

DIRECTOR'S REPORT

Directors' Report to the Members

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

FINANCIAL HIGHLIGHTS

(Amount in Rs. lakh)

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

Dividend

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

Reserves

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

Operations/State of the company's affairs

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

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

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

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

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

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

Share Capital

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

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

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

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

Non-Convertible Debentures

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

Networth

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

Holding Company

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

Subsidiaries, Joint Ventures and Associate companies

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

Board of Directors

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

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

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

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

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

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

Key Managerial Personnel

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

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

Committees of the Board

Audit Committee

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

Nomination and Remuneration Committee

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

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

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

Corporate Social Responsibility (CSR)

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

Meetings

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

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

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

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

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

Code of Conduct

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

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

Directors’ Responsibility Statement

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

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

Internal Financial Controls

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

Auditors

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

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

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

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

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

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

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

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

Secretarial Auditor

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

Vigil Mechanism

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

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

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

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

Contracts and Arrangements with Related Parties

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

Deposits, Loans and Advances

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

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

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

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

Employee Remuneration

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

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

Extract of Annual Return

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

General

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

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

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

Cautionary statement:

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

Acknowledgment

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

For and on behalf of the Board

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

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

Policy on appointment of Directors and Senior Management

DEFINITIONS

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

“Board” means Board of Directors of the Company.

“Company” means Mahindra Industrial Park Chennai Limited.

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

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

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

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

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

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

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

I. APPOINTMENT OF DIRECTORS

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

REMOVAL OF DIRECTORS

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

SENIOR MANAGEMENT PERSONNEL

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

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

Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

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

Policy on remuneration of Directors

Purpose

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

Policy Statement

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

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

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

Manager

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

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

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

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

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

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

Directors

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

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

Disclosures

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

Sd/-
Anita Arjundas
Chairperson
DIN: 00243215

Mumbai, 13th April, 2016

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

Policy on Remuneration of Key Managerial Personnel and Employees

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

Objective

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

Standards

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

Sd/-

Anita Arjundas

Chairperson

DIN: 00243215

Mumbai, 13th April, 2016

ANNEXURE 4 SECRETARIAL REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

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

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

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

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

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

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

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

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

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

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

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

We further report that

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

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

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

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

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

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

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

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

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

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

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

Place: Chennai
Date: 13.04.2016

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

‘ANNEXURE A’

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

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

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

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

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

Place: Chennai
Date: 13.04.2016

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

WHISTLE BLOWER POLICY

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

2. Preface

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

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

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

3. Definitions

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

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

the Directors in the whole time employment of the Company.

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

4. Scope

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

5. Eligibility

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

6. Procedure

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

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

7. Investigation

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

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

8. Protection

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

9. Disqualifications

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

10. Investigators

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

11. Decision

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

12. Reporting

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

13. Retention of documents

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

14. Amendment

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

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

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

For and on behalf of the Board,

Sd/-

Anita Arjundas
Chairperson
DIN : 00243215

Place : Mumbai

Date : 13th April, 2016

ANNEXURE 7 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

FORM NO. MGT - 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016
(Pursuant to Section 92(3) of the Companies (Management and Administration) Rules, 2014)

1. REGISTRATION AND OTHER DETAILS:

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

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

4. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

(i) Category-wise Share Holding.

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

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

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

Note: * Including Nominees

(ii) Shareholding of Promoters

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

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

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

Note: 60:40

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

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

5. INDEBTNESS

(Rs. in Crores)

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

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

6) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration of other directors: NIL

C. Remuneration to Key Managerial Personnel (KMP) other than MD/MANAGER/WTD: NIL

7) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Sd/-
Anita Arjundas
Chairperson
DIN: 243215

Mumbai, 13th April, 2016

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Dated : 13th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Deloitte Haskins & Sells LLP

Chartered Accountants

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

Geetha Suryanarayanan

Partner

Membership No. 29519

Place: Chennai

Date: 13th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place : Chennai
Date : 13th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

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

Geetha Suryanarayanan

Partner
Membership No. 29519

Place : Chennai

Date : 13th April, 2016

Anita Arjundas

Chairperson
(DIN: 00243215)

S. Chandru

Director
(DIN: 00243025)

Chandrasekar Siddarth

Chief Financial Officer

For and on behalf of the Board of Directors

Sangeeta Prasad

Director
(DIN: 02791944)

Rajagopalan Santhanam

Director
(DIN: 00237740)

Place : Mumbai

Date : 13th April, 2016

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

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

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

Geetha Suryanarayanan

Partner
Membership No. 29519

Place : Chennai

Date : 13th April, 2016

For and on behalf of the Board of Directors

Anita Arjundas

Chairperson
(DIN: 00243215)

S. Chandru

Director
(DIN: 00243025)

Chandrasekar Siddarth

Chief Financial Officer

Sangeeta Prasad

Director
(DIN: 02791944)

Rajagopalan Santhanam

Director
(DIN: 00237740)

Place : Mumbai

Date : 13th April, 2016

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

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

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

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

Geetha Suryanarayanan

Partner
Membership No. 29519

Place : Chennai

Date : 13th April, 2016

Anita Arjundas

Chairperson
(DIN: 00243215)

S. Chandru

Director
(DIN: 00243025)

Chandrasekar Siddarth

Chief Financial Officer

For and on behalf of the Board of Directors

Sangeeta Prasad

Director
(DIN: 02791944)

Rajagopalan Santhanam

Director
(DIN: 00237740)

Place : Mumbai

Date : 13th April, 2016

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

Note Particulars

1 Corporate information

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

2 Significant accounting policies

Basis of accounting and preparation of financial statements

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

2.1 Inventories

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

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

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

2.3 Cash flow statement

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

2.4 Borrowing costs

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

2.5 Segment reporting

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

2.6 Earnings per share

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

2.7 Service tax input credit

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

Note 3 Share capital

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

3.1. Reconciliation of number of shares

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

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

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

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

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

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

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

3.4 Terms/rights attached to Equity Shares

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

Note 4 Reserves and surplus

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

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

Note 5 Long-term borrowings

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

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

Note 6 Trade payables

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

Note 7 Other current liabilities

Tax Deducted at Source.....	1,953,488	–
Total.....	1,953,488	–

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

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

Note 9 Cash and cash equivalents

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

Note 10 Short-term loans and advances

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

Note 11 Changes in inventories

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

Note 12 Finance cost

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

Note 13 Other expenses

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

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

Note 14 Disclosures under Accounting Standards

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

Note Particulars

14.4 Related party transactions

14.4.a Details of related parties:

Description of relationship

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

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

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

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

Previous years figures – Nil

Managerial Remuneration and payment to KMP is ₹ Nil.

Note 14.5 Earnings per share

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

Note 15 Previous year figures

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

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP

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

Anita Arjundas
Chairperson
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Geetha Suryanarayanan
Partner
Membership No. 29519

S. Chandru
Director
(DIN: 00243025)

Rajagopalan Santhanam
Director
(DIN: 00237740)

Chandrasekar Siddarth
Chief Financial Officer

Place : Chennai
Date : 13th April, 2016

Place : Mumbai
Date : 13th April, 2016