

## DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their eighth report together with the Audited Financial Statement of your Company for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

Particulars	(₹ Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2015	For the year ended 31 <sup>st</sup> March, 2014
Total Income	6,769.24	15,557.08
Profit/(Loss) Before Depreciation, Interest and Taxation	1,764.63	4,194.25
Less : Depreciation	-	-
Profit/(Loss) Before Interest and Taxation	1,764.63	4,194.25
Less : Interest	2.91	42.75
Profit/(Loss) Before Taxation	1,761.72	4,151.50
Less : Provision for Taxation	369.26	870.16
Profit/(Loss) for the year after Taxation	1,392.46	3,281.34
Add : Balance of Profit/(Loss) for earlier years	3,832.24	550.90
Dividend on preference and equity shares (including tax on distributed profits)	1,871.92	-
Balance carried forward to the Balance Sheet	3,352.78	3,832.24

### Dividend

Interim dividends of ₹ 13,245 per preference share on 10,000 shares of the face value ₹ 10 each of the company was declared on 28<sup>th</sup> May, 2014. The preference dividend (including tax on distributed profits) amounts to ₹ 1549.60 lakhs. Your Directors recommend that the Interim dividend paid on preference shares be confirmed as the final dividend.

Interim dividend of ₹ 110.20 per equity share on 2,50,000 shares of the face value ₹ 10 each to equity share holder was declared on 28<sup>th</sup> May, 2014. The equity dividend (including tax on distributed profits) amounts to ₹ 322.32 lakhs. Your Directors recommend that the Interim dividend paid on equity shares be confirmed as the final dividend and is paid out of the profits for the year 2014-15.

### 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

The Company is developing a premium residential project 'Aqualily'.

'Aqualily' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments covering 1.57 million square feet out of which 1.39 million square feet is launched till date and 0.97 million square feet is sold upto March 2015. The Company has

completed the construction of Villas and handing over is in progress. First phase (2A) of apartments were completed last year and during the year 2014-15, the Company completed the construction of the second phase of apartments (2B), taking the total completed area under the project to 0.93 million square feet. Handover of these units to the customers is in progress. Construction for the next phase of apartments (2C) covering 0.46 million square feet is progressing as per schedule.

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

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

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

### Share Capital

The Authorised share capital of the Company is ₹ 50 lakhs consisting of equity share capital of ₹ 45 lakhs and preference share capital of ₹ 5 lakhs. The paid up equity capital is ₹ 25 lakhs and paid up preference share capital is ₹ 1 lakh. The entire paid up share capital of the Company is held by Mahindra Integrated Township Limited (MITL).

During the year, the Company has not issued any equity shares with differential rights or any sweat equity shares. The Company does not have any Employee Stock Option Scheme

and therefore the requirement of disclosures in respect of voting rights not exercised directly by the employees are not applicable to your Company.

### **Non-Convertible Debentures**

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

### **Networth**

The networth of the Company at the close of the previous financial year (FY 2013-14) and at the close of the current financial year (FY 2014-15) was ₹ 9,293.57 Lakhs and ₹ 8,814.11 Lakhs respectively.

### **Holding Company**

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

During the year, no company became/ceased to be subsidiary/associate or joint venture company of your Company. Therefore the requirements of consolidated financial statement are not applicable to your Company.

### **Corporate Social Responsibility (CSR)**

On 26<sup>th</sup> March, 2014, the Board constituted CSR Committee comprising Ms. Anita Arjundas (Chairperson), Mr. S. Chandru and Ms. Sangeeta Prasad.

On 23<sup>rd</sup> March, 2015, CSR Committee was re-constituted. Presently CSR Committee comprises of a Independent Director Mr. Raghunath Murti and two non-independent Directors, namely Mr. Jayant Manmadkar and Ms. Sangeeta Prasad.

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

The Company has spent ₹ 44.06 lakhs as against the required CSR expenditure of ₹ 44.06 lakhs calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

### **Directors**

During the year, Mr. Raghunath Murti (DIN: 00082761), Mr. Sanjiv Kapoor (DIN: 00004005) and Mr. Sanjay Jain (DIN: 06446899) were appointed as Independent Directors not liable to retire by rotation, to hold the office for a term up to 5 (five) consecutive years commencing from 23<sup>rd</sup> March, 2015.

Mr. Murti, Mr. Kapoor and Mr. Jain 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.

On 23<sup>rd</sup> March, 2015, Mr. Jayant Manmadkar was appointed as Non Executive Non independent Director of the Company, liable to retire by rotation.

Appointment of Mr. Raghunath Murti, Mr. Sanjiv Kapoor, Mr. Sanjay Jain and Mr. Jayant Manmadkar was approved by shareholders at extra ordinary general meeting held on 23<sup>rd</sup> March, 2015.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Sangeeta Prasad (DIN: 02791944) a Non-executive and Non-independent Director retires by rotation at the 8th Annual General Meeting of the Company and being eligible has offered herself for re-appointment. Ms. Sangeeta Prasad is not disqualified from being re-appointed as a Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

During the year, Ms. Anita Arjundas (DIN: 00243215) and Mr. S. Chandru (DIN : 00243025) resigned as Directors of the company with effect from 23<sup>rd</sup> March, 2015. The Board places on record its sincere appreciation of the valuable services rendered by Ms. Anita Arjundas and Mr. S. Chandru during their tenure as Directors 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. Sanjay Jain, Mr. Raghunath Murti and two non-independent Directors, namely Ms. Sangeeta Prasad and Mr. Jayant Manmadkar.

Mr. Raghunath Murti 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 following policies of the Company are attached herewith and marked as **Annexure 2**, **Annexure 3A** and **Annexure 3B** to this report.

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

### **Key Managerial Personnel**

As the Company does not meet threshold limit for the paid-up share capital, the provisions of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are currently not applicable to your Company.

### **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 six Board Meetings were convened and held on following dates:

18<sup>th</sup> April 2014, 28<sup>th</sup> May 2014, 22<sup>nd</sup> July 2014, 10<sup>th</sup> October, 2014, 21<sup>st</sup> January, 2015 and 23<sup>rd</sup> March, 2015.

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

18<sup>th</sup> April 2014, 22<sup>nd</sup> July 2014, 10<sup>th</sup> October 2014, 21<sup>st</sup> January 2015.

During the year one meeting of the Nomination & Remuneration Committee was convened and held on 23<sup>rd</sup> March 2015.

During the year 2 Corporate Social Responsibility Committee meetings were convened and held on the following dates:

10<sup>th</sup> October 2014 and 21<sup>st</sup> Jan 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	No. of CSR Committee meetings attended
1.	Anita Arjundas	6	4	1	2
2.	Sangeeta Prasad	6	4	1	2
3.	S. Chandru	5	4	-	2
4.	Jayant Manmadkar	1	1	1	-
5.	Sanjiv Kapoor	1	-	1	-
6.	Sanjay Jain	1	-	1	-
7.	Raghunath Murti	-	-	-	-

**Directors' Responsibility Statement**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> 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 safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they had prepared the annual accounts on a going concern basis; and
- (e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Internal Financial Controls**

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

**Composition of Audit Committee**

During the year, the Audit Committee was reconstituted. The present members of the Committee comprises of one Non-Executive Non-Independent Director, Mr. Jayant Manmadkar and two independent Directors, namely Mr. Raghunath Murti and Mr. Sanjay Jain.

Mr. Sanjay Jain is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson of the Company and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

**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

Director 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 given in **Annexure 4**.

#### **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**

At the 7<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> July 2014 M/s. Deloitte Haskins & Sells., Chartered Accountants (Reg No: 008072S), Chennai, were appointed as Auditors for a term of 5 consecutive years from the conclusion of the 7<sup>th</sup> Annual General Meeting till the conclusion of the 12<sup>th</sup> Annual General Meeting to be held in 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. The members are requested to ratify the appointment of Statutory Auditors from conclusion of 8<sup>th</sup> AGM till conclusion of 12<sup>th</sup> AGM. As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai, proposed to be re-appointed as Auditors, if made, would be in conformity with the limits specified in the said Section.

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 internal auditor and secretarial auditor are presently not applicable to your Company.

#### **Cost Auditors**

The Board of Directors, on recommendation of the Audit Committee, has appointed M/s. A. B. Nawal & Associates, Cost Accountants, Pune, as Cost Auditors of the Company, for the Financial Year 2014-15, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the Central Government, pursuant to its order

dated 30<sup>th</sup> June, 2014 and any amendments thereof, subject to the approval of the Members on the remuneration to be paid to the Cost Auditor.

#### **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 loans and advances are provided in the financial statement at Note No. 8.

There are no investment made by the Company.

#### **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. 24 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 31<sup>st</sup> 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 31<sup>st</sup> 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,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

## ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### THE ANNUAL REPORT ON CSR ACTIVITIES

The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at around project locations so as to help the communities around these projects to prosper in all walks of life.

The average net profit of the Company for the last three financials years – ₹ 2,203 Lakhs

Prescribed CSR Spend (2% of above amount) – ₹ 44.06 Lakhs

₹ Lakhs

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to Nanhi Khali	Education of the girl child	Pan India where the Company has existing projects	22.03	Direct expenditure – 22.03	22.03	Implementing Agency: K.C. Mahindra Education Trust
2.	Renovation of Paralur School	Education 2(d)	Chennai	3.51	Direct expenditure – 3.51	25.54	NGO: World Vision India
3.	Support to Primary Health Centre	Education 2(d)	Chennai	12.66	Direct expenditure – 12.66	38.20	NGO: World Vision India
4.	Renovation in Thenmelpakkam School	Education 2(d)	Chennai	5.86	Direct expenditure – 5.86	44.06	NGO: World Vision India

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

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

<p><b>Sangeeta Prasad</b> Chairperson of Board</p> <p>Mumbai, 16<sup>th</sup> April, 2015</p>	<p><b>Jayant Manmadkar</b> (Chairman CSR Committee)</p> <p>Mumbai, 16<sup>th</sup> April, 2015</p>
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**ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015****POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT**

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

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

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

**REMOVAL OF DIRECTORS**

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

**SENIOR MANAGEMENT PERSONNEL**

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

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

For and on behalf of the Board,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

## ANNEXURE 3A TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### POLICY FOR REMUNERATION OF THE DIRECTORS

#### Purpose

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

#### Policy Statement

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

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

#### NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS

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

compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

#### Executive Directors

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

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

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

For and on behalf of the Board,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

**ANNEXURE 3B TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> 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,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

## ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### WHISTLE BLOWER POLICY

#### 1. The Whistle Blower Policy shall come into effect from 1<sup>st</sup> April 2014.

#### 2. Preface

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

Further, as per the provisions of sub-section 9 of Section 177 of Companies Act, 2013 ("the Act" or "Act"), the company has been mandated to establish a vigil mechanism for directors and employees of the company to report to the Management, instances of unethical 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 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> 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 been 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.  |

**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                | : | -   |
| (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   | : | -   |

**C. FOREIGN EXCHANGE OUTGO**

Details of Foreign Exchange outgo during the year in terms of actual outflows are furnished in Note No. 20 to Accounts.

For and on behalf of the Board,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

## ANNEXURE 6 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

### FORM NO. MGT - 9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2015

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

#### 1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45200TN2008PLC066292
2.	Registration Date	01 February 2008
3.	Name of the Company	M/s. MAHINDRA RESIDENTIAL DEVELOPERS LIMITED
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Mahindra World City, Chegalpattu – 603 002
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

#### 2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

# on the basis of Gross Turnover

#### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary of the Company	% of shares held	Applicable Section
1.	Mahindra Integrated Township Limited	U74140TN1996PLC068288	Holding	100	2 (46)

##### i. Category-wise Share Holding:

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	250,000	250,000	100	–	250,000	250,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(1):-</b>	–	250,000	250,000	100	–	250,000	250,000	100	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total issued shares	Demat	Physical	Total	% of total issued shares	
<b>(2) Foreign</b>									
a) NRI – Individuals	–	–	–	–	–	–	–	–	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	–	250,000	250,000	100	–	250,000	250,000	100	–
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	–	–	–	–	–	–	–	–	–
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(2):-</b>	–	–	–	–	–	–	–	–	–
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	–	–	–	–	–	–	–	–	–
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	–	–	–	–	–	–	–	–	–
<b>Grand Total (A+B+C)</b>	–	250,000	250,000	100	–	250,000	250,000	100	–

**ii. Shareholding of Promoters:**

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
Body Corporate - Mahindra & Mahindra Limited	250,000	100	–	250,000	100	–	–

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

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

**v. Shareholding of Directors and Key Managerial Personnel:** There is no share held by any of the Directors of the Company: Nil

**I) INDEBTEDNESS**

Indebtedness of the company including outstanding/accrued but not due for payment: Nil

**II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. 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**

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

For and on behalf of the Board,

**Sangeeta Prasad**  
Chairperson  
DIN : 02791944

Mumbai, 16<sup>th</sup> April, 2015

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

#### Report on the Financial Statements

We have audited the accompanying standalone financial statements of **MAHINDRA RESIDENTIAL DEVELOPERS 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 (11) 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us :
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 21 to the financial statements.
  - ii. The Company did not have material foreseeable losses on long term contracts and there were no derivative contracts. Refer note 22 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 22 to the financial statements.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Place: Chennai  
Date: 16<sup>th</sup> 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 Residential Developers Limited on the accounts for the year ended 31<sup>st</sup> March, 2015).

(i) Having regard to the nature of the Company's business/ activities/result, clause (i) and (v) of the Order are not applicable to the Company in the current year.

(ii) 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.

(iii) 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.

(iv) 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 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.

(v) 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.

(vi) 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, value added tax, duty of customs, duty of excise, 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) Details of dues of Income tax which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (Rs. In lakhs)
Income Tax Act	Income Tax	Commissioner of Income Tax – Appeals	AY 2012-13	122.19

(c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

(vii) 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.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues in respect of term loans.

(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 **Deloitte Haskins & Sells**  
Chartered Accountants  
(Registration No. 008072S)

**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Place: Chennai  
Date: 16<sup>th</sup> April, 2015

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015**

	Note	As at 31 <sup>st</sup> March, 2015	₹ in Lacs As at 31 <sup>st</sup> March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital .....	3	26.00	26.00
Reserves and Surplus .....	4	8,788.11	9,267.57
<b>Current Liabilities</b>			
Trade Payables .....	5	2,321.65	2,332.89
Other Current Liabilities .....	6	2,146.14	3,989.85
Short-Term Provisions .....	7	188.26	113.02
<b>Total</b> .....		<b>13,470.16</b>	<b>15,729.33</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Long Term Loans and Advances .....	8	918.94	380.90
<b>Current Assets</b>			
Inventories .....	9	7,656.80	6,819.48
Trade Receivables .....	10	406.49	2,527.63
Cash and Cash Equivalents .....	11	464.39	1,363.72
Short-Term Loans and Advances .....	12	2,801.61	3,381.33
Other Current Assets .....	13	1,221.93	1,256.27
<b>Total</b> .....		<b>13,470.16</b>	<b>15,729.33</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 008072S

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place: Chennai  
Date: 16<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Sangeeta Prasad**                      *Chairperson*  
**Jayant Manmadkar**                *Director*

Place: Mumbai  
Date: 16<sup>th</sup> April, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	Note	For the Year Ended 31 <sup>st</sup> March, 2015	₹ in Lacs For the Year Ended 31 <sup>st</sup> March, 2014
<b>INCOME</b>			
Revenue from Operations.....	14	<b>6,418.79</b>	15,132.96
Other Income.....	15	<b>350.45</b>	424.12
		<b>6,769.24</b>	15,557.08
<b>EXPENDITURE</b>			
Projects Costs .....	16	<b>5,169.84</b>	13,041.45
Changes in Inventories .....	17	<b>(837.32)</b>	(2,346.01)
Finance Cost .....	18	<b>2.91</b>	42.75
Other Expenses.....	19	<b>672.09</b>	667.39
		<b>5,007.52</b>	11,405.58
<b>Profit Before Tax</b> .....		<b>1,761.72</b>	4,151.50
<b>Tax Expense</b>			
Current tax.....		<b>369.26</b>	870.16
<b>Profit for the year</b> .....		<b>1,392.46</b>	3,281.34
<b>Earnings per Share (Basic/Diluted)</b> .....		-	1,014.27

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 008072S

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place: Chennai  
Date: 16<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Sangeeta Prasad**                      *Chairperson*  
**Jayant Manmadkar**                *Director*

Place: Mumbai  
Date: 16<sup>th</sup> April, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

	Year Ended 31 <sup>st</sup> March, 2015	₹ in Lacs Year Ended 31 <sup>st</sup> March, 2014
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax .....	1,761.72	4,151.50
Adjustments for:		
Finance Costs .....	2.91	42.41
Interest Income .....	(294.29)	(343.73)
<b>Operating Profit before Working Capital Changes</b> .....	<b>1,470.34</b>	<b>3,850.18</b>
<b>Changes in Working Capital</b>		
Adjustments for (Increase)/Decrease in Operating Assets:		
Inventories .....	(837.32)	(2,346.01)
Trade Receivables .....	2,121.14	(1,031.55)
Long-Term Loans and Advances.....	(477.97)	(52.00)
Short-Term Loans and Advances and Other Current Assets.....	408.06	(415.21)
Adjustments for Increase/(Decrease) in Operating Liabilities:		
Trade Payables.....	(11.24)	679.34
Other Current Liabilities .....	(1,543.71)	1,653.82
Short Term Provisions .....	75.24	93.97
	<b>(265.80)</b>	<b>(1,417.64)</b>
Cash Generated from Operations .....	<b>1,204.54</b>	<b>2,432.54</b>
Net Income Tax Paid .....	<b>(429.33)</b>	<b>(1,049.53)</b>
<b>Net Cash from Operating Activities</b> .....	<b>775.21</b>	<b>1,383.01</b>
<b>B. Cash Flow from Investing Activities:</b>		
Intercompany Deposit Given		
– Given .....	(800.00)	(2,400.00)
– Repaid .....	–	1,450.00
Term Loan:		
– Given .....	(100.00)	–
– Repaid.....	1,100.00	–
Bank balances not considered as Cash and Cash Equivalents		
– Placed.....	–	(817.25)
– Redeemed.....	689.88	–
Interest Received .....	300.29	339.22
<b>Net Cash (Used in) Investing Activities</b> .....	<b>1,190.17</b>	<b>(1,428.03)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds of Long loan to HDFC Limited .....	(300.00)	–
Finance Costs .....	(2.91)	(42.41)
Dividend and Dividend tax Paid .....	(1,871.92)	–
<b>Net Cash (Used in) Financing Activities</b> .....	<b>(2,174.83)</b>	<b>(42.41)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b> .....	<b>(209.45)</b>	<b>(87.43)</b>
Cash and Cash Equivalents at the Beginning of the Year .....	519.47	606.90
<b>Cash and Cash Equivalents at the End of the Year</b> .....	<b>310.02</b>	<b>519.47</b>
<b>Reconciliation of Cash and Cash Equivalents with the Balance Sheet</b>		
Cash and Cash Equivalents as per Balance Sheet.....	464.39	1,363.72
<b>Less:</b> Bank balances not considered as Cash and Cash Equivalents .....	<b>154.37</b>	<b>844.25</b>
	<b>310.02</b>	<b>519.47</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Registration No. 008072S

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place: Chennai  
Date: 16<sup>th</sup> April, 2015

For and on behalf of the Board of Directors

**Sangeeta Prasad**                      *Chairperson*

**Jayant Manmadkar**                      *Director*

Place: Mumbai  
Date: 16<sup>th</sup> April, 2015

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

### 1. Corporate Information

The Company was incorporated on February 1, 2008.

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

### 2. Significant Accounting Policies

#### a) Basis of accounting:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/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.

#### b) Use of Estimates:

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

#### c) Inventories:

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

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

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

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

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

#### e) Cash flow statement

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

#### f) Revenue Recognition:

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

The Company has adopted "The Guidance note for Accounting of Real Estate Transactions (Revised 2012)" applicable to all projects in real estate which have commenced on or after 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
- At least 25% of the saleable project area is secured by contracts or agreements with buye<sup>₹</sup>
- At least 10 % of the total revenue as per the agreements of lease are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

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 income is accounted on accrual basis.

#### h) Foreign currency transactions and translations

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

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

#### i) Earnings per share

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**
**j) Taxes on income**

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

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

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.

**k) Provisions and contingencies**

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

**l) Service tax input credit**

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

₹ in Lacs

Particulars	As at	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
<b>3. Share Capital</b>		
<b>Authorized</b>		
450,000 Equity Shares of ₹ 10 each.....	45.00	45.00
50,000 Preference Shares of ₹ 10 each..	5.00	5.00
	<u>50.00</u>	<u>50.00</u>
<b>Issued, Subscribed and Paid up</b>		
250,000 Equity Shares of ₹ 10 each....	25.00	25.00
10,000 Tranche I Preference shares of ₹ 10 each.....	1.00	1.00
	<u>26.00</u>	<u>26.00</u>

**3a. Rights, preferences and restrictions attached to shares/warrants**

**Equity Shares:** The Company has only one class of Equity Shares having a par value of ₹10/- per share. Every shareholder is eligible for one vote per share. Dividends are paid in Indian Rupees. The Board of Directors in their meeting held on May 28, 2014 had recommended an interim dividend of ₹110.20 per share. The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting. Repayment of capital will be in proportion to the number of equity shares held.

**Preference Shares:** The Company has one class of preference shares having a par value of ₹10 per share, redeemable upon payment of dividend of ₹2,324.50 Lacs and at the option of the Preference

shareholder. As on the Balance sheet date, the preference dividend has been fully paid and the preference shareholder has not exercised the option for redemption. Preference shareholder carries all rights including rights to distribution of the Company, other than voting rights.

**3b. Details of shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at		As at	
	No. of Shares/Warrant	Percentage of Holding	No. of Shares/Warrant	Percentage of Holding
<b>Equity Shares</b>				
Mahindra Integrated Township Limited, Holding Company	2,50,000	100%	2,50,000	100%
<b>Preference Shares</b>				
Mahindra Integrated Township Limited, Holding Company	10,000	100%	10,000	100%

₹ in Lacs

Particulars	As at	
	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
<b>4. Reserves and Surplus</b>		
Securities Premium Account.....	5,435.33	5,435.33
<b>Surplus in Statement of Profit &amp; Loss</b>		
Balance at the Beginning of the Year.....	3,832.24	550.90
<b>Add:</b> Profit for the Year.....	1,392.46	3,281.34
<b>Less:</b> Appropriations:		
Interim Dividend on Preference Shares.....	1,324.50	
Interim Dividend on Equity Shares...	275.50	
Tax on Interim Dividend.....	271.92	
Balance at the End of the Year	<u>3,352.78</u>	<u>3,832.24</u>
	<u>8,788.11</u>	<u>9,267.57</u>
<b>5. Trade Payables</b>		
Trade Payables		
- Related Parties - Deputation charges & Office Establishment.....	220.91	126.34
- Others.....	1,099.76	1,280.48
Retention Money.....	1,000.98	926.07
	<u>2,321.65</u>	<u>2,332.89</u>
<b>6. Other Current Liabilities</b>		
Current maturities of Term Loan from HDFC Limited (secured) *.....	-	300.00
Withholding taxes payable.....	26.58	52.51
Income Received in Advance.....	435.16	1,418.55
Advance from Customers.....	208.68	61.37
Other Liabilities.....	1,299.16	2,103.95
Deposits from Customers **.....	176.56	53.47
	<u>2,146.14</u>	<u>3,989.85</u>
<b>7. Short Term Provisions</b>		
Defect Liabilities.....	188.26	113.02
	<u>188.26</u>	<u>113.02</u>

\* **Note 6.1** - The term loan balance of ₹ 300 Lakhs from HDFC Limited was repaid in April 2014. Out of the available sanctioned limit, amount yet to be drawn is ₹ 21 Crores. This loan is secured by deposit of title deeds of leasehold rights of land and carries an interest @ CPLR - 1.75%.

\*\***Note 6.2** - Amounts collected from Customers towards Corpus fund and advance towards water/ electricity charges, transferable to Home owners' Association upon formation.

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs			₹ in Lacs	
	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014		For the Year ended 31 <sup>st</sup> March, 2015	For the Year ended 31 <sup>st</sup> March, 2014
<b>8. Long Term Loans and Advances (Unsecured, considered good)</b>			<b>14. Revenue from Operations</b>		
Operation & maintenance deposits - with Related Party.....	23.07	23.07	Income from Projects .....	6,418.79	15,132.96
12% Unsecured loan given to Related Party *.....	550.00	-		<u>6,418.79</u>	<u>15,132.96</u>
Security Deposits.....	0.77	72.80	<b>15. Other Income</b>		
Advance Payment of Tax (Net).....	345.10	285.03	Interest on:		
	<u>918.94</u>	<u>380.90</u>	- Deposits with Banks .....	57.67	53.31
			- Inter corporate Deposits with Related Party .....	236.53	290.42
<b>* Note 8.1</b> - The Company has converted ICD due from Mahindra World City Developers Limited of ₹ 1,550 lacs to an Unsecured term loan, of which ₹ 1,100 was repaid and an additional loan of ₹ 100 lacs was given during the year. The loan is repayable by March 2019. Refer Note 12.1.			Dividend from Mutual Funds.....	0.09	-
			Interest from Customers.....	-	0.20
			Rental Income.....	-	1.75
			Scrap Sale.....	15.84	36.58
			Other Income - Sale of materials.....	15.18	-
			Cancellation Income.....	25.14	41.86
				<u>350.45</u>	<u>424.12</u>
<b>9. Inventories</b>			<b>16. Project Costs</b>		
Construction Work in Progress (Including Leasehold Land) .....	5,188.36	3,744.86	Land and Construction Costs .....	4,634.03	12,539.97
Construction Materials.....	364.61	1,193.80	Architect Fees .....	57.77	126.45
Finished Units.....	2,103.83	1,880.82	Project Management Fees .....	214.24	124.60
	<u>7,656.80</u>	<u>6,819.48</u>	Other Expenses .....	263.80	250.43
				<u>5,169.84</u>	<u>13,041.45</u>
<b>10. Trade Receivables (Unsecured, considered good)</b>			<b>17. Changes in Inventories</b>		
Trade Receivables outstanding for more than six months from the date they were due for payment.....	56.34	80.35	Inventories at the End of the Year:		
Other Trade Receivables.....	350.15	2,447.28	Construction Materials.....	364.61	1,193.80
	<u>406.49</u>	<u>2,527.63</u>	Work-in-Progress .....	5,188.36	3,744.86
			Finished goods.....	2,103.83	1,880.82
				<u>7,656.80</u>	<u>6,819.48</u>
<b>11. Cash and Cash Equivalents</b>			Inventories at the Beginning of the Year:		
Cash on Hand.....	0.01	0.24	Construction Materials.....	1,193.80	596.62
Balances with Banks			Work-in-Progress .....	3,744.86	3,876.85
- on Current Accounts.....	210.01	519.23	Finished Units .....	1,880.82	-
- on Deposit Accounts (Maturing Within 3 Months).....	100.00	-		<u>6,819.48</u>	<u>4,473.47</u>
- on Deposit Accounts (Maturing beyond 3 Months).....	-	800.00	<b>Net (increase)/decrease .....</b>	<b>(837.32)</b>	<b>(2,346.01)</b>
- on Earmarked Deposit Accounts/ Current Account*.....	154.37	44.25			
	<u>464.39</u>	<u>1,363.72</u>	<b>18. Finance Cost</b>		
			Interest on Term Loan .....	2.59	42.41
<b>* Collected from customers and to be transferred to Home owners' Association upon formation.</b>			Interest on delayed payments of Service Tax.....	0.32	0.34
				<u>2.91</u>	<u>42.75</u>
<b>12. Short Term Loans and Advances (Unsecured, considered good unless stated otherwise)</b>			<b>19. Other Expenses</b>		
Mobilisation Advances - Secured By Bank Guarantee from vendors.....	310.66	706.78	Legal & Professional Fees.....	9.88	31.99
Supplier Advances.....	276.32	224.51	Deputation Charges.....	156.00	141.37
Service tax Input Credit.....	511.83	0.04	Auditors Remuneration		
Security Deposits.....	2.80	-	- Audit Fees .....	5.50	4.00
Inter Corporate Deposits To related party (Refer Note 12.1).....	1,700.00	2,450.00	- Other Services.....	1.90	1.60
	<u>2,801.61</u>	<u>3,381.33</u>	- Reimbursement of Expenses/ Levies .....	0.02	0.03
			Rates and Taxes .....	0.61	6.14
<b>Note 12.1</b> - ICD balance due from Mahindra World City Developers Limited as at April 1, 2014 of ₹ 1550 Lacs has been converted into a term loan. Refer Note 8.1 for the disclosure on the term loan.			Repairs and Maintenance * .....	47.63	0.40
			Advertisement, Marketing and Business Development.....	174.75	187.13
<b>13. Other Current Assets</b>			Brokerage.....	24.73	50.73
Interest Accrued on Deposits with Banks .....	0.34	6.34	Travelling & Conveyance.....	2.20	3.54
Unbilled Revenue.....	1,221.59	1,249.93	Office Establishment.....	124.80	128.37
	<u>1,221.93</u>	<u>1,256.27</u>	Donation .....	-	5.00
			Expenditure on Corporate Social Responsibility.....	44.06	-
			Provision for Defect Liability.....	77.47	102.66
			Miscellaneous Expenses .....	2.54	4.43
				<u>672.09</u>	<u>667.39</u>
			<b>* includes Rs 47.42 lacs incurred towards maintenance of completed residential units</b>		

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

	₹ in Lacs	
	2014-2015	2013-2014
<b>20. Expenditure in Foreign Currency:</b>		
Travel .....	0.44	-
Exhibition and Participation Charges	3.93	7.69
	<b>4.37</b>	<b>7.69</b>

**21. Contingent Liability:**

Income tax matters under appeal		
- Demand raised by Income tax department for AY 12-13 including interest .....	121.05	-

22. (i) The Company did not have material foreseeable losses on long term contracts.  
(ii) The Company did not enter into any derivative contracts during the year.  
(iii) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**23. Earnings per share:** (in ₹ Lacs unless otherwise stated):

Particulars	2014-15	2013-14
Profit after Tax .....	1,392.96	3,281.34
<b>Less:</b> Preference dividend and tax payable thereon (Refer Note 23.1).....	1,392.96	745.68
Profit available to equity shareholders .....	-	2,535.67
Number of equity shares (nos.) .....	250,000.00	250,000.00
Earnings Per Share.....	-	<b>1,014.27</b>

23.1 Preference Dividend and tax payable thereon of ₹ 1,549.60 lakhs have been paid during the year out of profits for the year and from the opening surplus of profits.

**24. Related party transactions:**

**a) Names of related parties and nature of relationship where control exists:**

Ultimate Parent Company	Mahindra & Mahindra Limited
Parent of the Holding Company	Mahindra Lifespace Developers Limited
Holding Company	Mahindra Integrated Township Limited

Fellow Subsidiary with whom transactions have been entered during the year

- Mahindra World City Developers Limited (MWCDL)
- Mahindra Holidays & Resorts India Limited (MHRIL)

Note: Related parties are as identified by the management.

**b) The related party transactions are as under:**

	₹ in Lacs			
Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Interest Income			156.13 (221.40)	
- MWCDL				80.40 (130.21)
Sale of Materials			15.18 (-)	
Purchase of Materials/Services	27.22 (15.25)	-		
- MHRIL		(10.81)		1.00 (0.82)

	₹ in Lacs			
Nature of transaction	Ultimate Holding Company	Parent of the Holding Company	Holding Company	Fellow Subsidiary
Deputation Charges		324.00 (291.27)		
Office establishment		124.80 (115.53)		
Maintenance Charges				133.13 (133.15)
- MWCDL				
Inter corporate Deposit given			800.00 (-)	
- MWCDL				-
Inter corporate Deposit recovered			-	
- MWCDL			(600.00)	-
Long Term Loans Given				-
- MWCDL				100.00 (-)
Long Term Loans Recovered				-
- MWCDL				1100.00 (-)
Dividend Paid				
- Preference Dividend			1324.50 (-)	
- Equity Dividend			275.50 (-)	
<b>Balances at year end:</b>				
Deposits				
- MWCDL				23.07 (23.07)
Inter-corporate Deposit			1,700.00 (900.00)	
- MWCDL				-
Long Term Loans Given				-
- MWCDL (Refer Note 12.1)				550.00 (-)
Payables	3.72 (-)	220.91 (126.34)		-

Figures in brackets are in respect of the previous year.

25. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditor.
26. The Company has obtained Co-developer status under Special Economic Zone Act 2005 which entitles the Company to 100% deduction of its income under the Income Tax Act, 1961 up to Assessment year 2019-20. However provision of Minimum Alternate Tax is applicable and current tax expense has been computed under these provisions.
27. The Company operates in a single segment, namely development of residential infrastructure.
28. Previous year's figures have been regrouped/reclassified wherever necessary to conform to the current year's classification/disclosure.

For and on behalf of the Board of Directors

**Sangeeta Prasad** Chairperson  
**Jayant Manmadkar** Director

Place: Mumbai  
Date: 16<sup>th</sup> April, 2015