The Indian Stamp Act, 1899
- (xliii) The Information technology Act, 2000
- (xliv) The Intellectual Property Act
- (xlv) The Negotiable Instruments Act, 1881
- (xlvi) The Prevention of Corruption Act, 1988
- (xlvii) The Prevention of Money Laundering Act, 2002
- (xlviii) The Service Tax (Chapter V of Finance Act, 1994) and Rules
- (xlix) The Standards of Weights and Measures Act 1976
 - (I) The Wealth Tax Act, 1956
 - (ii) The Depositories Act, 1996
 - (iii) The Listing Agreement for Equity and Debenture
 - (iiii) The Securities Contracts (Regulation) Act, 1956
 - (lv) The Securities & Exchange Board of India Act, 1992
 - (Iv) Value Added Tax as applicable for various states
 - (Ivi) The State Labour Laws as applicable at various locations
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India, though not mandatory for the period under review, but have been generally followed by the company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. As on 31.03.2015, the Board consist of Ms. Anita Arjundas, Mr. Sethuraman Chandru, Mr. Murari SwamimalaiJagan and Mr. Rajagopalan Santhanam as Directors, Ms. K Bharathy as CFO, Ms. Arti Rameshchandra Batavia as Secretary and Mr. Jayant Bhalchandra Manmadkar as Manager.

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

Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.

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

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

The Company re - constituted the Audit Committee for the purpose of giving effect to the provisions of Section 177 (4) of the new Companies Act, 2013.

During the year, the Compensation Committee was reconstituted as Nomination and Remuneration Committee which is in conformity with the requirements of Section 178 of the Companies Act, 2013 and Rules thereunder as may be applicable from time to time

Vigil Mechanism was established by the Company as required by Section 177(9) of the Companies Act, 2013

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

- The Company had opened a separate Bank Account with State Bank of India to transfer society related Monies of Phase-1 of IRIS Court project.
- Remuneration of KMPs, Senior Management and other employees was approved and adopted by the Board as recommended by the NRC committee.
- **Special Dividend was declared by way of Interim Dividend for the quarter ended 30th June 2014 in the Board Meeting held 29th September 2014 for the FY 2014-2015 @20% i.e. Rs. 2 per share on 50435000 fully paid up equity shares of Rs. 10 each out of the profits of the Company and necessary Bank Account was also opened.**
- **Shareholders' approval was accorded in the AGM held on 22nd July 2014 to the Board pursuant to Section 180(1)(a), 180(1)(c) and 180(2) of Companies Act, 2013 for borrowing and creating charges provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, for which such charges, mortgages or hypothecations are created, shall not, at any time exceed the limit of Rs. 5,00,00,00,000/- (Rupees Five Hundred Crores only), notwithstanding that the money to be borrowed together with the money already borrowed by the Company exceeds aggregate of its**

paid-up share capital and free reserves, apart from the temporary loans obtained or to be obtained from time to time from Company's Bankers in the ordinary course of business.

- **M/s. Mazars, Chartered Accountants were appointed as Internal Auditors in the Board Meeting held on 22/07/2014 pursuant to the provisions of Section 138 of the Companies Act 2013. The necessary form MGT-14 was filed with ROC on 10.03.2015 by paying additional fees.**
- As per the requirement of Section 196, 197 and 203 of Companies Act, 2013 Mr. Jayant Bhalchandra Manmadkar was appointed as Manager in the Company on 21.01.2015 to hold the office of Manager for a tenure of 5 years from 21.01.2015 to 21.01.2020. Necessary form MR -1 was filed with ROC on 20.02.2015.
- Pursuant to Section 203 of Companies Act, 2013, Ms. K Bharathy was appointed as CFO of the Company with effect from 21.01.2015 and necessary form MR -1 was filed with ROC on 20.02.2015.
- **Charges created on 21.01.2011 with State Bank of India for Rupees Twenty Five Crores was satisfied in full as on 03.03.2015. Necessary form CHG-4 was filed with ROC on 19.03.2015.**
- **Pursuant to Sec 179(3) & 204 of Companies Act, 2013 read rule 8, Mrs. M Kavitha Surana of M/s. M. K. Surana & Co., was appointed as the Secretarial Auditor of the Company in the Board Meeting held on 21.01.2015 for conducting the Secretarial Audit for the FY 2014 - 2015. The necessary form MGT-14 was filed with ROC on 16/03/2015 by paying additional fees.**
- The company had various related party transactions which had been carried out in the ordinary course of business at arm's length and has been recorded both at Board Meeting and Audit Committee Meeting.

Place: Chennai
Date: 18.04.2015

For M K Surana & Co.,
Company Secretaries

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

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

‘Annexure A’

To,
The Members
Mahindra Integrated Township Limited
Kancheepuram

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

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

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

Place: Chennai
Date: 18.04.2015

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

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

ANNEXURE 5 TO THE DIRECTORS’ REPORT FOR THE YEAR ENDED 31ST MARCH, 2015

(A) Conservation of energy:

(i)	the steps taken or impact on conservation of energy;	:	The operations of your Company are not energy intensive. However adequate measures have ben taken to reduce energy consumption
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	–
(iii)	the capital investment on energy conservation equipments	:	Measures taken have resulted in reduction of energy consumption

(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	–
(iv)	the expenditure incurred on Research and Development	:	–

(B) Technology Absorption

(i)	the efforts made towards technology absorption	:	The Company has not carried out any R & D activities during the year
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	–

(C) Foreign exchange Outgo

Details of Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are furnished in Note no. 24 to Accounts.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2015**FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31ST March, 2015

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

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U74140TN1996PLC068288
2.	Registration Date	26.06.1996
3.	Name of the Company	MAHINDRA INTEGRATED TOWNSHIP LIMITED
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, kacheepuram, Tamilnadu, India – 603002.
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

on the basis of Gross Turnover.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding	73.36	2(46)
2	Mahindra Residential Developers Limited	U45200TN2008PLC066292	Sudsiary	100	2(87)(ii)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	5,00,00,000	5,00,00,000	99.14	-	5,00,00,000	5,00,00,000	99.14	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	5,00,00,000	5,00,00,000	99.14	-	5,00,00,000	5,00,00,000	99.14	-

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

(ii) Shareholding of Promoters

Sr. No.	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	5,00,00,000	99.14	–	5,00,00,000	99.14	–	–

(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):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
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:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anita Arjundas	1,00,000	0.20	1,00,000	0.20
2.	S Chandru	25,000	0.05	25,000	0.05

i) INDEBTNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	92.70	–	92.70
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	2.39	–	2.39
Total (i + ii + iii)	–	95.09	–	95.09
Change in Indebtedness during the financial year				
• Addition	–	18.00	–	18.00
• Reduction	–	26.00	–	26.00
Net Change	–	8.00	–	8.00
Indebtedness at the end of the financial year				
i) Principal Amount	–	84.70	–	84.70
ii) Interest due but not paid	–	3.45	–	3.45
iii) Interest accrued but not due	–	1.60	–	1.60
Total (i + ii + iii)	–	89.75	–	89.75

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PRSONALA. Remuneration to Managing Director, Whole-Time Directors and/or Manager: **Nil**B. Remuneration of other directors: **Nil**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: **Nil****III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act.	Brief description	Details of penalty/ Punishment/compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
Penalty			NONE		
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT			NONE		
Penalty					
Punishment					
Compounding					

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Chennai, 17th April, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MAHINDRA INTEGRATED TOWNSHIP LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA INTEGRATED TOWNSHIP LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

We conducted our audit 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (1) of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order.

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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
 - i. The Company did not have any pending litigations which would impact its financial position. Refer note 30 to the financial statements.
 - ii. The Company did not have material foreseeable losses on the long term contracts and there were no derivative contracts. Refer note 31 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note 30 to the financial statements.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai, 17th April, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Mahindra Integrated Township Limited on the accounts for the year ended March 31, 2015)

- (i) Having regard to the nature of the Company's business/ activities/result, clause (v) and (ix) of the Order is not applicable to the Company in the current year.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets of the company have been 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.
- (iii) In respect of its inventory:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and lease of residential properties. During the course of our audit, we have not observed any continuing failure to correct major weakness in such internal control system.
- (vi) We have broadly reviewed the cost records maintained by the Company specified by the Central Government under sub-section (1) of Section 48 of the Companies Act, 2013 and are of the opinion that *prima facie* the prescribed cost records have been 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 income tax, wealth tax, sales tax, service tax, duty of excise, duty of customs, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities and there were no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There are no dues of income tax, wealth tax, sales tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited as on March 31, 2015 on account of disputes.
- (c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- (viii) There are no accumulated losses as at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (x) 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 obtained.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai, 17th April, 2015

BALANCE SHEET AS AT 31st MARCH, 2015

	Note	As at 31 st March, 2015	₹ in lacs As at 31 st March, 2014
A. EQUITY AND LIABILITIES			
Shareholders' Funds:			
a. Share capital	3	5,043.50	5,043.50
b. Reserves and surplus	4	2,331.33	(710.84)
Non Current Liabilities:			
a. Long term Borrowings	5	5,770.00	-
Current Liabilities:			
a. Trade Payables.....	6	2,777.94	1,727.46
b. Other Current Liabilities	7	3,083.53	3,790.31
c. Short term borrowings.....	8	2,700.00	9,270.00
d. Short term provisions	9	101.60	60.00
Total		21,807.90	19,180.43
B. ASSETS			
Non Current Assets			
a. Tangible Fixed Assets	10	2.22	4.04
b. Non current Investments	11	6,630.48	6,630.48
c. Long term loans and advances	12	692.52	343.45
Current Assets			
a. Inventories	13	9,235.51	9,730.35
b. Trade receivables	14	1,288.38	1,298.52
c. Cash and cash equivalents	15	1,119.23	484.79
d. Short term loans and advances	16	924.69	579.04
e. Other current assets	17	1,914.87	109.76
Total		21,807.90	19,180.43

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

Bharathy K
Chief Financial Officer

Geetha Suryanarayanan
Partner
Membership No. 29519

Arti Shinde
Company Secretary

Place: Chennai
Date: 17th April, 2015

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai
Date: 17th April, 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	Note	For the year ended 31 st March, 2015	₹ in lacs For the year ended 31 st March, 2014
A INCOME			
1 Revenue from operations	18	13,483.99	5,869.46
2 Other Income	19	2,083.11	389.80
		<u>15,567.10</u>	<u>6,259.26</u>
B EXPENDITURE			
1 Project Costs	20	8,954.68	6,041.65
2 Changes in Inventories	21	494.84	(1,203.56)
3 Finance Costs	22	896.59	1,217.60
4 Depreciation	10	1.31	1.19
5 Other expenses	23	1,020.17	718.37
		<u>11,367.59</u>	<u>6,775.25</u>
C Profit/(Loss) before tax		4,199.51	(515.99)
Current tax		544.45	-
Less : MAT Credit entitlement		(396.33)	-
Profit/(Loss) for the year		4,051.39	(515.99)
Earnings per share : (₹)			
Basic/(Diluted)		8.03	(1.02)

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: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai

Date: 17th April, 2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
₹ in lacs		
A. Cash flow from operating activities		
Profit (Loss) before tax.....	4,199.51	(515.99)
Adjustments for:		
Dividend income	(1,600.00)	-
Depreciation	1.31	1.19
Finance Costs.....	896.59	1,217.60
Interest income.....	(8.97)	(8.49)
Operating profit/(loss) before working capital changes	3,488.44	694.31
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	563.64	(1,039.99)
Trade Receivables	10.14	(615.04)
Long term loans and advances.....	4.00	(12.01)
Short-term loans and advances	(345.65)	(315.45)
Other Current assets.....	(1,805.11)	4,504.90
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables.....	1,050.48	705.46
Short term provisions.....	41.60	60.00
Other current liabilities	(972.86)	1,378.07
Cash generated from/(used) in operations	2,034.68	5,360.25
Income taxes paid (net of refunds)	(501.18)	(144.34)
Net cash flow from/(used in) operating activities	1,533.50	5,215.91
B. Cash flow from investing activities:		
Purchase of fixed assets		(0.07)
Interest received	8.87	8.49
Dividend received.....	1,600.00	-
Net cash from investing activities	1,608.87	8.42
C. Cash flow from financing activities:		
Inter Corporate Deposits received.....	1,800.00	83.00
Repayment of Inter Corporate Deposits -(Refer Note 5.1).....	(8,370.00)	(2,533.00)
Bank balances not considered as Cash and Cash Equivalents.....	7.09	(141.26)
Term Loan taken - (Refer Note 5.1)	8,370.00	(1,268.00)
Term Loan repaid - (Refer Note 5.1)	(2,600.00)	
Finance costs	(699.23)	(1,304.16)
Payment of Dividend	(1,008.70)	
Net cash used in financing activities.....	(2,500.84)	(5,163.42)
Net increase in cash and cash equivalents (A+B+C)	641.53	60.91
Cash and Cash Equivalents at the Beginning of the Year	343.53	282.62
Cash and Cash Equivalents at the End of the Year	985.06	343.53
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet.....	1,119.23	484.79
Less: Bank balances not considered as Cash and Cash Equivalents.....	134.17	141.26
	985.06	343.53

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: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors
Anita Arjundas Chairperson

S. Chandru Director

Place: Chennai
Date: 17th April, 2015

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR YEAR ENDED 31st MARCH, 2015

1. Corporate Information

The Company was incorporated on June 26, 1996.

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

2. Significant Accounting Policies

a) Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 29.

b) Use of Estimates:

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

c) Inventories:

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

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

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

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

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

e) Cash flow statement

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

f) Revenue Recognition:

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

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

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

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

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

In respect of projects where revenue recognition commenced prior to April 1, 2012, the following policy is adopted.

Revenues are recognized only when all the following conditions are met.

- The project costs incurred exceed 25% of the total estimated project costs including land
- At least 10% of the lease consideration is realized.
- At least plinth level is achieved for a particular phase as certified by the architect.

g) Other income

Interest & Guarantee Commission income are accounted on accrual basis.

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

h) Fixed assets

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

i) Depreciation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

j) Investments

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

k) Foreign currency transactions and translations

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

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

l) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

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 assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

m) Earnings per share

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

n) Taxes on income

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

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

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

o) Provisions and contingencies

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

p) Service tax Input credit

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

3. SHARE CAPITAL

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	Number of shares	Value of Shares ₹ in lacs	Number of shares	Value of Shares ₹ in lacs
Authorised				
Equity shares of ₹ 10 each.....	60,000,000	6,000.00	60,000,000	6,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each.....	50,435,000	5,043.50	50,435,000	5,043.50
	50,435,000	5,043.50	50,435,000	5,043.50

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares	Value of Shares ₹ in lacs	No of Shares	Value of Shares ₹ in lacs
Balance as at the beginning of the year	50,435,000	5,043.50	50,435,000	5,043.50
Balance as at the end of the year.....	50,435,000	5,043.50	50,435,000	5,043.50

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

Board of Directors have recommended an Interim Dividend of ₹ 2/- share (Face Value of ₹ 10/- per Share) amounting to ₹ 1008.70 Lacs in their meeting held on September 29, 2014.

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

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No of Shares held	Percentage of Holding	No of Shares held	Percentage of Holding
Equity Shares				
Mahindra Lifespace Developers Limited, Holding Company.....	37,000,000	73.36%	37,000,000	73.36%
Mahindra World city Developers Limited, Fellow subsidiary.....	13,000,000	25.78%	13,000,000	25.78%

Particulars	As at	
	31 st March, 2015	31 st March, 2014

4. RESERVES & SURPLUS

Particulars	As at	
	31 st March, 2015	31 st March, 2014
Surplus in statement of Profit & Loss		
Balance at the beginning of the year..	(710.84)	(194.85)
Add: Profit/(Loss) for the year	4,051.39	(515.99)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 29)	(0.52)	
Less: Interim dividend (Refer Note 4a)	(1,008.70)	
Dividend Distribution Tax(DDT) on the above. Refer Note 4(b).....	-	
Balance at the end of the year.....	2,331.33	(710.84)

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

- 4a. The Board of Directors at their meeting held on September 29, 2014 recommended an interim dividend of ₹ 2 per equity share amounting to ₹ 1008.70 lakhs.

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

5. LONG TERM BORROWINGS (Unsecured)

Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014
Term loan from Mahindra Lifespace Developers Limited, holding company.....	5,770.00	-
Total	5,770.00	-

- 5.1. During the year, Mahindra Lifespace Developers Limited has converted Inter Corporate Deposit into an Unsecured Term Loan repayable by March 31st, 2019, which carries an interest @ 12.5% p.a. payable on a quarterly basis. Refer Note 8.1.

6. TRADE PAYABLES

Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014
Trade Payables		
Related Parties (Deputation charges & office establishment expenses).....	378.84	252.43
Others.....	1,774.12	1,137.72
Retention Money.....	624.98	337.31
Total	2,777.94	1,727.46

Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014

7. OTHER CURRENT LIABILITIES

Interest accrued & due on borrowings.....	344.98	-
Interest accrued & not due on borrowings.....	160.35	239.25
Statutory remittances - withholding taxes.....	64.17	72.23
Other contractual liabilities.....	2,057.46	331.43
Advance received from related parties.....	11.84	11.36
Advance received from customers.....	189.24	183.39
Income received in advance.....	109.30	2,815.78
Deposits from customers*.....	146.19	136.87
Total	3,083.53	3,790.31

- *7.1. Amounts collected from customers towards Corpus Fund and advance towards water/electricity charges, transferable to Home owner's Association upon formation.

8. SHORT TERM BORROWINGS (Unsecured)

Inter Corporate Deposits received from Related parties		
Mahindra Logistics Limited @ 12% interest pa.....	1,000.00	-
Mahindra Lifespace Developers Limited- Refer 8.1.....	-	8,370.00
Mahindra Residential Developers Limited @ 12% interest pa.....	1,700.00	900.00
Total	2,700.00	9,270.00

- 8.1 The above Inter Corporate Deposit has been converted into an Unsecured Term Loan (net of repayment of ₹ 2600 lacs) during the year. (Refer 5.1)

9. SHORT TERM PROVISIONS

Defect Liabilities.....	101.60	60.00
Total	101.60	60.00

10. FIXED ASSETS

Particulars	₹ in lacs									
	Gross block			Depreciation					Net block	
	As at 1 st April, 2014	Additions	As at 31 st March, 2015	As at 1 st April, 2014	Transitional Adjustment	For the period	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014	
Computer.....	2.06	-	2.06	1.13	0.52	0.41	2.06	0.00	(1.00)	
(Previous year).....	(2.16)	-	(2.16)	(0.78)		(0.38)	(1.15)	(1.00)	(1.38)	
Office Equipment....	4.01		4.01	0.90		0.90	1.80	2.21	(3.04)	
(Previous Year).....	(3.84)	(0.07)	(3.91)	(0.06)		(0.81)	(0.87)	(3.04)	(3.78)	
Total.....	6.07	-	6.07	2.03	0.52	1.30	3.86	2.21	(4.04)	
Previous Year.....	6.00	0.07	6.07	0.84	0.00	1.19	2.03	4.04		

Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014
11. NON CURRENT INVESTMENTS		
Long term, Trade (at cost)		
Mahindra Residential Developers Limited, Subsidiary Company		
250,000 equity shares of ₹ 10 each fully paid up.....	6,629.48	6,629.48
10,000 Preference shares of ₹ 10 each fully paid up.....	1.00	1.00
Total	6,630.48	6,630.48

Particulars	₹ in Lacs	
	As at 31 st March, 2015	As at 31 st March, 2014
12. LONG TERM LOANS & ADVANCES		
Deposits made to related party - Mahindra World City Developers Limited.....	66.51	66.51
Advance Income tax (net of provisions).....	200.65	243.91
MAT credit entitlement.....	424.61	28.28
Security Deposit.....	0.75	4.75
Total	692.52	343.45

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014
27. Related party transactions:
a) Names of related parties and nature of relationship where control exists:

Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited
Wholly Owned Subsidiary Company	Mahindra Residential Developers Limited
<u>Fellow Subsidiaries with whom transactions have been entered during the year</u>	
Mahindra World City Developers Limited (MWCDL)	
Mahindra Holidays & Resorts India Limited (MHRIL)	
Mahindra Logistics Limited (MLL)	

Note: Related Parties are as identified by the Management.

Key Managerial Person

Manager	Jayant Manmadkar
CFO	Bharathy K
Secretary	Arti Rameshchandra Batavia (with effect from January 21st, 2015)

b) The related party transactions are as under:

₹ in lacs

Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Subsidiary
			MWCDL	MHRIL	MLL	
Inter Corporate Deposit received		- (83)	- (-)		1000.00 (-)	800.00 (-)
Inter Corporate Deposit repaid		- (1200)	- (733)	- (-)	- (-)	- (600)
Term Loan repaid		2600.00 (-)				
Interest Expense		808.85 (1129.53)	- (65)	- (-)	0.33 (-)	156.13 (145.74)
Guarantee Commission income		435.75 (335.47)				
Consultancy Charges	0.65 (0.24)	444.00 (338.99)				
Office Establishment Expenses		124.79 (71.84)		1.03 (0.29)		
Maintenance Charges			211.67 (196.89)			
Water Charges			68.30 (40.98)			
Project expenses	- (-)					15.18 (-)
Interim dividend paid		740.00 (-)	260.00 (-)			
Interim dividend received						1600.00 (-)
Balances at year end						
Deposits			66.51 (66.51)			- (-)
Inter-corporate deposits		5770.00 (8370)			1000.00 (-)	1700.00 (900)
Payables	12.53 (11.84)	883.17 (465.64)			0.30 (-)	- (-)

Figures in brackets are in respect of the previous year.

Remuneration to KMP is ₹ Nil.

28. There are no dues to Micro and Small Enterprises which 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.
29. During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates/useful life are as follows:

Asset	Previous depreciation method	Previous depreciation rate/useful life	Revised useful life based on SLM
Computers and Data Processing Equipment	SLM	16.67%/~6 years	3 years
Furniture and Fixtures (Office Equipments)	SLM	20%/~5 years	5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 0.52 lacs (net of deferred tax of ₹ NIL) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 0.12 lacs, consequent to the change in the useful life of the assets.

30. The Company does not have any pending litigations which would impact its financial position as on March 31, 2015. There are no amounts required to be transferred to the Investor Education and Protection Fund by the company during the year.
31. (i) The Company does not have material foreseeable losses on the long term contracts as on March 31, 2015.
(ii) The company did not enter into any derivative contracts during the year.
32. The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to a 100% deduction of its income under the Income Tax Act, 1961 upto Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable and current tax expense has been computed under these provisions.
33. The Company operates in a single segment, namely development of residential infrastructure.
34. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

In terms of our report attached

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 17th April, 2015

Bharathy K
Chief Financial Officer

Arti Shinde
Company Secretary

For and on behalf of the Board of Directors

Anita Arjundas *Chairperson*

S. Chandru *Director*

Place: Chennai
Date: 17th April, 2015