

DIRECTORS' REPORT TO THE MEMBERS

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

FINANCIAL HIGHLIGHTS (STAND-ALONE)

Particulars	(₹ in lakh)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Total Income.....	5,828.52	15,567.10
Profit/(Loss) Before Depreciation, Finance Costs and Taxation	1,607.78	5,097.41
Less: Depreciation.....	15.14	1.31
Profit/(Loss) Before Finance Cost and Taxation.....	1,592.64	5,096.10
Less: Finance Cost.....	949.22	896.59
Profit/(Loss) Before Taxation	643.42	4,199.51
Less: Provision for Taxation	144.07	148.11
Profit/(Loss) for the year after Taxation.....	499.35	4,051.39
Add: Balance of Profit/(Loss) for earlier years	2,331.33	(710.84)
Less: Debenture Redemption Reserve	489.58	-
Amount available for appropriation.....	2,341.10	3,340.55
Depreciation on Transition Adjustment.....	-	0.52
Interim Dividend on Equity Shares	-	1,008.70
Balance carried forward	2,341.10	2,331.33

DIVIDEND

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

RESERVES

Out of balance of Profit for earlier years, the Company has transferred ₹ 489.58 lakh to Debenture Redemption Reserve account. The Profit for the year ₹ 499.35 lakh has been carried forward to P & L account.

OPERATIONS

The Company is engaged as a co-developer in developing a residential township at Mahindra World City, Chennai. Its current developments include 'Iris Court' and 'Nova'. Additionally, the Company has approximately 139 acres to be developed in phases for offering products in different formats and segments in the Mahindra World City, Chennai.

'Iris Court' is spread over 18 acres with an estimated total saleable area of 0.86 million square feet, 95% of which has been sold upto March, 2016. With the completion of the last phase – 3B during the year, the construction of the entire project has been completed and handover are underway.

'Nova', spread over 7 acres with an estimated saleable area of 0.54 million square feet was launched in the year 2013-14. During the year, the Company launched phases 2A & 2B of the project with 194 units and 175 units respectively. 49% of the launched area has been sold as of March, 2016. The Construction of Phase 1 has been completed while phase 2A

& 2B are progressing as per schedule.

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

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

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

SHARE CAPITAL

Authorised equity share capital of the Company is ₹ 60 crore and paid-up share capital of the Company is ₹ 50.435 crore. The paid-up equity capital of the Company is held by Mahindra Lifespace Developers Limited (MLDL) and Mahindra World City Developers Limited in the ratio of 73.36:25.78 respectively.

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

NON-CONVERTIBLE DEBENTURES

On 31st August, 2015, the Company had issued and allotted 750 – Secured Unlisted Rated Redeemable 9.6 per cent YTM, Non-Convertible Debentures (NCDs) with a face value of ₹ 10,00,000 (Rupees Ten lakh only) each for cash at par, aggregating ₹ 75 crore (Rupees Seventy Five crore) vide Series I, Series II, and

Series III on Private Placement basis. The proceeds of the NCDs issue have been fully utilised for the purposes of the issue.

NETWORTH

The networth of the Company at the close of the previous financial year (FY 2014-15) and at the close of the current financial year (FY 2015-16) was ₹ 7,374.83 lakh and ₹ 7,874.18 lakh respectively.

HOLDING COMPANY

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

SUBSIDIARIES COMPANY, JOINT VENTURE AND ASSOCIATE COMPANIES

Mahindra Residential Developers Limited (MRDL) continues to be a subsidiary of your Company and consequently a subsidiary company of, Mahindra Lifespace Developers Limited and of the ultimate holding company Mahindra & Mahindra Limited. During the year, no company has become/ceased to be subsidiary/associate or joint venture company of your Company.

MRDL project 'Aqualily' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments with an estimated saleable area of 1.57 million square feet of which 1.39 million square feet has been launched and 1.01 million square feet has been sold upto March 2016. MRDL has completed the construction of Villas, 3 Phases of apartments 2C1 which was completed during the year, taking the total completed area under the project to 1.23 million square feet. Construction for the next phase of apartments (2C2) covering 0.16 million square feet is progressing as per schedule.

CONSOLIDATED FINANCIAL STATEMENTS

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

BOARD OF DIRECTORS

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

Name of Director	DIN	Designation
Ms. Anita Arjundas	00243215	Chairperson, Non-Executive Non-Independent Director
Mr. R. Santhanam	00237740	Independent Director
Mr. M. S. Jagan	02002827	Independent Director
Mr. S. Chandru	00243025	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. S. Chandru (DIN: 00243025) a Non-Executive and Non-Independent Director retires by rotation at the ensuing Annual General Meeting of the Company and is eligible for re-appointment. However, Mr. S. Chandru has expressed his desire not to seek re-appointment. Accordingly, the Board recommended that the vacancy, so created on the Board of Directors of the Company, be not filled. The Board placed on record its deep appreciation of the valuable services rendered by Mr. S. Chandru during his tenure as a Director of the Company.

Pursuant to Section 152 of the Companies Act, 2013, Ms. Anita Arjundas retires by rotation at the forthcoming Annual General Meeting of the Company and has offered herself for re-appointment.

Pursuant to Section 161 of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, the Board of Directors at its meeting held on 13th April, 2016 had appointed Ms. Sangeeta Prasad (DIN: 02791944) as an Additional Non-Executive Non-Independent Director of the Company with effect from 13th April, 2016. In terms of said Section and Articles of Association of the Company, Ms. Sangeeta Prasad holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Ms. Sangeeta Prasad's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Ms. Sangeeta Prasad as Director of the Company at the ensuing Annual General Meeting of the Company. Pursuant to Section 160 of the Act, the company has received notice from shareholders along with prescribed deposit proposing candidature of Ms. Sangeeta Prasad as Director of the Company.

Accordingly, appointment of Ms. Sangeeta Prasad as Director of the Company is proposed at the ensuing Annual General Meeting for shareholders approval.

All the above Directors are not disqualified from being appointed/re-appointed as Director by virtue of the provisions of Section 164 of the Companies Act, 2013.

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

KEY MANAGERIAL PERSONNEL

As at 31st March, 2016, the Key Managerial Personnel of the Company comprise of following:

Sr. No	Key Managerial Personnel	Designation
1.	Mr. Jayantt Manmadkar	Manager
2.	Mr. Sivarajan Kumar Tulluri	Chief Financial Officer
3.	Mr. Ankit Shah	Company Secretary

During the year, Ms. K. Bharathy and Ms. Arti Shinde resigned from the position of Chief Financial Officer and Company Secretary of the Company with effect from 31st October, 2015 and 15th October, 2015, respectively. The Board places on record its sincere appreciation of their association with the Company.

Consequent to above resignations, Mr. Sivarajan Kumar Tulluri and Mr. Ankit Shah were appointed as the Chief Financial Officer and the Company Secretary of the Company with effect from 13th January, 2016 and 16th October, 2015, respectively.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee comprises of two Independent Directors, namely Mr. M. S. Jagan, Mr. R. Santhanam and one Non-Executive Non-Independent Director, Ms. Anita Arjundas. Mr. M. S. Jagan is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairman and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

On 17th April, 2015, the Board constituted CSR Committee comprising of one Independent Director, Mr. M. S. Jagan and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Mr. S. Chandru. Ms Anita Arjundas is the Chairperson of the Committee.

During the year, the Company contributed ₹ 32.17 lakh towards Corporate Social Responsibility. The annual report on the CSR activities providing brief details on CSR policy and CSR initiatives undertaken by the Company during the year is attached herewith at **Annexure 1** to this Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of two Independent Directors, namely Mr. R. Santhanam, Mr. M. S. Jagan and two Non-Executive Non-Independent Directors, Ms. Anita Arjundas and Mr S. Chandru. Mr. R. Santhanam is the Chairman of the Committee.

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

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

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met once without the presence of the Non-Independent Director(s) or Chief Financial Officer or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to inter alia, review of performance of Non-Independent Directors and the Board as a whole, assess the quality, quantity, and timeliness of flow of information between the Company Management and

that Board that is necessary for the Board to effectively and reasonably perform their duties.

PERFORMANCE EVALUATION

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

MEETINGS

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

17th April, 2015, 14th July, 2015, 16th October, 2015 and 13th January, 2016.

During the year, three meetings of Nomination & Remuneration Committee (NRC) were convened and held on the following dates:

17th April, 2015, 16th October, 2015 and 13th January, 2016.

During the year, three meeting of Corporate Social Responsibility (CSR) Committee were convened and held on the following dates:

14th July, 2015, 16th October, 2015 and 13th January, 2016.

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

Sr. No.	Name of the Director	Board meetings attended	Audit Committee meetings attended	NRC meetings attended	CSR Committee meetings attended
1.	Ms. Anita Arjundas	4	4	3	3
2.	Mr. S Chandru	4	4	3	3
3.	Mr. R. Santhanam	4	4	3	–
4.	Mr. M S Jagan	4	4	3	3

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 reitereiate 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 and Independent Directors of the Company affirming compliance with the respective Codes.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

INTERNAL FINANCIAL CONTROLS

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

VIGIL MECHANISM/WHISTLE BLOWER MECHANISM

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of Audit Committee or Chairman of the Company. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company. The Whistle Blower Policy of the Company is attached herewith as **Annexure 5**.

RISK MANAGEMENT

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to

mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

AUDITORS

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

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. A. F. Ferguson & Co., Chartered Accountants, Chennai, proposed to be re-appointed as Auditors for one year i.e. upto conclusion of the 21st Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity within the limits specified in the said Section.

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

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

The requirements of having cost auditor are presently not applicable to your Company.

SECRETARIAL AUDITOR

The Board has appointed 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 6** to this Report.

The Secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer and therefore does not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

As your Company is engaged in the business of developing residential units, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The particulars of investment are provided in the financial statement at note no.12.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement with related parties referred to in sub-

section (1) of Section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under Section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

DEPOSITS, LOANS AND ADVANCES

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 during the year are given in the prescribed format in the **Annexure 7** 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 8** and forms part of this Report.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

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

SUSTAINABILITY

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

GENERAL

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

CAUTIONARY STATEMENT

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

ACKNOWLEDGMENT

The Directors would like to thank all shareholders, customers, bankers, contractors and suppliers of the Company 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

THE ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The Company is driven by its mission of 'Transforming urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. Our current focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Mahindra Group's core purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.

2. The composition of the CSR Committee

The CSR Committee of the Company comprise of Ms. Anita Arjundas (Chairperson of the Committee), Mr. M. S. Jagan, Independent Director and Mr. S. Chandru, Non-Executive Non-Independent Director of the Company.

3. Average net profit of the Company for last three financial years.

The average net profit of the Company for the last three financials years- ₹ 1,608.28 lakh

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Prescribed CSR Spend (2% of above amount) - ₹ 32.17 lakh

5. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 32.17 lakh
- Amount unspent, if any: Nil
- Manner in which the amount spent during the financial year is detailed below,

(₹ in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	CSR project of activity identified	Sector in which the project is covered	Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Nanhi Kali – sponsored Girl child education	Education	Chennai	16.09	Direct expenditure: 16.09	16.09	Implementing Agency: KC Mahindra Education Trust
2.	School Expansion	Education	Chennai	8.05	Direct expenditure: 8.05	8.05	Mahindra World School Educational Trust
3.	Project Haryali – Tree Plantation	Environment	Chennai	3.05	Direct expenditure: 3.05	3.05	World Vision
4.	Skill development for Self Help Group - Skill development & financial planning for SHG activities	Education	Chennai	2.98	Direct expenditure: 2.98	2.98	World Vision
5.	Flood Relief to flood affected families in the nearby vicinity of Mahindra World City, Chennai	Health	Chennai	2.00	Direct expenditure: 2.00	2.00	–

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

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

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

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

Anita Arjundas
(Chairperson of Board and CSR Committee)

Mumbai, 13th April, 2016

S. Chandru
(Member of CSR Committee)

Mumbai, 13th April, 2016

ANNEXURE 2

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

I. 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 Integrated Township Limited.

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

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

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

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

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

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

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

II. APPOINTMENT OF DIRECTORS

1. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and also independence of director when ID is to be appointed:
 - a. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective.

- b. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision making.
- c. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.

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

III. REMOVAL OF DIRECTORS

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

IV. SENIOR MANAGEMENT PERSONNEL

1. The NRC shall identify persons based on merit, experience and knowledge who may be appointed in senior management team.
2. Senior Management personnel are appointed or promoted and removed/relieved with the authority of Managing Director & CEO based on the business need and the suitability of the candidate. The details of the appointment made and the personnel removed one level below the Key Managerial Personnel during a quarter shall be presented to the Board.

Mumbai, 13th April, 2016

Anita Arjundas
Chairperson
DIN : 00243215

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

I. PURPOSE

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

II. POLICY STATEMENT

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

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

III. 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.

IV. EXECUTIVE DIRECTORS:

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

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

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

Mumbai, 13th April, 2016

Anita Arjundas
Chairperson
DIN : 00243215

ANNEXURE 4**POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES**

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

OBJECTIVE

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

STANDARDS

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas

(KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
 - a. The increment that needs to be paid for different performance ratings as well as grades.
 - b. The increment for promotions and the total maximum increment.
 - c. The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it tune with the market.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai: 13th April, 2016

ANNEXURE 5

WHISTLE BLOWER POLICY

1. THE WHISTLE BLOWER POLICY SHALL COME INTO EFFECT FROM 1ST APRIL 2014.

2. PREFACE

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

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

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

3. DEFINITIONS

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

- a. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.
- b. “**Codes**” mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.
- c. “**Director**” means a Director as defined under Section 2(34) of the Companies Act, 2013.
- d. “**Employee**” means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.

e. “**Investigators**” means those persons authorised, appointed, consulted or approached by the Audit Committee and the Police.

f. “**Protected Disclosure**” means any communication made in good faith that discloses or demonstrates information that may evidence illegal or unethical behaviour, actual or suspected fraud or violation of the Company’s Codes or Policies or any improper activity.

g. “**Subject**” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

h. “**Whistle Blower**” means a Director or Employee making a Protected Disclosure under this Policy.

4. SCOPE

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

5. ELIGIBILITY

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

6. PROCEDURE

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

- e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit 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 behaviour 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 along with the results of investigation relating thereto shall be retained by the Company for a minimum period of seven years.

14. AMENDMENT

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

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Place: Mumbai
Date: 13th April, 2016

ANNEXURE 6

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 of managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Integrated Township Limited

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

Based on our verification of the Mahindra Integrated Township Limited's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2016, 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 Integrated Township 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. | (v) The Air(Prevention and Control of Pollution) Act, 1981 |
| (ii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996. | (vi) The Competition Act, 2002 |
| (iii) The Building & Other Construction Workers (Regulation of employment and conditions of service) Welfare Cess Act 1996. | (vii) The Central Sales Tax, 1956 |
| (iv) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations | (viii) The Central Excise Act at various locations as applicable |
| | (ix) The Consumer Protection Act, 1986 |
| | (x) The Ownership Flats & Apartment Ownership Act as applicable at various locations |
| | (xi) The Environment Protection Act, 1986 |
| | (xii) The Public Liability Insurance Act, 1991 |
| | (xiii) The Registration Act, 1908 |
| | (xiv) The Special Economic Zone Act, 2005 and rules thereunder |
| | (xv) The Water(Prevention and Control of Pollution) Act, 1974 |
| | (xvi) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder. |
| | (xvii) The Child Labour (Prohibition & Regulation) Act, 1986 |
| | (xviii) The Contract Labour (Regulation & Abolition) Act, 1970 |
| | (xix) The Employee's Compensation Act, 1923 |
| | (xx) The Employees' Provident Funds and Miscellaneous Provision Act, 1952 |
| | (xxi) The Employees State Insurance Act, 1948 |
| | (xxii) The Employers' Liability Act, 1938 |
| | (xxiii) The Equal Remuneration Act, 1855 |
| | (xxiv) The Indian Fatal Accidents Act, 1855 |
| | (xxv) The Industrial Disputes Act, 1947 |
| | (xxvi) The inter State Migrant Workmen (Regulation of Employment & Condition of Services) Act, 1979 |
| | (xxvii) The Maternity Benefit Act, 1961 |
| | (xxviii) The Minimum Wages Act, 1948 |
| | (xxix) The payment of Bonus Act, 1965 |
| | (xxx) The payment of Gratuity Act, 1972 |
| | (xxxi) The payment of Wages Act, 1936 |
| | (xxxii) The Personal Injuries (Compensation Insurance) Act, 1963 |

- (xxxiii) The Private Security Agency (Regulation) Act, 2005
- (xxxiv) The Stamp Acts as applicable at various locations.
- (xxxv) The Co-operative Societies Act, as applicable at various locations
- (xxxvi) Shops & Establishment Act, as applicable at various locations.
- (xxxvii) The Cyber Law
- (xxxviii) The Foreign Exchange Management Act, 1999
- (xxxix) The Income Tax Act, 1961 and Rules thereunder
- (xxxx) The Indian Stamp Act, 1899
- (xli) The Information technology Act, 2000
- (xlii) The Intellectual Property Act
- (xliii) The Negotiable Instruments Act, 1881
- (xliv) The Prevention of Corruption Act, 1988
- (xlv) The Prevention of Money Laundering Act, 2002
- (xlvii) The Service Tax (Chapter V of Finance Act, 1994) and Rules
- (xlviii) The Standards of Weights and Measures Act 1976
- (xlvix) The Wealth Tax Act, 1956
- (xlvi) Value Added Tax as applicable for various states
- (xlv) The State Labour Laws as applicable at various locations

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

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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 Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review. As on 31.03.2016, the Board of Directors consists of Ms. Anita Arjundas, Chairperson, Non-Executive Non-Independent Director, Mr. Sethuraman Chandru, Non-Executive Non-Independent Director, Mr. Murari Swamimalai Jagan, Independent Director and Mr. Rajagopalan Santhanam, Independent Director.

As on 31.03.2016, the Key Managerial Personnel of the Company comprise of Mr. Sivararajan Tulluri as Chief Financial Officer, Mr. Ankit Manoj Shah as Company Secretary and Mr. Jayant Bhalchandra Manmadkar as Manager.

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

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, except following specific events/actions, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has taken place –

- Pursuant to Section 180(1)(a) of the Companies Act, 2013, Shareholders' at the Extra-Ordinary General Meeting held on 16th October 2015 granted authority to the Board of Directors under section 180(1)(a) of the Companies Act, 2013 for creation of charge on the assets of the Company upto the limit not exceeding Rs. 600 crores and necessary e-form MGT-14 was filed with the ROC on 07.11.2015.
- Ms. K Bharathy resigned from the position of Chief Financial Officer of the Company with effect from 31.03.2015 and necessary e-form DIR-12 was filed with ROC on 07.11.2015 by payment of Additional Fees.
- Ms. Arti Ramesh Chandra Batavia resigned from the post of Company Secretary of the Company with effect from 15.10.2015 and necessary e-form DIR-12 was filed with ROC on 07.11.2015.
- Pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 and 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Ankit Manoj Shah was appointed as Company Secretary of the Company with effect from 16.10.2015 and necessary e-forms MGT-14 (by payment of additional fees), DIR-12 and MR-1 was filed with ROC on 17.11.2015, 07.11.2015 and 18.11.2015 respectively.
- Pursuant to Section 203 of Companies Act, 2013, Mr. Sivaranjan Tulluri was appointed as Chief Financial Officer of the Company with effect from 13.01.2015 and necessary e-forms DIR-12 MR -1 and MGT-14 was filed with ROC on 03.02.2016, 03.02.2016 and 05.02.2016 respectively.
- Shareholders' Approval was accorded in the EGM held on 14.07.2015 to the Board pursuant to Section 42 and 71 of the Companies Act, 2013 to Issue non-convertible Debentures via Private Placement amounting to Rs. 150,00,00,000/- to such persons/ Financial Institutions/ Banks/Mutual Funds/ Body Corporate/ Companies/ any other entities on such terms and conditions as the Board may think deem fit during a period of One year from date of shareholders' approval and necessary e-form MGT-14 has been filed with ROC on 10.08.2015.
- Pursuant to section 42 read with rule 14(1) and section 42(7) read with rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company has issued Private Placement offer letter in PAS -4 and Information memorandum in PAS-5 respectively for issue of 750, 7% Secured Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/- and necessary e-form GNL-2 has been filed with ROC on 30.09.2015.
- Pursuant to section 39(4), 42 (9) and Section 71 of the Companies Act, 2013 and Rule 12 and 14 Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company had allotted 750,7% Secured Redeemable Non-Convertible Debentures of a face value of Rs.10,00,000/- to M/s. ICICI Prudential Regular Saving Plan on 31.08.2015 and the necessary e-form PAS -3 has been filed with ROC on 30.09.2015. The necessary Debenture certificates were issued, Debenture Redemption Reserve was created and charge was also created in Form CHG-9 and was filed with ROC on 28.11.2015.
- Pursuant to Section 135, Section 134(3)(o) and Section 206 of the Companies Act 2013, the Company received a notice from Registrar of Companies (ROC), Chennai on 31.03.2016 to furnish the information with respect to compliance of Corporate Social Responsibility for the year 2014-2015. The Company had submitted its reply to ROC, Chennai on 06.04.2016, submitting that CSR provisions were not applicable to the Company for the financial year 2014-2015. No further queries with regard to the above reply have been received from ROC till date.
- Show Cause Notice was received from the Commissioner of Central Excise dated 13.10.2015 with respect to Service Tax demand of Rs. 24.96 crore denying exemption under notification no. 1/2006 dated 01.03.2006 and No. 26/2012 dated 20.06.2012. The Company had filed Writ Petition in High Court, Madras challenging the show cause notice and obtained an order of status quo whereby the Commissioner of Central Excise is restrained from taking any further action pursuant to the show cause notice dated 13.10.2015. The interim order is still in force. Counter is yet to be filed by the Commissioner of Central Excise.

Place: Chennai
Date: 13.04.2016

For M K Surana & Co.,
Company Secretaries,
M. Kavitha Surana
Proprietor
FCS No. 5926, C. P. No. 5269

‘ANNEXURE A’

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

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

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

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

Place: Chennai
Date: 13.04.2016

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

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

ANNEXURE 7

(1) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	<p>: As a part of sustainable development adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Building. Green building increases the resource efficiency (energy, water, and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and removal i.e. the complete building life cycle.</p> <p>Steps taken for energy conservation:</p> <ol style="list-style-type: none"> 1. Energy efficient Building envelops for walls and roofs 2. Solar water heating system 3. Heat Reflective paint 4. Adoption of solar street lighting for landscape areas 5. Adoption of high efficient pumps, motors 6. Group control mechanism for lifts 7. LED lamps for common areas & pathways 8. Timer based controller for landscape lighting
(ii)	the steps taken by the company for utilising alternate sources of energy;	<p>: –</p>
(iii)	the capital investment on energy conservation equipments	<p>: It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/green investments.</p> <p>During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself.</p> <p>These expenditures are mainly for:</p> <ol style="list-style-type: none"> 1. Use of energy efficient building envelops & fenestration 2. Heat reflective paint, 3. Low flow fixtures, 4. Sewage treatment plant, 5. Rain water harvesting system, 6. Organic waste converter, 7. Energy efficient equipments such as pumps and motors, etc. 8. Solar hot water systems, 9. Energy efficient lighting fixtures such as LED's

(2) TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has adopted various alternate materials, methods like use of Glazy putty and use of light weight aggregate 'Cinder' for sunk filling and introduced automation in few activities for process improvement like adoption of Boom lifts for carrying out external painting activity
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Process improvement, Product Improvement
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	–
(iv)	the expenditure incurred on Research and Development	:	–

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, there are no foreign exchange earnings. The details of foreign exchange outgo is furnished in note no. 25 to Accounts.

For and on behalf of the Board,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 13th April, 2016

ANNEXURE 8**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	U74140TN1996PLC068288
2.	Registration Date	24.06.1996
3.	Name of the Company	Mahindra Integrated Township Limited
4.	Category/Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamil Nadu, India – 603002.Tel: +91 44 67455001
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	All equity shares of the Company are held in physical mode. For Non-Convertible Debentures, the Company has appointed M/s. Sharepro Services (I) Pvt. Limited, as the Registrar and Transfer Agent of the Company having its office at 13AB Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072. Tel.: 022-67720300.

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

*As per National Industrial Classification- Ministry of Statistics and Programme Implementation.
on the basis of Gross Turnover.

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary / Associate	% of shares held	Applicable Section
1.	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Holding Company	73.36	2(46)
2.	Mahindra and Mahindra Limited Address: Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)
3.	Mahindra Residential Developers Limited Address: Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamil Nadu, India – 603002.	U45200TN2008PLC066292	Subsidiary Company	100	2(87)(ii)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp		5,00,00,000	5,00,00,000	99.14	-	5,00,00,000	5,00,00,000	99.14	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	5,00,00,000	5,00,00,000	99.14	-	5,00,00,000	5,00,00,000	99.14	0.00
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	5,00,00,000	5,00,00,000	99.14	-	5,00,00,000	5,00,00,000	99.14	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh		60,000	60,000	0.12	-	60,000	60,000	0.12	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	3,75,000	3,75,000	0.72	-	3,75,000	3,75,000	0.72	0.00
c. Others (Non Resident Individuals)	-	-	-	-	-	-	-	-	-
d. Others-Trust	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	4,35,000	4,35,000	0.84	-	4,35,000	4,35,000	0.84	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	4,35,000	4,35,000	0.84	-	4,35,000	4,35,000	0.84	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,04,35,000	5,04,35,000	100	-	5,04,35,000	5,04,35,000	100	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra Lifespace Developers Ltd	3,69,99,994	73.37	0.00	3,69,99,994	73.37	0.00	0.00
2.	Mahindra Lifespace Developers Ltd & Arun Nanda	1	0.00	0.00	1	0.00	0.00	0.00
3.	Mahindra Lifespace Developers Ltd & Mario Nazareth	1	0.00	0.00	1	0.00	0.00	0.00
4.	Mahindra Lifespace Developers Ltd & Roshan Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
5.	Mahindra Lifespace Developers Ltd & Sangeeta Prasad	1	0.00	0.00	1	0.00	0.00	0.00
6.	Mahindra Lifespace Developers Ltd & Ulhas Bhosale	1	0.00	0.00	1	0.00	0.00	0.00
7.	Mahindra Lifespace Developers Ltd & Ms. Anita Arjundas	1	0.00	0.00	1	0.00	0.00	0.00
8.	Mahindra World City Developers Limited	1,30,00,000	25.77	0.00	1,30,00,000	25.77	0.00	0.00
	Total	5,00,00,000	99.14	0.00	5,00,00,000	99.14	0.00	0.00

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

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

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anita Arjundas – Director At the beginning of the year	1,00,001*	0.20	1,00,001*	0.20
	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	1,00,001	0.20	1,00,001	0.20
2.	S. Chandru – Director At the beginning of the year	25,000	0.05	25,000	0.05
	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	25,000	0.05	25,000	0.05

Note:

*Out of total 1,00,001 shares, 1 share is jointly held with Mahindra Lifespace Developers Limited (first shareholder) and balance in individual capacity.

None of the Key Managerial Personnel holds any shares in the Company.

5. INDEBTNESS

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

Particulars	(₹ in lakh)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	8,470.00	Nil	8,470.00
ii) Interest due but not paid	Nil	344.98	Nil	344.98
iii) Interest accrued but not due	Nil	160.35	Nil	160.35
Total (i + ii + iii)	Nil	8,975.33	Nil	8,975.33

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	8576.33	Nil	Nil	8576.33
• Reduction	Nil	7370.00	Nil	7370.00
Net Change	8576.33	7370.00	Nil	1206.33
Indebtedness at the end of the financial year				
i) Principal Amount	8576.33	1100.00	Nil	9676.33
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	307.81	3.03	Nil	310.84
Total (i + ii + iii)	8884.14	1103.03	Nil	9987.17

6. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONAL

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

B. Remuneration of other Directors:

Sr. no.	Particulars of Remuneration	Name of Directors		Total Amount
		Ravi Santhanam	M S Jagan	
1.	Independent Directors			
	* Fees for attending board/committee meetings	1.30	1.30	2.60
	* Commission	Nil	Nil	Nil
	* Others, please specify	Nil	Nil	Nil
	Total (1)	1.30	1.30	2.60
2.	Other Non-Executive Directors	Nil	Nil	Nil
	* Fees for attending board/committee meetings	Nil	Nil	Nil
	* Commission	Nil	Nil	Nil
	* Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B) = (1 + 2)	1.30	1.30	2.60
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act	NA	NA	NA

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager/ Whole Time Director: **None of the Key Managerial Personnel draw any remuneration from the Company.**

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,

Anita Arjundas
Chairperson
DIN : 00243215

Mumbai, 13th April, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA INTEGRATED TOWNSHIP LIMITED

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Chennai, 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 Integrated Township 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”.

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Chennai, 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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no unclaimed deposits outstanding at any time during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 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 and dues to debenture holders. The Company has not taken loans or borrowings from Financial Institutions and government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals. The Company has not raised any money from public during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Chennai, 13th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31 st March, 2016 ₹ in lakh	As at 31 st March, 2015 ₹ in lakh
A. EQUITY AND LIABILITIES			
1. Shareholders' Funds:			
a. Share capital	3	5,043.50	5,043.50
b. Reserves and surplus	4	2,830.68	2,331.33
2. Non Current Liabilities:			
a. Long term borrowings	5	7,500.00	5,770.00
b. Long term provisions	6	133.39	-
3. Current Liabilities:			
a. Trade payables.....	7		
(i) Total outstanding dues to Micro Enterprises and Small Enterprises		191.42	150.93
(ii) Total outstanding dues to Creditors other than Micro Enterprises and Small Enterprises		2,180.79	2,627.01
b. Other current liabilities.....	8	2,169.02	3,083.53
c. Short term borrowings.....	9	2,176.33	2,700.00
d. Short term provisions.....	10	125.90	101.60
Total		22,351.03	21,807.90
B. ASSETS			
1. Non Current Assets			
a. Tangible fixed assets.....	11	74.25	2.22
b. Non current investments.....	12	6,630.48	6,630.48
c. Long term loans and advances.....	13	787.33	692.52
2. Current Assets			
a. Inventories	14	10,282.87	9,235.51
b. Trade receivables	15	670.47	1,288.38
c. Cash and cash equivalents	16	308.12	1,119.23
d. Short term loans and advances	17	761.38	924.69
e. Other current assets	18	2,836.13	1,914.87
Total		22,351.03	21,807.90

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

T Sivaranjan Kumar
Chief Financial Officer

Ankit Shah
Company Secretary
(ACS: 26552)

For and on behalf of the Board of Directors

Ms. Anita Arjundas
Chairperson
(DIN: 00243215)

Mr. M S Jagan
Independent Director
(DIN: 02002827)

Place: Mumbai
Date: 13th April, 2016

Mr. Ravi Santhanam
Independent Director
(DIN: 000237740)

Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

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

	Note	For the year ended 31 st March, 2016 ₹ in lakh	For the year ended 31 st March, 2015 ₹ in lakh
A. INCOME			
Revenue from operations.....	19	5,327.21	13,483.99
Other Income.....	20	501.31	2,083.11
		<u>5,828.52</u>	<u>15,567.10</u>
B. EXPENDITURE			
Project Costs	21	4,231.97	8,954.68
Changes in Inventories	22	(1,047.36)	494.84
Finance Costs.....	23	949.22	896.59
Depreciation.....	11	15.14	1.31
Other expenses	24	1,036.13	1,020.17
		<u>5,185.10</u>	<u>11,367.59</u>
C. Profit before tax		643.42	4,199.51
Current tax		144.07	544.45
Less : MAT Credit entitlement		-	(396.33)
Profit for the year.....		499.35	4,051.39
Earnings per share : (₹)			
Basic/(Diluted)	29	0.99	8.03

See accompanying notes forming part of the financial statements

In terms of our report attached

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

Geetha Suryanarayanan
Partner
Membership No. 29519

Place: Chennai
Date: 13th April, 2016

T Sivaranjan Kumar
Chief Financial Officer

Ankit Shah
Company Secretary
(ACS: 26552)

For and on behalf of the Board of Directors

Ms. Anita Arjundas
Chairperson
(DIN: 00243215)

Mr. M S Jagan
Independent Director
(DIN: 02002827)

Place: Mumbai
Date: 13th April, 2016

Mr. Ravi Santhanam
Independent Director
(DIN: 000237740)

Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

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

	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
₹ in lacs		
A. Cash flow from operating activities		
Profit before tax	643.42	4,199.51
Adjustments for:		
Dividend income	–	(1,600.00)
Deferred Lease Rent provision	1.45	–
Depreciation	15.14	1.31
Defect Liability Provision	24.30	101.84
Finance Costs	949.22	896.59
Interest income	(28.21)	(8.97)
Operating profit before working capital changes	1,605.32	3,590.28
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(973.67)	563.64
Trade Receivables	617.91	10.14
Long term loans and advances	(19.92)	4.00
Short-term loans and advances	163.31	(345.65)
Other Current assets	(921.34)	(1,805.11)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(405.74)	1,050.48
Short term provisions	–	(60.24)
Other current liabilities	(720.01)	(972.85)
	(2,259.46)	(1,555.59)
Cash generated from/(used) in operations	(654.14)	2,034.69
Income taxes paid (net of refunds)	(218.97)	(501.18)
Net cash flow from/(used in) operating activities	(873.11)	1,533.51
B. Cash flow from investing activities:		
Purchase of fixed assets	(87.18)	–
Interest received	28.31	8.87
Dividend received	–	1,600.00
Net cash from/(used in) investing activities	(58.87)	1,608.87
C. Cash flow from financing activities:		
Inter Corporate Deposits received	–	1,800.00
Proceeds from Non Convertible Debentures – Secured	7,500.00	–
Cash Credit – Secured	1,076.33	–
Repayment of Inter Corporate Deposits	(1,600.00)	(8,370.00)
Bank balances not considered as Cash and Cash Equivalents	(0.66)	7.09
Term Loan taken	–	8,370.00
Term Loan repaid	(5,770.00)	(2,600.00)
Finance costs	(1,085.46)	(699.23)
Payment of Dividend	–	(1,008.70)
Net cash from/(used in) financing activities	120.21	(2,500.84)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(811.77)	641.54
Cash and Cash Equivalents at the Beginning of the Year	985.07	343.53
Cash and Cash Equivalents at the End of the Year	173.30	985.07
Reconciliation of Cash and Cash Equivalents with the Balance Sheet		
Cash and Cash Equivalents as per Balance Sheet	308.12	1,119.23
Less: Bank balances not considered as Cash and Cash Equivalents	134.82	134.16
	173.30	985.07

See accompanying notes forming part of the financial statements

In terms of our report attached

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

T Sivaranjan Kumar
Chief Financial Officer

Geetha Suryanarayanan
Partner
Membership No. 29519

Ankit Shah
Company Secretary
(ACS: 26552)

Place: Chennai
Date: 13th April, 2016

For and on behalf of the Board of Directors

Ms. Anita Arjundas
Chairperson
(DIN: 00243215)

Mr. M S Jagan
Independent Director
(DIN: 02002827)

Place: Mumbai
Date: 13th April, 2016

Mr. Ravi Santhanam
Independent Director
(DIN: 000237740)

Mr. S. Chandru
Non-Executive
Non-Independent Director
(DIN: 00243025)

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

1. Corporate Information

The Company was incorporated on 26th June, 1996.

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

2. Significant Accounting Policies

a) Basis of accounting

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

b) Use of Estimates

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

c) Inventories

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

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

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

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

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

e) Cash flow statement

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

f) Revenue Recognition

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

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

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

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

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

g) Other income

Interest & Guarantee Commission income are accounted on accrual basis.

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

h) Fixed assets

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

i) Depreciation

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

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013; lease hold improvements are depreciated over the period of lease.

j) Investments

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

k) Foreign currency transactions and translations

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

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

l) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the 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 up to the date of capitalisation of such assets are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

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

m) Earnings per share

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

n) Taxes on income

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

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

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

o) Provisions and contingencies

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

p) Service tax Input credit

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

3. SHARE CAPITAL

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	Value of Shares ₹ in lakh	Number of shares	Value of Shares ₹ in lakh
Authorised				
Equity shares of ₹ 10 each.....	<u>60,000,000</u>	<u>6,000.00</u>	60,000,000	6,000.00
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each.....	<u>50,435,000</u>	<u>5,043.50</u>	50,435,000	5,043.50
	<u>50,435,000</u>	<u>5,043.50</u>	50,435,000	5,043.50

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

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares	Value of Shares ₹ in lakh	No of Shares	Value of Shares ₹ in lakh
Balance as at the beginning of the year.....	<u>50,435,000</u>	<u>5,043.50</u>	50,435,000	5,043.50
Balance as at the end of the year.....	<u>50,435,000</u>	<u>5,043.50</u>	50,435,000	5,043.50

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

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

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No of Shares held	Percentage of Holding	No of Shares held	Percentage of Holding
Equity Shares				
Mahindra Lifespace Developers Limited, Holding Company.....	<u>37,000,000</u>	<u>73.36%</u>	37,000,000	73.36%
Mahindra World city Developers Limited, Fellow subsidiary.....	<u>13,000,000</u>	<u>25.78%</u>	13,000,000	25.78%

Particulars	As at 31 st March, 2016	As at 31 st March, 2015
	₹ in lakh	₹ in lakh

4. RESERVES & SURPLUS

a. Debenture Redemption Reserve

Balance at the beginning of the year	-	-
Additions during the year	<u>489.58</u>	-
	<u>489.58</u>	-

b. Surplus in statement of Profit & Loss

Balance at the beginning of the year	2,331.33	(710.84)
Less: Debenture Redemption Reserve	(489.58)	-
Add: Profit for the year.....	<u>499.35</u>	4,051.39
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 29).....	-	(0.52)
Less: Interim dividend (Refer Note 4a)	-	(1,008.70)
Dividend Distribution Tax (DDT) on the above. Refer Note 4(b).....	-	-
Balance at the end of the period/year.....	<u>2,830.68</u>	<u>2,331.33</u>

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

- 4a. The Board of Directors at their meeting held on 29th September, 2014 recommended an interim dividend of ₹ 2 per equity share amounting to ₹ 1,008.70 lakhs.

Particulars	As at	As at
	31 st March, 2016 ₹ in lakh	31 st March, 2015 ₹ in lakh
4b. Dividend Distribution Tax on the above Equity Dividend of ₹ 1,008.70 lacs	-	171.43
Dividend Distribution Tax credit available in respect of the Dividend Tax on the Interim dividend received from the Wholly Owned Subsidiary, Mahindra Residential Developers Limited on 30 th May, 2014, based on provisions under subsection (1A) of Section 115 O of the Income Tax Act 1961.....	-	(171.43)

5. LONG TERM BORROWINGS

Term loan from Mahindra Lifespace Developers Limited, holding company (unsecured)	-	5,770.00
Non Convertible Debentures (Secured)	7,500.00	-
Total	7,500.00	5,770.00

- 5.1. During the previous financial year, Mahindra Lifespace Developers Limited has converted Inter Corporate Deposit into an Unsecured Term Loan repayable by 31st March, 2019, with interest @ 12.5% p.a. payable on a quarterly basis. The Term loan has been repaid in full during the year.

5.2. Non Convertible Debentures (Secured)

The terms and conditions of the Secured Non Convertible Debentures issued by the Company are summarised below

Series	I	II	III
Face Value of the Debentures (₹ in lakhs)	2,500.00	2,500.00	2,500.00
Total Redemption Premium (₹ in lakhs)	214.32	299.64	393.68
Rate of Interest Payable Annually	7%	7%	7%
Maturity Date (one time repayment in full including Redemption Premium)	31-Aug-18	31-Aug-19	31-Aug-20

The above Debentures are secured by first ranking pari passu mortgage and charge on specific lands of the Company.

Particulars	As at	As at
	31 st March, 2016 ₹ in lakh	31 st March, 2015 ₹ in lakh
6. LONG TERM PROVISIONS		
Provision for Premium on NCD Redemption	131.94	-
Deferred Rental Provision	1.45	-
Total	133.39	-

Particulars	As at	As at
	31 st March, 2016 ₹ in lakh	31 st March, 2015 ₹ in lakh

7. TRADE PAYABLES

Trade Payables		
Related Parties (Deputation charges & office establishment expenses)	362.84	378.84
Others	1,302.47	1,774.12
Retention Money	706.90	624.98
Total	2,372.21	2,777.94

8. OTHER CURRENT LIABILITIES

Interest accrued & due on borrowings	-	344.98
Interest accrued & not due on borrowings	3.03	160.35
Interest accrued & not due on NCD... ..	307.81	-
Statutory remittances – withholding taxes	43.80	64.17
Service tax payable	-	-
Other contractual liabilities	944.01	2,057.46
Advance received from related parties	11.84	11.84
Advance received from customers	272.07	189.24
Income received in advance	225.75	109.30
Deposits from customers*	360.71	146.19
Total	2,169.02	3,083.53

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

9. SHORT TERM BORROWINGS

HDFC Bank – CC Limit (secured)	1,076.33	-
Inter Corporate Deposits received from Related parties (unsecured)		
Mahindra Logistics Limited @ 12% interest p.a.	-	1,000.00
Mahindra Lifespace Developers Limited	-	-
Mahindra Residential Developers Limited @ 11% interest p.a. (repayable on demand)	1,100.00	1,700.00
Total	2,176.33	2,700.00

- 9.1 During the year, Company has obtained Secured Cash Credit Limit from HDFC Bank Ltd for ₹ 25 crs @ Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts.

10. SHORT TERM PROVISIONS

Defect Liabilities	125.90	101.60
Total	125.90	101.60

11. FIXED ASSETS

₹ in lakh

Particulars	Gross block			Accumulated Depreciation				Net block	
	As at	Additions	As at	As at	Transitional Adjustment	For the period	As at	As at	As at
	1 st April, 2015		31 st March, 2016	1 st April, 2015			31 st March, 2016	31 st March, 2016	31 st March, 2015
Computer	2.06	-	2.06	2.06	-	-	2.06	-	-
(Previous year)	(2.06)	-	(2.06)	(1.13)	(0.52)	(0.41)	(2.06)	-	-
Furniture & Fixture ..	-	71.07	71.07	-	-	12.27	12.27	58.80	-
(Previous Year)	-	-	-	-	-	-	-	-	-
Electrical Instal.	-	10.10	10.10	-	-	0.93	0.93	9.17	-
(Previous Year)	-	-	-	-	-	-	-	-	-
Office Equipment	4.01	6.00	10.01	1.79	-	1.94	3.73	6.28	(2.22)
(Previous Year)	(4.01)	-	(4.01)	(0.89)	-	(0.90)	(1.79)	(2.22)	(3.04)
Total	6.07	87.17	93.24	3.85	-	15.14	18.99	74.25	(2.22)
Previous Year	6.07	0	6.07	2.02	0.52	1.31	3.85	2.22	-

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

Particulars	As at	As at	Particulars	For the	For the
	31 st March, 2016	31 st March, 2015		year ended	year ended
	₹ in lakh	₹ in lakh		31 st March, 2016	31 st March, 2015
				₹ in lakh	₹ in lakh
12. NON CURRENT INVESTMENTS			20. OTHER INCOME		
Long term, Trade (at cost)			Interest on deposit with bank	7.13	8.09
Mahindra Residential Developers Limited, Subsidiary Company			Interest – Others	21.08	0.88
250,000 equity shares of ₹ 10 each fully paid up	6,629.48	6,629.48	Dividend Income from subsidiary	-	1,600.00
10,000 Preference shares of ₹ 10 each fully paid up	1.00	1.00	Guarantee Commission from Mahindra Lifespace Developers Limited	435.75	435.75
Total	6,630.48	6,630.48	Other income	3.65	15.88
			Cancellation income/Transfer charges	33.70	22.51
13. LONG TERM LOANS & ADVANCES			Total	501.31	2,083.11
Deposits with Mahindra World City Developers Limited	86.43	66.51	21. PROJECT COSTS		
Advance Income tax (net of provisions)	288.43	200.65	Land and construction costs	3,756.08	8,485.11
MAT credit entitlement	411.72	424.61	Architect Fees	12.51	64.29
Security Deposit	0.75	0.75	Site Expenses & other overheads	72.48	36.56
Total	787.33	692.52	Project management fees	298.55	300.00
			Interest	73.69	68.72
14. INVENTORIES			Approval and consultancy charges	18.66	-
Construction work in progress (including leasehold land)	8,845.03	8,439.81	Total	4,231.97	8,954.68
Construction materials	205.28	524.48	22. Changes in inventories		
Finished Units – Stock in Trade	1,232.56	271.22	Inventories at the end of the year:		
Total	10,282.87	9,235.51	Construction materials	205.28	524.48
			Work-in-progress	8,845.03	8,439.81
15. TRADE RECEIVABLES (Unsecured, considered good)			Finished Units – Stock in Trade	1,232.56	271.22
Trade receivables – outstanding for more than six months from the date they were due for payment	72.68	308.46	Inventories at the beginning of the year:		
Other trade receivables	597.79	979.92	Construction materials	524.48	512.21
Total	670.47	1,288.38	Work-in-progress	8,439.81	9,218.14
			Finished units – stock in trade	271.22	-
16. CASH AND CASH EQUIVALENTS			Net (increase)/decrease	(1,047.36)	494.84
Balances with banks			23. FINANCE COSTS		
– Cash on hand	0.02	-	Interest on borrowing from bank	63.23	-
– In current accounts	173.28	385.06	Interest on borrowings – related parties	505.09	965.31
– In Interim Dividend Account a/c	-	0.01	Other borrowing costs	14.80	-
– In Fixed deposits with maturity less than 3 months	-	600.00	Interest on Non Convertible Debentures	307.85	-
– In Earmarked Account*	134.82	134.16	Redemption Premium on Non Convertible Debenture	131.94	-
Total	308.12	1,119.23	Less : Allocated to project	(73.69)	(68.72)
			Total	949.22	896.59
* Collected from customers and to be transferred to Home Owners' Association upon formation.			24. OTHER EXPENSES		
17. SHORT TERM LOANS & ADVANCES (Unsecured, considered good unless stated otherwise)			Operation and maintenance expenses	200.09	183.17
Mobilisation advances – Secured by Bank guarantees from vendors	131.83	368.92	Legal & professional fees	34.66	11.49
Supplier advances	169.02	425.99	Advertisement, marketing and business development	322.84	318.53
Advances – Others	0.30	0.50	Brokerage	29.83	41.08
Deposits – others	90.46	32.97	Rent	13.78	-
Balance with Govt authorities (Service tax)	369.77	96.31	Repairs and Maintenance	67.76	77.40
Total	761.38	924.69	Deputation Charges	210.88	144.00
			Auditors remuneration		
18. OTHER CURRENT ASSETS			Audit fees	7.25	7.50
Unbilled revenue	2,836.13	1,914.77	Other services	3.10	2.10
Interest Accrued on Fixed Deposit	-	0.10	Reimbursement of expenses/levies	0.02	-
Total	2,836.13	1,914.87	Office establishment expenses	84.69	124.89
			Expenditure on Corporate Social Responsibility	32.17	-
Particulars	For the year ended	For the year ended	Provision for defect liability	24.30	101.84
	31st March, 2016	31st March, 2015	Miscellaneous expenses	4.76	8.17
	₹ in lakh	₹ in lakh	Total	1,036.13	1,020.17
19. REVENUE FROM OPERATIONS			25. Expenditure incurred in foreign currency		
Income from Projects	5,327.21	13,483.99	Travel expenses	3.21	-
Total	5,327.21	13,483.99	Exhibition participation charges	9.06	5.61
			Total	12.27	5.61
			26. Details of borrowing costs inventorised	73.69	68.72

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

27. Related party transactions:

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

Ultimate holding company:	Mahindra & Mahindra Limited
Holding company:	Mahindra Lifespace Developers Limited
Wholly owned subsidiary company:	Mahindra Residential Developers Limited

Fellow Subsidiaries with whom transactions have been entered during the year:

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

Key Management Personnel

Designation	Name	With effect from
Manager under the Companies Act	Jayant Manmadkar	21 st January, 2015
Chief Financial Officer	Sivaranjan Kumar Tulluri	13 th January, 2016
Company Secretary	Ankit Shah	16 th October, 2015

Note: Related Parties are as identified by the Management and relied upon by the auditors.

b) The related party transactions are as under:

₹ in lakh

Nature of the Transaction	Ultimate Holding Company	Holding Company	Fellow Subsidiary			Subsidiary
			MWCDL	MHRIL	MLL	
Inter Corporate Deposit received		-	-		-	-
		(-)	(-)		(1000.00)	(800.00)
Inter Corporate Deposit repaid		-	-	-	1000.00	600.00
		(-)	(-)	(-)	(-)	(-)
Term loan repaid		5770.00				
		(2600.00)				
Guarantee commission income		435.75				
		(435.75)				
Interest expense		287.63	-	-	57.86	159.60
		(808.85)	(-)	(-)	(0.33)	(156.13)
Administration expenses billed						68.92
						(-)
Consultancy charges (Information Technology & Manpower Deputation Charges)	18.51	508.86				
	(0.65)	(444.00)				
Office establishment expenses		45.23		-		
		(124.79)		(1.03)		
Maintenance charges			226.70			
			(211.67)			
Water charges			39.42			
			(68.30)			
Rent, EB & Maintenance charges			55.24			
			(-)			
Marketing expenses						44.00
						(-)
Project expenses (purchase of material)						(15.18)
Interim dividend paid		-	-			
		(740.00)	(260.00)			
Interim dividend received						-
						(1600.00)
Balances at year end						
Deposits (Rent & Maintenance)			86.42			
			(66.51)			
Inter-corporate deposits		-			-	1100.00
		(5770.00)			(1000.00)	(1700.00)
Payables	0.08	318.76			-	44.00
	(12.53)	(883.17)			(0.30)	(-)
Interest payable on Inter Corporate Deposits						3.03
						(-)

Figures in brackets are in respect of the previous year.

Remuneration to KMP is ₹ Nil.

28. Details of Lease arrangements:

The Company has taken Marketing & Administration Office space under operating Lease which are cancellable in nature. Accordingly no disclosures on future lease rentals have been made.

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

29. Earnings per share:

	For the year ended 31st March, 2016 ₹ in lakh	For the year ended 31st March, 2015 ₹ in lakh
Profit after tax for the year	499.34	4051.39
Weighted average number of equity shares (Nos. lakh) – Basic and diluted	504.35	504.35
Basic and diluted Earnings Per Share (₹)	<u>0.99</u>	<u>8.03</u>

30. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

Sr. No.	Particulars	For the year ended 31st March, 2016 ₹ in lakh	For the year ended 31st March, 2015 ₹ in lakh
1.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	191.42	150.93
2.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
3.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
4.	The amount of interest due and payable for the year	–	–
5.	The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
6.	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

31. Provisions:

The Company has made provision towards defect liability obligations based on the estimate, details of which are given below:

As at 1 st April, 2015	Additions	Utilisation	₹ in lakh
101.60	24.30	–	As at 31 st March, 2016* 125.90

* Expected to be incurred within a year

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

For and on behalf of the Board of Directors			
For A. F. Ferguson & Co. Chartered Accountants Firm's Registration No. 112066W	T Sivaranjan Kumar Chief Financial Officer Ankit Shah Company Secretary (ACS: 26552)	Ms. Anita Arjundas Chairperson (DIN: 00243215) Mr. M S Jagan Independent Director (DIN: 02002827)	Mr. Ravi Santhanam Independent Director (DIN: 000237740) Mr. S. Chandru Non-Executive Non-Independent Director (DIN: 00243025)
Place: Chennai Date: 13 th April, 2016		Place: Mumbai Date: 13 th April, 2016	