

## DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Eleventh Report together with the audited financial statement of the Company for the financial year ended on 31<sup>st</sup> March, 2016.

### Financial Highlights

Particulars	(Amount in Rupees)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Total Income.....	867,660,281	1,342,826,130
Profit before Tax.....	204,412,325	561,535,313
Provision for Taxation		
– Net Current Tax.....	62,820,000	137,267,500
– Deferred Tax.....	12,982,618	44,377,765
Profit after Tax.....	128,609,707	379,890,048
Add: Profit brought forward from previous year .....	39,646,603	5,645,332
Appropriations:		
Less: Adjustment of depreciation (refer note 32 of accounts) .....	–	876,444
Transferred to Debenture Redemption Reserve.....	59,375,000	242,708,333
Proposed Dividend (including tax on distributed profits) .....	102,304,000	102,304,000
Transfer to General Reserve.....	–	–
Profit Carried to Balance Sheet .....	6,577,310	39,646,603

### Dividend

The Directors have recommended a preference dividend of Rs. 0.80 per Share i.e. 8 per cent of the face value of Rs.10 on 50,000,000 Cumulative Redeemable Preference shares of the Company for the financial year 2015-16.

The Directors have also recommended equity dividend of Rs. 0.30 per share i.e. 3 per cent of the face value of Rs.10 on 150,000,000 equity shares of the Company for the financial year 2015-16.

The total dividend payment for the financial year (including tax on dividend distribution) is Rs. 102,304,000 /-.

### Reserve

The Company has transferred Rs. 5,93,75,000/- to Debenture Redemption Reserve Account and the balance has been carried forward to Profit & Loss Account.

### Operations

During the year, the Company added 4 customers (2 in SEZ and 2 in DTA), taking the total number of customers in Mahindra World City, Jaipur (MWCJ) to Sixty Eight (68). Three (3) existing customers also increased their footprint during the year. The total land leased out during the year is 28.66 acres (SEZ 8.55 acres and DTA 20.11 acres) and include companies across diverse industry segments. Some of the companies to whom land was leased during the year are Dev Milk Foods Private Limited, Rajendra and Ursula Joshi Skill Development Private Limited, Rainbow Textfab Private Limited, Pinnacle Infotech Solutions and Shivakriti International Limited.

Nine (9) customers became operational during the year, taking the total number of operational customers to 33. During the

year, Seven (7) customers started development activities for their respective campuses / factories. The total development at eVolve is currently 0.430 Million square feet rentable area comprising of 4 buildings. Out of the total rentable area of 0.430 Million square feet, an area of 0.415 Million square feet has been leased. The customers at eVolve include DBOI Global Services Pvt Ltd, Metlife, Genpact, EXL Services SEZ BPO Solution Private Limited, Systweak, Phone Support Private Limited and Appirio India Cloud Solutions Private Limited.

The cumulative direct employment created by the companies at Mahindra World City, Jaipur was around 8,400 persons. Exports by MWCJ clients grew by 1% to reach Rs.1,128.35 Cr. in 2015-16 compared to Rs. 1,119.24 Cr. during the previous year. The Company and its customers based at MWCJ have together invested Rs. 2,872 Crore in the project till March 31, 2016.

The Company currently has 5 sector Specific Special Economic Zones (SEZs), viz. 2 in IT/ITeS, and 1 each in Handicrafts, Engineering & Related Industries and Gems & Jewellery. The project also comprises a Domestic Tariff Area. The area currently notified, under the SEZs, is 1472.84 acres and the DTA comprises 1000 acres of which 500 acres is under development and leasing activity and an additional 500 acres is under approval.

During the year, 4 editions of the customer engagement platform, Coalesce have been conducted to discuss operational matters in the project and collaborate on new initiatives and infrastructure needs. This initiative has been received well by the customers.

The Company stays committed to sustainable development. Some of the achievements are below:

- 1) Solar PV rooftop project of 210KWP commissioned at eVolve's rooftop on PPA model. It is estimated to provide a reduction of 160 Tons of CO2 emission/annum.
- 2) **MWCJ C-40 Roadmap progress:** LED lights retrofit in eVolve basement completed which will save electrical consumption of approx. 1 lac units and CO2 emission of 46.2 Ton/annum.

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 has been prepared on the basis of going concern status of the Company.

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

### **Share Capital**

The Authorized and Paid up share capital of the Company is Rs. 200 crore. The Share capital comprises of 15 crore equity shares of Rs. 10/- each aggregating Rs. 150 crore and 5 crore 8% Redeemable Cumulative Preference shares of Rs. 10/- each aggregating Rs. 50 crore. The Paid-up share capital is held by Mahindra Lifespace Developers Limited (MLDL) and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) in the ratio of 74:26.

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**

As on 13<sup>th</sup> July, 2012, the Company had issued and allotted 2500 – Secured Unlisted Rated Redeemable Non-Convertible Debentures (NCDs) at 10.00% Coupon rate with a face value of Rs. 1,000,000 (Rupees Ten Lakhs only) each for cash at par, aggregating Rs. 250 crores (Rupees Two Hundred Fifty Crores only) vide Series A, Series B, and Series C, on private placement basis.

The Company had also issued and allotted 650- Secured Unlisted Rated Redeemable Non-Convertible Debentures (NCDs) as on 19<sup>th</sup> December, 2014 at 10.90% Coupon rate with a face value of Rs. 1,000,000 (Rupees Ten Lakhs only) each for cash at par, aggregating Rs. 65 crores (Rupees Sixty Five Crores only) vide Series I, Series II, and Series III on Private Placement basis.

On 9<sup>th</sup> July, 2015, the Company has issued and allotted 50 Secured Unlisted rated Redeemable Non - Convertible Debentures (NCDs) at 9.50% Coupon Rate with a face value of Rs. 1,00,00,000/- (Rupees One Crore Only) each fully paid up aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crore Only) on Private Placement basis.

Series A of Secured Unlisted Rated Redeemable 750 Non-Convertible Debentures (NCD's) of 10.00% coupon rate with a face value of Rs. 10,00,000 (Rupees Ten Lakh only) each aggregating Rs. 75 Crore (Rupees Seventy Five Crore only) were redeemed on 13<sup>th</sup> July, 2015 along with redemption premium.

The proceeds of all the above mentioned NCDs issue have been utilized for the purpose 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 Rs. 26,011 lakh and Rs. 26,274 lakh respectively.

### **Holding Company**

The Company is a subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company 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 the Company. Therefore, the requirement of consolidated financial statements does not apply to the Company.

### **Board of Directors**

As at 31<sup>st</sup> March, 2016, the Board of Directors comprise of following:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Designation</b>
1.	Mr. Chandra Shekhar Rajan	00126063	Chairman, Non-Executive Non-Independent Director
2.	Mr. Maheswar Sahu	00034051	Non-Executive Independent Director
3.	Mr. Ashok Jain	01641752	Non-Executive Non-Independent Director
4.	Mr. Salil Singhal	00006629	Non-Executive Independent Director
5.	Ms. Veenu Gupta	02170999	Non-Executive Non-Independent Director
6.	Mr. Shikhar Agrawal	01093773	Non-Executive Non-Independent Director
7.	Mr. Arun Kumar Nanda	00010029	Non-Executive Non-Independent Director
8.	Ms. Anita Arjundas	00243215	Non-Executive Non-Independent Director
9.	Ms. Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

During the year, there has been no change in the composition of the Board of Company.

Pursuant to Section 152 of the Companies Act, 2013 and provisions of Articles of Association, Non- Executive Non-Independent Directors Mr. Arun Kumar Nanda (DIN: 00010029), Mr. Ashok Jain (DIN: 01641752) and Ms. Veenu Gupta (DIN: 02170999), retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment. All the three Directors being eligible have offered themselves for reappointment.

Further, 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 Companies Act, 2013, declaration from all the Independent Directors were received affirming their independence in accordance with the Section 149(6) of the Companies Act, 2013.

#### **Key Managerial Personnel**

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

<b>Sr. No.</b>	<b>Name of Key Managerial Personnel</b>	<b>Designation</b>
1.	Mr. Sanjay Srivastava	Manager & COO
2.	Mr. Sanjay Jain	Chief Financial Officer
3.	Ms. Prashi Jain	Company Secretary

Ms. Prashi Jain was appointed as the Company Secretary of the Company with effect from 2<sup>nd</sup> April, 2015.

#### **Committees of the Board:**

##### **Audit Committee**

The Audit Committee comprises of two Independent Directors, namely Mr. Maheswar Sahu, Mr. Salil Singhal and one Non-Executive Non-Independent Director, Ms. Veenu Gupta. Mr. Maheswar Sahu is the Chairman of the Audit 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 Committee (CSR)**

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Maheswar Sahu, Independent Director and two Non-Executive Non-Independent Directors Ms. Veenu Gupta and Ms. Sangeeta Prasad. Mr. Maheswar Sahu is the Chairman of the Committee.

During the year, the Company contributed Rs. 80 Lakh towards Corporate Social Responsibility. The Annual Report on 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 (NRC)**

The Nomination and Remuneration Committee comprises of two Independent Directors, namely, Mr. Maheswar Sahu,

Mr. Salil Singhal and two Non-Executive Non-Independent Directors namely Ms. Veenu Gupta, and Ms. Anita Arjundas. Mr. Maheswar Sahu is the Chairman of the Committee.

The following policies of the Company as required under 178(3) of the Companies Act, 2013 is attached herewith and marked as **Annexure 2, Annexure 3 and Annexure 4**, respectively to this report:

1. Policy on appointment of Directors & Senior Management;
2. Policy on remuneration of Directors;
3. Policy on remuneration of Key Managerial Personnel and Employees;

#### **Other Committees:**

##### **Contract Committee**

The Committee comprises of three members, namely Mr. Shikhar Agrawal, Non-Executive Non-Independent Director, Ms. Sangeeta Prasad, Non-Executive Non-Independent Director and Mr. Sanjay Srivastava, Manager & Chief Operating Officer.

##### **Capital Issue Committee**

The Committee comprises of three members, namely Ms. Veenu Gupta, Non-Executive Non-Independent Director, Mr. Arun Kumar Nanda, Non-Executive Non-Independent Director and Ms. Anita Arjundas, Non-Executive Non-Independent Director.

##### **Land Lease Committee**

The Committee comprises of two members, namely Mr. Ashok Jain, Non-Executive Non-Independent Director, and Ms. Anita Arjundas, Non-Executive Non-Independent Director.

##### **Loans & Investments Committee**

The Committee comprises of four members, namely Mr. C.S. Rajan, Non-Executive Non-Independent Director, Ms. Veenu Gupta, Non-Executive Non-Independent Director, Mr. Arun Kumar Nanda, Non-Executive Non-Independent Director and Ms. Sangeeta Prasad, Non-Executive Non-Independent Director.

##### **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 Chairman of the Company was carried out by the Independent Directors. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated. 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, seven meetings of the Board of Directors were convened and held of which two meetings were held on 28<sup>th</sup> April, 2015 and balance five meetings were held on 30<sup>th</sup> June, 2015, 24<sup>th</sup> July, 2015, 23<sup>rd</sup> October, 2015, 20<sup>th</sup> January, 2016 and 15<sup>th</sup> March, 2016.

During the year, three meetings of the Audit Committee were convened and held on 28<sup>th</sup> April, 2015, 24<sup>th</sup> July, 2015 and 23<sup>rd</sup> October, 2015.

During the year, two meetings of the Nomination and Remuneration Committee (NRC) were convened and held on

The previous Annual General Meeting of the Company was held on 24<sup>th</sup> July, 2015.

**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	Contract Committee meetings attended
1.	Mr. Chandra Shekhar Rajan	4	-	-	-	-
2.	Mr. Maheswar Sahu	4	2	1	2	-
3.	Mr. Ashok Jain	3	-	-	-	-
4.	Mr. Salil Singhal	2	1	1	-	-
5.	Ms. Veenu Gupta	7	3	2	2	-
6.	Mr. Shikhar Agrawal	1	-	-	-	1
7.	Mr. Arun Kumar Nanda	3	-	-	-	-
8.	Ms. Anita Arjundas	6	-	2	-	-
9.	Ms. Sangeeta Prasad	6	-	-	2	Nil
10.	Mr. Sanjay Srivastava	-	-	-	-	1

**Codes of Conduct**

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

The Company has for the financial year 2015-16, received declarations under the Codes from the Board Members, Independent Directors, Senior Management and employees 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 along with proper explanation relating to material departures, if any;

28<sup>th</sup> April, 2015 and 24<sup>th</sup> July, 2015.

During the year, two meetings of the Corporate Social Responsibility (CSR) Committee were convened and held on 28<sup>th</sup> April, 2015 and 23<sup>th</sup> October, 2015.

During the year, one meeting of the Contract Committee was convened and held on 10<sup>th</sup> April, 2015.

During the year, one meeting was also conducted on 9<sup>th</sup> July, 2015 for issuance of Non- Convertible Debentures by the Committee of two Directors comprising of Ms. Anita Arjundas & Ms. Sangeeta Prasad.

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

**Internal Financial Controls**

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

**Vigil mechanism / Whistle Blower Mechanism**

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization 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 has been posted on the website of the Company and is available at the link [\\_http://www.mahindraworldcity.com/about-us/our-policies.aspx](http://www.mahindraworldcity.com/about-us/our-policies.aspx).

**Risk Management**

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. The 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. Deloitte Haskins & Sells, Chartered Accountants, Chennai retire as Auditors at the forthcoming Annual General Meeting. The members will be required to appoint the Statutory 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 Companies Act, 2013, the Company has received written consent and certificate from M/s Deloitte Haskins & Sells, Chartered Accountant, (ICAI Firm Registration Number 008072S), proposed to be re-appointed as Auditors for one year i.e. from the conclusion of the 11<sup>th</sup> Annual General Meeting upto conclusion of the 12<sup>th</sup> Annual General Meeting of the Company to the effect that their appointment, if made, would be in conformity with the limits specified in that Section.

The Board has recommended to the Shareholders the appointment of the said Auditors for the term of one year.

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

**Cost Auditors**

The Board of Directors on the recommendation of the Audit Committee, has appointed M/s. K G Goyal & Company, Cost Accountants, Jaipur having Registration Number –

00017/07/2008, for the financial year 2015-16, for conducting the audit of the various cost records maintained by the Central Government pursuant to its order dated 30<sup>th</sup> June, 2014 and any amendments thereof, subject to the approval of the members on the remuneration to be paid to the Cost Auditor.

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

**Secretarial Auditors**

The Board has appointed M/s. JPS & Associates, practicing Company Secretaries, to conduct the secretarial audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended March 31, 2016 is annexed herewith and marked as **Annexure 5** to this Report.

The Secretarial audit report does not contain any qualification, reservation or 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 the Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. The particulars of investment are provided in the financial statement at Note No. 16.

**Contracts or 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 with related parties 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.

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

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

### **Employee Remuneration**

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

### **Extract of Annual Return**

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

### **Change in the nature of business, if any: NIL**

### **Safety, Health and Environmental Performance:**

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

### **Sustainability:**

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance. Mahindra World City Jaipur is the first and largest project in Asia to receive Stage 2 Climate Positive Development certification from C40 Cities Climate Leadership Group.

### **General**

During the year ended March 31, 2016, there were no cases filed / reported pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

No penalties/structures were imposed on the Company by any statutory authority on any matter.

The Company has received a Demand Notice dated 27<sup>th</sup> January, 2016 on 28<sup>th</sup> January, 2016, from Jaipur Development Authority (JDA) regarding payment of lease / Shahri Jamabandi charges along with interest thereon for the period 27<sup>th</sup> September, 2006 to 31<sup>st</sup> March, 2016, on the land leased by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO) to the Company in Mahindra World City, Jaipur. The notice is for an amount of Rs. 3,21,79,38,890.

The Company has from March, 2011 to January, 2016 paid, in various tranches, an aggregate amount Rs. 4,50,87,109 towards the aforesaid lease / Shahri Jamabandi charges

calculated in accordance with the relevant provisions, statutes and representations on the subject. This has been further validated by a legal opinion.

Based on the above, the Company is of the opinion that as of date, it is not in arrears of any amounts and has taken up the matter with the relevant authorities.

No other 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, Internal Auditor, Secretarial Auditor and Cost 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.*

### **Acknowledgement**

The Board of Directors thank and wish to place on record its appreciation to the Ministry of Commerce & Industry, Board of Approvals (SEZ), Development Commissioner, Noida Special Economic Zone, Development Commissioner SEZs, Government of Rajasthan, and all the agencies and Departments of the State Government, Bankers – State Bank of India, HDFC Bank, Kotak Mahindra Bank, Axis Trustee, our valuable customers and the employees of the Company at all levels, for their continued co-operation and unstinted support.

The Directors also express their sincere thanks to the shareholders for the continued support and trust they have shown in the Management.

**For and on behalf of the Board,**

**Ms. Anita Arjundas      Ms. Sangeeta Prasad**  
**Director (DIN 00243215)    Director (DIN 02791944)**

Jaipur, 21<sup>st</sup> April, 2016

## ANNEXURE 1

### THE ANNUAL REPORT ON CSR ACTIVITIES

**1. A brief outline of the company CSR Policy, including overview of projects or programs proposed to be taken and a reference to the Web link to the CSR Policy and projects or programs.**

CSR forms an integral part of the Company. The Company believes that its initiatives and high ethical standards will definitely encourage a positive impact on everyone involved in the project directly or indirectly. With a view to achieve inclusive social development, the Company has taken initiatives of organizing various training programs for school dropouts / unemployed youth and Women Empowerment, who are part of the local community around project area through a well-recognized NGO - Technology Business Incubator.

- Vocational Skill Development Training – Since its inception a total of 960 candidates have been trained as on 31<sup>st</sup> March, 2016. **In FY 15-16, the training was given to 300 candidates.**
- Formation of Women SHG's – Since its inception 80 SHG's have been formed with 810 women. **In FY 15-16, 25 women** have been given advance training from the existing groups and **50 women** were given basic primary education.
- The Company also conducted **three** medical camps in the neighbouring villages around the project office of the Company.
- The Company also planted **5500 trees** in government approved forest area and the neighbouring villages around the project office of the Company.
- Under the Clean India Campaign, the Company took the initiative to **clean four** neighbouring villages around the project office of the Company and the **Jaipur Wildlife Zoo.**

- The Company has also contributed Rs. 25, 00, 000/- for the Rajasthan State Govt. CSR project – MukyaMantri Jal Swavalambhan Abhiyan for making villages self-sufficient in Drinking Water and conserving water resources. A total of **15 villages** have been identified around the project office of the Company.

A details report of all activities in attached for reference. We are happy to inform that 100% of the CSR budget has been consumed for FY 15-16.

**2. The Composition of the CSR Committee.**

The Corporate Social Responsibility (CSR) Committee of the Company comprises of Mr. Maheswar Sahu, Independent Director (Chairman of the Committee), Ms. Veenu Gupta and Ms. Sangeeta Prasad, Non-Executive Non-Independent Directors of the Company.

**3. Average net profit of the company for the last three financial years (Before tax).**

The average net profit of the Company for the last three financial years- Rs. **3951.84** Lakh.

**4. Prescribed CSR Expenditure (two percent of the amount as in item no. 3 above).**

Prescribed CSR spend (2% of above amount) - Rs. **79.04** Lakh

**5. Details of CSR spent during the financial year:**

- a. Total amount to be spent for the financial year: Rs.**79.04** Lakh
- b. Amount unspent, if any: NIL

c. Manner in which the amount spent during the financial year is detailed below:

(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	Education of the girl child	Education	Udaipur/Rajasthan	2000000	2000000	2000000	Direct
2	Vocational Skill Development Program	Education	Jaipur/Rajasthan	1800000	1799936	3799936	Direct
3	Model School Development	Education	Jaipur/ Rajasthan	100000	99709	3899645	Direct

(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
4	Mid-Day meals for Govt. School children	Education	Jaipur/ Rajasthan	350000	347200	4246845	Direct
5	MukyaMantri Jal Swavalamban Abhiyan	Health	Jaipur/ Rajasthan	2500000	2500000	6746845	Direct
6	Medical Camps	Health	Jaipur/ Rajasthan	200000	70715	6817560	Direct
7	Blood Donation Activity	Health	Jaipur/ Rajasthan		7756	6825316	Direct
8	World Aids Awareness Day	Health	Jaipur/ Rajasthan		8903	6834219	Direct
9	Water Cooler Installation	Health	Jaipur/ Rajasthan		32500	6866719	Direct
10	Road Safety Week	Health	Jaipur/ Rajasthan		28790	6895509	Direct
11	Medical Camps	Health	Jaipur/ Rajasthan		54110	6949619	Direct
12	Tree Plantation	Environment	Jaipur/ Rajasthan	200000	196107	7145726	Direct
13	Development of Jaipur Wildlife Zoo	Environment	Jaipur/ Rajasthan	350000	72960	7218686	Direct
14	Development of Jaipur Wildlife Zoo	Environment	Jaipur/ Rajasthan		166290	7384976	Direct
15	Cleanliness Drives	Environment	Jaipur/ Rajasthan		147782	7532758	Direct
16	LED Tube lights Installation	Environment	Jaipur/ Rajasthan	500000	464820	7997578	Direct

**Give Details of implementing agency:**

TECHNOLOGY BUSINESS INCUBATOR-KIET is jointly promoted by Department of Science & Technology, Govt. of India & Krishna Institute of Engineering & Technology, Ghaziabad. TBI-KIET is registered under Society Registration Act 1860 initiated by DST support to demonstrate a model of creating knowledge based enterprise & creation of job opportunities through innovation & entrepreneurship and also market oriented skilled trained rural personnel to meet out the requirement of industries thereby uplifting the economics status & livelihood of the people.

The K. C. MAHINDRA EDUCATION TRUST was established in the year 1953, with an objective of promoting literacy and higher learning in the country. It is registered as a public Charitable Trust under the Bombay Public Trusts Act, 1950. Over the years, the Trust has undertaken a number of education initiatives, which make a difference in the lives of deserving and needy students. The trust has provided more than Rs. 440.34 million (8.81 million \$) in the form of grants, scholarships and loans. These funds are derived from the trusts investment portfolio, the main donor of which is the Mahindra group of companies. Since its inception, the trust has promoted education mainly by way of scholarships and grants to deserving and needy students.

**6. In case the company has failed to spend the two percent of 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 the 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.

**Mr. Maheswar Sahu**      **Mr. Sanjay Srivastava**  
**Chairman of the CSR Committee**      **Manager & COO**  
**(DIN 00034051)**

Jaipur, 21<sup>st</sup> April, 2016



## ANNEXURE- 2

### POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

#### DEFINITIONS

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

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra World City (Jaipur) Limited.

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

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

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

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

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

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

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

#### I. APPOINTMENT OF DIRECTORS

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

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

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

#### REMOVAL OF DIRECTORS

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

#### SENIOR MANAGEMENT PERSONNEL

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

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

**For and on behalf of the Board,**

**Ms. Anita Arjundas      Ms. Sangeeta Prasad**  
**Director (DIN 00243215)    Director (DIN 02791944)**

*Jaipur, 21<sup>st</sup> April, 2016*

## ANNEXURE 3

### POLICY FOR REMUNERATION OF THE DIRECTORS

#### Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World City (Jaipur) Limited.

#### Policy Statement

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

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

#### NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The NRC shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as

membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and such other factors as the NRC may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

#### Directors

The Chief Operating Officer is an executive of the Company and draws remuneration from the Company. Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, as fixed by the Board of Directors from time to time subject to statutory provisions.

#### Disclosures

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

**For and on behalf of the Board,**

**Ms. Anita Arjundas      Ms. Sangeeta Prasad**  
**Director (DIN 00243215)    Director (DIN 02791944)**

*Jaipur, 21<sup>st</sup> April, 2016*

## ANNEXURE-4

### REMUNERATION POLICY FOR KMPS AND EMPLOYEES

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

#### Objective

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

#### Standards

- All employees, irrespective of contract, are to be remunerated fairly and the remuneration is to be externally competitive and internally equitable. The remuneration will be paid in accordance with the laid down Statutes.
- Remuneration for on-roll employees will include a fixed or guaranteed component payable monthly; and a variable component which is based on performance and paid annually in the month of July following the fiscal.
- The fixed component of remuneration will have a flexible component with a bouquet of allowances to enable an employee to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually in the month of July i.e. after the salary increment exercise.
- The variable component of the remuneration will vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while

individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.

- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60<sup>th</sup> percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
  - o The increment that needs to be paid for different performance ratings as well as grades.
  - o The increment for promotions and the total maximum increment.
  - o 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.
- There are no mid-term compensation increments.

**For and on behalf of the Board,**

**Ms. Anita Arjundas      Ms. Sangeeta Prasad**  
**Director (DIN 00243215)    Director (DIN 02791944)**

*Jaipur, 21<sup>st</sup> April, 2016*

## ANNEXURE 5

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR 2015-16

[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 World City (Jaipur) Limited,**  
4<sup>th</sup> Floor, 411, Neelkanth Tower,  
Bhawani Singh Road, C Scheme,  
Jaipur - 302001.

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

(II) Based on our verification of the Company's statutory registers and records, minutes books, forms and returns filed with various authorities and other records maintained by the Company and also the information and explanation provided by the Company, its officers, agents and authorised 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 March 31, 2016 complied with various provisions of statutory enactments listed hereunder at clause (III) and that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner and subject to the reporting made hereinafter.

(III) We have examined the Statutory Registers, Minutes books of the General Meetings, Board Meetings and Committee Meetings, Forms and Returns filed with various Authorities and other records maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

1. The Companies Act, 2013 and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. The Indian Stamp Act, 1899
5. The Income Tax Act, 1961;
6. The Customs Act, 1962;
7. Service Tax Laws;
8. The Central Sales Tax Act, 1956;

9. The Rajasthan Value Added Tax Act, 2003
10. The Special Economic Zones Act, 2005;
11. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
12. Employers Liability Act, 1938;
13. The Payment of Gratuity Act, 1972;
14. Employees' State Insurance (ESI) Act, 1948;
15. The Contract Labour (Regulation and Abolition) Act, 1970;
16. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
17. The Environment (Protection) Act, 1986;
18. The Water (Prevention and Control of Pollution) Act, 1974;
19. The Air (Prevention and Control of Pollution) Act, 1974.

(IV) As observed and as per the information and explanations given to us, since the company did not receive any Foreign Direct Investment and / or External Commercial Borrowings and did not make any Overseas Direct Investment, the provisions of Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating thereto were not applicable to the company during the year under review.

(V) Since the company is an unlisted company, the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and the Rules, Regulations and guidelines made there under are not applicable to the company during the year under review.

(VI) We have also examined the compliance with applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

(VII) Based on our above mentioned examination and verification of records and information and explanation provided to us by the management, officers, employees and staff of the company, we report that during the financial year under review the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

(VIII) We further report that having regard to the size and nature of the company the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.

- (IX) We further report that keeping in view the size and nature of the company, in our opinion 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.
- (X) We further report that decisions were observed to be carried out by majority, however, we do not come across or explained with any instance of dissenting members, whose views need to be separately recorded in the minutes books as such.
- (XI) 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.
- (XII) We further report that during the financial year under review the Company has issued Non Convertible debentures on private placement basis and also redeemed Non Convertible debentures and complied with necessary provisions of the Act in this regard.
- (XIII) We further report that during the audit period, there were no instances of:
- (i) Public / Rights / Preferential issue of shares / sweat equity;
  - (ii) Buy-back of securities;
  - (iii) Merger/ amalgamation / reconstruction etc.;
  - (iv) Foreign technical collaborations.
- Our above report is subject to the following:
1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an 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. Wherever required, we have obtained the Management Representation, in writing as well as verbal, about the compliance of laws, rules and regulations and happening of events etc.;
  5. The Compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of the management. Our examination was limited to the verification of the 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 the effectiveness with which the management has conducted the affairs of the Company.
  7. The compilation of the Secretarial Audit Report and the above mentioned contents are without any bias and/ or prejudice.

**For JPS & Associates**  
Company Secretaries

**Jai Prakash Sharma**  
**Partner**  
C. P. No.: 5161

Jaipur, 20<sup>th</sup> April, 2016

## ANNEXURE – 6

### **A. CONSERVATION OF ENERGY**

- a) Energy conservation measures taken :
- The Company is regularly pursuing the initiatives taken for energy conservation which include introduction of LED lighting, use of re-cycled water, plantation etc.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- i) Solar PV rooftop project of 210KWP commissioned at eVolve's rooftop on PPA model. It is estimate to provide the reduction of 160 Tons of CO2 emission/ annum.
  - ii) **MWCJ C-40 Roadmap progress:** LED lights retrofit in evolve basement completed which will save electrical consumption of approx. 1 lac units and CO2 emission of 46.2 Ton/annum.
- c) Impact of the measures taken/to be taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Energy saving of 30% due to use of LED street lights.
- d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries specified in the Schedule: Not applicable

### **B. TECHNOLOGY ABSORPTION**

#### **Research & Development (R&D)**

1.	Areas in which R & D is carried out:	The Company has not carried out any specific R&D activities during the year.
2.	Benefits derived as a result of the above efforts:	Not Applicable.
3.	Future Plan of action:	Further quality improvement
4.	Expenditure on R & D:	Nil
5.	Technology absorption, adaptation and innovation:	Nil
6.	Imported Technology for the last 5 years:	Nil

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, there were no foreign exchange earnings. The information of foreign exchange outgo is furnished in note no. 31 to financial statement.

**For and on behalf of the Board,**

**Ms. Anita Arjundas**  
**Director (DIN 00243215)**

**Ms. Sangeeta Prasad**  
**Director (DIN 02791944)**

Jaipur, 21<sup>st</sup> April, 2016

**ANNEXURE 7****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN  
AS ON FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2016****(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014)****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	:	U45209RJ2005PLC021207
2.	Registration Date	:	26/08/2005
3.	Name of the Company	:	MAHINDRA WORLD CITY (JAIPUR) LIMITED
4.	Category/Sub-category of the Company	:	Category: Company Limited by Shares Sub Category: Indian Non Government Company
5.	Address of the Registered office & contact details	:	4 <sup>th</sup> Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme, Jaipur, Rajasthan- 302001 Email: JAIN.SANJAY@mahindra.com Tel. No. 91-141-3003461 Fax No. 91-141-2243060
6.	Whether listed company	:	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Not Applicable for equity and preference shares. <u>For Non-Convertible Debentures:</u> Sharepro Services (India) Pvt. Ltd. Address: 13 AB, Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072 Telephone: 67720300, 67720400 Fax Number: 28591568, 28508927 Email id: sharepro@shareproservices.com

**II. 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 products/services	NIC Code of the Product/service*	% to total turnover of the company#
1	Other Specialized Constructions Activities [Development, Operation and Maintenance of Special Economic zone (SEZ) and Domestic Tariff Area (DTA)]	439	100%

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of company	Country	CIN/GLN	Holding/ Subsidiary/ Associate	% holding as at 31.03.2016	Applicable Section
1	Mahindra Lifespace Developers Limited Address- Mahindra Towers 5 <sup>th</sup> FL RD No 13, Worli , Mumbai- 400018, Maharashtra	India	L45200MH1999PLC118949	Holding	74%	Section 2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**a) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	15,00,00,000	15,00,00,000	100%	-	15,00,00,000	15,00,00,000	100%	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	15,00,00,000	15,00,00,000	100%	-	15,00,00,000	15,00,00,000	100%	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c. Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	15,00,00,000	15,00,00,000	100%	-	15,00,00,000	15,00,00,000	100%	0.00



**b) Shareholding of Promoter-**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change In shareholding 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.	11,09,99,940	73.99%	–	11,09,99,940	73.99%	–	0.00
2	Mahindra Lifespace Developers Ltd. & Mr. Narayan Shankar	10	0.000005%	–	10	0.000005%	–	0.00
3	Mahindra Lifespace Developers Ltd & Mr. Arun Nanda	10	0.000005%	–	10	0.000005%	–	0.00
4	Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO)	3,90,00,000	26%	–	3,90,00,000	26%	–	0.00
5	Mahindra Lifespace Developers Ltd. & Mr. Suhas Kulkarni	10	0.000005%	–	10	0.000005%	–	0.00
6	Mahindra Lifespace Developers Ltd. & Ms. Anita Arjundas	10	0.000005%	–	10	0.000005%	–	0.00
7	Mahindra Lifespace Developers Ltd. & Ms. Sangeeta Prasad	10	0.000005%	–	10	0.000005%	–	0.00
8	Mahindra Lifespace Developers Ltd & Mr. Sanjay Srivastava	10	0.000005%	–	10	0.000005%	–	0.00
	<b>Total</b>	<b>15,00,00,000</b>	<b>100.00</b>	<b>–</b>	<b>15,00,00,000</b>	<b>100.00</b>	<b>–</b>	<b>0.00</b>

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

**d) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): Nil**

**e) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	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
	<b>At the beginning of the year</b>				
	Mahindra Lifespace Developers Ltd. And Mr. Arun Nanda	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Anita Arjundas	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Sangeeta Prasad	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Mr. Sanjay Srivastava	10	0.000005	10	0.000005
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	–	–	–	–
	<b>At the end of the year</b>				
	Mahindra Lifespace Developers Ltd. And Mr. Arun Nanda	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Anita Arjundas	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Ms. Sangeeta Prasad	10	0.000005	10	0.000005
	Mahindra Lifespace Developers Ltd. And Mr. Sanjay Srivastava	10	0.000005	10	0.000005

**f) Indebtedness** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,15,76,95,835	—	—	3,15,76,95,835
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	38,88,39,968	—	—	38,88,39,968
<b>Total (i + ii + iii)</b>	<b>3,54,65,35,803</b>	<b>—</b>	<b>—</b>	<b>3,54,65,35,803</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	52,42,95,228	—	—	52,42,95,228
– Reduction	(80,38,09,237)	—	—	(80,38,09,237)
<b>Net Change</b>	<b>(27,95,14,009)</b>	<b>—</b>	<b>—</b>	<b>(27,95,14,009)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,90,00,00,000	—	—	2,90,00,00,000
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	36,70,21,794	—	—	36,70,21,794
<b>Total (i + ii + iii)</b>	<b>3,26,70,21,794</b>	<b>—</b>	<b>—</b>	<b>3,26,70,21,794</b>

**V REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mr. Sanjay Srivastava (Manager)	—	—	
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,04,90,187	—	—	1,04,90,187
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,84,967	—	—	7,84,967
	c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—	—
2.	Stock Option related perquisites	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission – as % of profit – others, specify	—	—	—	—
5.	Others, please specify SAR's	—	—	—	—
	Total (A)	1,12,75,154	—	—	1,12,75,154
	Ceiling as per the Act	2,40,00,000			2,40,00,000

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Maheswar Sahu	Mr. Salil Singhal	—	
1	Independent Directors				
	Fee for attending board committee meetings	1,30,000	60,000	—	1,90,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (1)	1,30,000	60,000	—	1,90,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	—	—	—	—
	Commission	—	—	—	—
	Others, please specify	—	—	—	—

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Maheswar Sahu	Mr. Salil Singhal	---	---	
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,30,000	60,000			1,90,000
	Total Managerial Remuneration (A + B)	-	-	-	-	1,14,65,154
	Overall Ceiling as per the Act	2,40,00,000				2,40,00,000

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,58,827	45,05,711.90	47,64,538.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	34,551	7,00,806.10	7,35,357.10
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option related perquisites	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	2,93,378	52,06,518	54,99,896

**XII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There was no penalties/ punishments/ compounding of offences for the year ending 31.03.2016

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)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

For and on behalf of the Board,

Ms. Anita Arjundas  
Director  
DIN: 00243215

Ms. Sangeeta Prasad  
Director  
DIN: 02791944

Jaipur, 21<sup>st</sup> April, 2016

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF MAHINDRA WORLD CITY (JAIPUR) LIMITED

#### Report on the Financial Statements

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

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, 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 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 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 31<sup>st</sup> 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 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 28 to the financial statements).
  - ii. The Company did not have material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**  
*Chartered Accountants*  
(Firm's Registration No. 008072S)

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

*Place: Chennai*  
*Date: April 21, 2016*

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

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

#### Management’s Responsibility for Internal Financial Controls

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

#### Auditor’s Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

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

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants  
(Firm’s Registration No. 008072S)*

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

*Place: Chennai  
Date: April 21, 2016*

## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of Fixed assets:
- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) With respect to the leasehold land on which the properties are constructed by the company, based on examination of the registered lease deeds provided to us, we report that the lease agreements are in the name of the Company as at the balance sheet date where the company is the lessee in the agreement.
- (ii) In respect of its inventories, in our opinion and according to the information and explanations given to us, having regard to the nature of inventories, 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) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits outstanding at any time during the year.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund,

Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (c) Details of statutory dues which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount Relates	Amount involved (Rs. in lakhs)	Amount unpaid (Rs. in Lakhs)
Jaipur Development Authority Act 1982 (JDA Act)	Urban assessment/ Shahri Jamabandi	Jaipur Development Authority	2006-16	32,179	31,729

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year; we have been informed that a minor fraud committed by an employee on the Company has been noticed and reported during the year.
- (xi) In our opinion and according to the information and explanations given to us and based on the Company's confirmation that they are covered under Para d, Section III (Remuneration payable by companies having no profit or inadequate profit without Central Government approval in certain special circumstances), Part II of Schedule V to the Companies Act 2013, relating to company in a Special Economic Zone as notified by Department of Commerce, the managerial remuneration paid / provided by the Company is in accordance with Section 197 read with the above Schedule V of the Companies Act 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance

with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

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

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with

its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

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

For **DELOITTE HASKINS & SELLS**

*Chartered Accountants*  
*(Firm's Registration No. 008072S)*

**Geetha Suryanarayana**

*Partner*

*(Membership No. 29519)*

*Place: Chennai*

*Date: April 21, 2016*



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

Particulars	Note No.	As at	As at
		31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share capital .....	3	2,000,000,000	2,000,000,000
(b) Reserves & Surplus.....	4	627,410,643	601,104,936
		<u>2,627,410,643</u>	<u>2,601,104,936</u>
<b>2 Non-Current liabilities</b>			
(a) Long term Borrowings .....	5	1,650,000,000	2,400,000,000
(b) Deferred tax liabilities (Net).....	6	191,255,661	178,273,043
(c) Other long term liabilities.....	7	30,694,666	44,542,026
(d) Long term provisions .....	8	115,792,904	140,686,719
		<u>1,987,743,231</u>	<u>2,763,501,788</u>
<b>3 Current liabilities</b>			
(a) Short term Borrowings.....	9	500,000,000	7,695,835
(b) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises.....		10,150,185	11,192,141
Total outstanding dues of creditors other than micro enterprises and small enterprises.....		78,181,215	74,842,969
(c) Other current liabilities .....	11	1,401,768,265	1,340,341,991
(d) Short term provisions.....	12	104,954,469	102,966,831
		<u>2,095,054,134</u>	<u>1,537,039,767</u>
<b>TOTAL.....</b>		<u><b>6,710,208,008</b></u>	<u><b>6,901,646,491</b></u>
<b>B ASSETS</b>			
<b>1 Non-Current assets</b>			
(a) Fixed Assets			
(i) Tangible assets.....	13	1,626,451,385	1,590,618,913
(ii) Intangible assets .....	14	1	1
(iii) Capital work in progress.....		19,539,606	65,396,914
		<u>1,645,990,992</u>	<u>1,656,015,828</u>
(b) Long term loans and advances .....	15	182,154,168	157,428,379
		<u>1,828,145,160</u>	<u>1,813,444,207</u>
<b>2 Current assets</b>			
(a) Current Investments .....	16	42,206,167	586,379,798
(b) Inventories .....	17	4,626,565,778	4,369,752,207
(c) Trade receivables .....	18	82,065,447	62,242,370
(d) Cash and cash equivalents .....	19	89,061,919	51,720,495
(e) Short term loans and advances .....	20	36,821,331	8,490,665
(f) Other current assets.....	21	5,342,206	9,616,749
		<u>4,882,062,848</u>	<u>5,088,202,284</u>
<b>TOTAL.....</b>		<u><b>6,710,208,008</b></u>	<u><b>6,901,646,491</b></u>

See accompanying notes forming part of the Financial Statements  
In terms of our report attached.

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

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place : Chennai  
Date : April 21, 2016

**Sanjay Srivastava**  
Manager & COO

**Sanjay Jain**  
Chief Financial Officer

**Prashi Jain**  
Company Secretary  
(ACS: 37806)

For and on behalf of the Board of Directors

**Veenu Gupta** Director (DIN: 02170999)  
**Sangeeta Prasad** Director (DIN: 02791944)

Place : Jaipur  
Date : April 21, 2016

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Note No.	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015	
		₹	₹	
<b>INCOME</b>				
1	Revenue from operations .....	<b>22</b>	<b>824,349,462</b>	1,316,208,689
2	Other income .....	<b>23</b>	<b>43,310,819</b>	26,617,441
3	<b>Total Revenue</b> .....		<b>867,660,281</b>	1,342,826,130
<b>4 EXPENDITURE</b>				
	Cost of land and Project development.....		<b>220,065,530</b>	64,874,951
	Changes in Inventories of Work in Progress .....	<b>24</b>	<b>(256,813,571)</b>	222,486
	Employee benefits expense .....	<b>25</b>	<b>64,840,347</b>	60,899,143
	Finance costs.....	<b>26</b>	<b>362,414,368</b>	412,291,682
	Depreciation and amortization expense .....	<b>13</b>	<b>85,769,365</b>	65,989,323
	Other expenses.....	<b>27</b>	<b>189,775,688</b>	184,917,218
			<b>666,051,727</b>	789,194,803
	Less : Capitalized .....		<b>(2,803,771)</b>	(7,903,986)
			<b>663,247,956</b>	781,290,817
5	<b>Profit before tax</b>		<b>204,412,325</b>	561,535,313
6	<b>Tax expense:</b>			
	(a) Current tax.....		<b>62,820,000</b>	137,267,500
	(b) (Less): MAT Credit .....		<b>-</b>	-
	(c) Net Current Tax expense .....		<b>62,820,000</b>	137,267,500
	(b) Deferred tax.....		<b>12,982,618</b>	44,377,765
7	<b>Profit for the year</b> .....		<b>128,609,707</b>	379,890,048
	Basic and diluted earnings per share (₹) ....		<b>0.54</b>	2.21

See accompanying notes forming part of the Financial Statements  
In terms of our report attached.

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

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place : Chennai  
Date : April 21, 2016

**Sanjay Srivastava**  
Manager & COO

**Sanjay Jain**  
Chief Financial Officer

**Prashi Jain**  
Company Secretary  
(ACS: 37806)

For and on behalf of the Board of Directors

**Veenu Gupta** Director (DIN: 02170999)  
**Sangeeta Prasad** Director (DIN: 02791944)

Place : Jaipur  
Date : April 21, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	₹	₹
<b>A. Cash flow from operating activities</b>		
Net Profit before tax .....	204,412,325	561,535,313
<b>Adjustments for:</b>		
Depreciation and Amortization .....	85,769,365	65,989,323
Finance costs .....	362,414,368	412,291,682
Gain on redemption of Mutual Fund Investments .....	(34,333,207)	(20,973,762)
Interest income .....	(6,648,115)	(5,625,022)
Operating profit before working capital changes .....	611,614,736	1,013,217,534
Changes in working capital:		
<i>Adjustments for (Increase)/decrease in operating assets</i>		
Inventories .....	(256,813,571)	(1,832,768)
Trade receivables .....	(19,823,076)	38,352,625
Short Term Loans and advances .....	(28,330,666)	16,568,287
Long term Loans and advances .....	(39,259,582)	(3,739,562)
Other Current Assets .....	4,690,923	4,039,338
<i>Adjustments for Increase/(Decrease) in operating liabilities</i>		
Trade Payables .....	2,296,290	22,945,217
Other Current Liabilities .....	68,059,108	(77,790,748)
Other Long term Liabilities .....	(13,847,360)	9,583,653
Short Term Provisions .....	1,987,638	(52,729,251)
Long Term Provision .....	1,921,267	(4,021,529)
Cash generated from Operations .....	332,495,707	964,592,796
Income Tax paid .....	(53,739,136)	(141,011,150)
<b>Net cash flow from operating activities (A) .....</b>	<b>278,756,571</b>	<b>823,581,646</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances .....	(81,921,343)	(134,018,806)
Net movement in deposits not considered as Cash and cash equivalents .....	10,489,031	12,486,522
Interest received .....	6,231,735	8,839,919
Gain on redemption of Mutual Fund Investments .....	34,333,207	20,973,762
<b>Net cash flow from/(used) in investing activities (B) .....</b>	<b>(30,867,370)</b>	<b>(91,718,603)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long-term borrowings .....	-	650,000,000
Repayment of long-term borrowings .....	(750,000,000)	(661,000,000)
Proceeds/(Repayment) of working capital borrowings .....	492,304,165	7,695,835
Dividend including dividend distribution tax paid .....	(102,304,000)	(116,995,000)
Finance costs paid .....	(384,232,542)	(324,212,669)
<b>Net cash flow (used) in financing activities (C) .....</b>	<b>(744,232,377)</b>	<b>(444,511,834)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C) .....</b>	<b>(496,343,176)</b>	287,351,209
Cash and cash equivalents at the beginning of the year .....	601,533,398	314,182,189
<b>Cash and cash equivalents at the end of the year .....</b>	<b>105,190,222</b>	<b>601,533,398</b>

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

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	₹	₹
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19) .....	89,061,919	51,720,495
Less: Bank balances not considered as Cash and cash equivalents		
(i) in deposit accounts maturing after 3 months.....	9,402,303	12,536,404
(ii) in earmarked accounts (Refer Note 19) .....	16,675,561	24,030,491
Net Cash and cash equivalents.....	62,984,055	15,153,600
Add: Current investments considered as part of Cash and cash equivalents		
Investment in units of Mutual Funds (Refer Note 16).....	42,206,167	586,379,798
	<b>105,190,222</b>	<b>601,533,398</b>
<b>Cash and cash equivalents at the end of the year*</b>		
* Comprises:		
(a) Cash on hand.....	20,014	62,035
(b) Balances with banks		
(i) In current accounts.....	62,964,041	15,091,565
(ii) In deposit accounts with original maturity of less than 3 months.....	-	-
(c) Current investments considered as part of Cash and cash equivalents (Refer Note 16).....	42,206,167	586,379,798
	<b>105,190,222</b>	<b>601,533,398</b>

See accompanying notes forming part of the Financial Statements  
In terms of our report attached.

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

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place : Chennai  
Date : April 21, 2016

**Sanjay Srivastava**  
Manager & COO

**Sanjay Jain**  
Chief Financial Officer

**Prashi Jain**  
Company Secretary  
(ACS: 37806)

For and on behalf of the Board of Directors

**Veenu Gupta** Director (DIN: 02170999)  
**Sangeeta Prasad** Director (DIN: 02791944)

Place : Jaipur  
Date : April 21, 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### Note 1. Corporate information

The Company is engaged in the business of development of an Industrial park with Special Economic Zone (SEZ) and Domestic Tariff Area (DTA). The Company acquires land under lease, incurs expenditure on its development and related infrastructure facilities and gives them on a long term lease for industrial, commercial and residential use. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees.

### Note 2. Significant accounting policies

#### 2.1 Basis of accounting and preparation of financial statements

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

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. 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.

#### 2.3 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost represents cost of land and all expenditure incurred in connection with, or attributable to the project, and, being a long-term project, includes interest.

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

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

#### 2.5 Cash flow statement

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

#### 2.6 Depreciation and amortization

Depreciation is provided on straight line method from the date the assets are put to use in accordance with Schedule II to Companies Act, 2013 based on estimated useful life of tangible assets.

Leasehold land is amortized over the period of lease i.e. 99 years.

Cost of Interiors of building given on lease is amortized over the period of lease.

Assets costing less than ₹ 5,000 is depreciated fully in the year of purchase.

Motor Vehicle provided to employees by the company is depreciated over a period of 48 months.

Life of DG and HVAC Plant and Machinery has been depreciated over 12 years.

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

Software expenditure incurred is amortized over three years.

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

#### 2.7 Revenue recognition

- Land lease premium is recognized as income upon creation of leasehold rights in favor of the lessee or upon an agreement to create leasehold rights with handing over of possession.
- Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight line basis over the non cancellable lease period.
- Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

#### 2.8 Other income

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

#### 2.9 Fixed assets (Tangible and Intangible assets)

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Capital work-in-progress:

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

#### 2.10 Foreign currency transactions and translations

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

#### 2.11 Investments

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

#### 2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

#### Defined contribution plans

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

#### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost.

### Short-term employee benefits

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

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

### 2.13 Borrowing costs

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

### 2.14 Segment reporting

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

### 2.15 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The assets given by the Company on operating leases are capitalised in the books as fixed assets. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 2.16 Earnings per share

Basic/Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extraordinary items, if any) and after reducing the dividend obligation (including Dividend Distribution Tax) on Preference Shares by the weighted average number of equity shares outstanding during the year.

### 2.17 Taxes on income

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

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

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that

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

### 2.18 Impairment of assets

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

### 2.19 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.

### 2.20 Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.21 Service tax input credit

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

### Note 3. Share Capital

Particulars	As at	As at
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
<b>Authorized</b>		
150,000,000 equity shares of ₹ 10 each.....	1,500,000,000	1,500,000,000
50,000,000 Preference shares of ₹ 10 each.....	500,000,000	500,000,000
	<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>Issued, subscribed and fully paid up</b>		
150,000,000 Equity shares of ₹ 10/- each fully paid up.....	1,500,000,000	1,500,000,000
50,000,000 Preference Share of ₹ 10/- each fully paid up.....	500,000,000	500,000,000
	<b>2,000,000,000</b>	<b>2,000,000,000</b>
<b>Total</b> .....	<b>2,000,000,000</b>	<b>2,000,000,000</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**3.a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No of Shares	Value of Shares	No of Shares	Value of Shares
<b>Equity Shares</b>				
At the beginning of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	150,000,000	1,500,000,000	150,000,000	1,500,000,000
<b>Preference Shares</b>				
At the beginning of the year	50,000,000	500,000,000	50,000,000	500,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	50,000,000	500,000,000	50,000,000	500,000,000

**3.b Terms/Rights attached to Equity Shares**

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

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting. The amount of dividend proposed to be distributed to equity shareholders is ₹ 4,50,00,000/- (₹ 0.30 per share) (Previous Year ₹ 4,50,00,000/- (₹ 0.30 per share))

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

**3.c Terms of Conversion/redemption of 8% Redeemable Cumulative Preference Shares (RCPS)**

- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 23<sup>rd</sup> December, 2008. These Preference Shares are due for redemption on 23<sup>rd</sup> December, 2016.
- The Company issued 25 Million 8% Redeemable Cumulative Preference Shares of ₹ 10/- each on 4<sup>th</sup> November, 2011. The Company is entitled to redeem these shares at the end of 5 years i.e., on 4<sup>th</sup> November, 2016, otherwise redemption can be extended up to the end of 8th year i.e., up to 4<sup>th</sup> November, 2019, with preference shareholders' approval.
- Each holder of RCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to RCPS in case of dividends are in arrear.
- The amount of dividend proposed to be distributed to preference shareholders i.e., ₹ 4,00,00,000/- (₹ 0.80 per share) (Previous Year ₹ 4,00,00,000/- (₹ 0.80 per share))

**3.d Details of shares held by each shareholder holding more than 5% shares:**

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No of Shares	Value of Shares	No of Shares	Value of Shares
<b>Holding Company (74%)</b>				
Mahindra Lifespace Developers Limited				
Equity	111,000,000	1,110,000,000	111,000,000	1,110,000,000
Preference Shares	37,000,000	370,000,000	37,000,000	370,000,000
<b>Rajasthan State Industrial Development and Investment Corporation Limited (26%)</b>				
Equity	39,000,000	390,000,000	39,000,000	390,000,000
Preference Shares	13,000,000	130,000,000	13,000,000	130,000,000

**Note 4. Reserves & Surplus**

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	₹	₹
<b>(a) Debenture Redemption Reserve</b>		
Opening Balance .....	561,458,333	318,750,000
Add: Additions during the year Transferred from surplus in Statement of Profit & Loss .....	59,375,000	242,708,333
<b>Closing balance .....</b>	<b>620,833,333</b>	<b>561,458,333</b>
<b>(b) Surplus in Statement of Profit and loss</b>		
Opening Balance .....	39,646,603	5,645,332
Less: Adjustment of depreciation on tangible fixed assets with remaining useful life ₹ NIL on transition to Schedule II of the Companies Act, 2013 (Net of deferred tax) (Refer Note 32)....	-	876,444
Add: Profit for the year	128,609,707	379,890,048
Less: Appropriations		
Transferred to Debenture Redemption Reserve .....	59,375,000	242,708,333
Dividends proposed to be distributed to equity shareholders..	45,000,000	45,000,000
Dividends proposed to be distributed to preference shareholders .....	40,000,000	40,000,000
Tax on dividend .....	17,304,000	17,304,000
	<b>6,577,310</b>	<b>39,646,603</b>
<b>Closing balance Total</b>	<b>627,410,643</b>	<b>601,104,936</b>

**Note 5. Long Term Borrowings (Secured)\*\***

10.00% Redeemable Non Convertible Debentures .....	1,000,000,000	1,750,000,000
10.90% Redeemable Non Convertible Debentures .....	650,000,000	650,000,000
<b>Total</b>	<b>1,650,000,000</b>	<b>2,400,000,000</b>

\*\* (Refer note 11 for current maturities of long term borrowings)

**10.00% Redeemable Non Convertible Debentures**

5.a Company has issued 2,500 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 250 Crores repayable in 3, 4 and 5 years in the ratio of 30:30:40 respectively along with redemption premium as below:-

Series	A	B	C
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	750	750	1,000
Total Value (₹)	750,000,000	750,000,000	1,000,000,000
Redemption Premium per debenture (₹)	77,835	110,794	147,421
Maturity Date	13-Jul-15 Refer 5.b	13-Jul-16	13-Jul-17

5.b During the year the first tranche of ₹ 75 crore was repaid on 13<sup>th</sup> July 2015 along with premium on redemption of ₹ 5.83 crore.

5.c These Debentures are secured by way of first pari passu charge along with:-

- the debenture holders of ₹ 50 crores as mentioned below in note 9.b. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

and Hypothecation of movable assets with the Debenture trustee.

- ii) the debenture holders of ₹ 65 crore as mentioned below in note 5.f. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 times at all times during the currency of debentures.

- 5.d Interest on these debentures is payable annually in July.

### 10.90% Redeemable Non Convertible Debentures

- 5.e Company has issued 650 Redeemable Secured Non Convertible Debentures of ₹ 10 Lakhs each aggregating to ₹ 65 crore repayable in 3, 4 and 5 years in the ratio of 31:31:38 respectively as below:-

Series	Series I	Series II	Series III
Face Value (₹)	1,000,000	1,000,000	1,000,000
No. of Debentures	200	200	250
Total Value (₹)	200,000,000	200,000,000	250,000,000
Maturity Date	19-Dec-17	19-Dec-18	19-Dec-19

- 5.f These Debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 175 crore (Out of 250 crore issued in July'12) as mentioned above in note 5.c. and debenture holders of ₹ 50 crore as mentioned below in note 9.b. on the assets of the project (excluding specified assets) by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 X at all times during the currency of debentures.

- 5.g Interest on these debentures is payable annually in December.

### Note 6. Deferred Tax Liabilities

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
<b>Deferred Tax Liability:</b>		
Fixed Assets.....	195,184,100	182,027,938
Less: Transition Adjustment .....	-	(451,300)
Income accrued based on lease equalization .....	(574,007)	(1,432,542)
	194,610,093	180,144,096
<b>Deferred Tax Assets:</b>		
Accrued expenses allowable on payment .....	3,354,432	1,871,053
<b>Net Deferred tax liability (Total) ..</b>	<b>191,255,661</b>	<b>178,273,043</b>

### Deferred tax reconciliation:

Deferred tax expense for the year based on the movement in net deferred tax liability as at the beginning and the end of the year as shown above .....

12,982,618      43,926,465

**Add:** Deferred tax impact netted off from depreciation on tangible fixed assets on transition to Schedule II of the Companies Act, 2013 adjusted to opening surplus. Refer Note 4 and 32 .....

-      451,300

**Deferred tax impact in the Statement of Profit and Loss .....**

**12,982,618      44,377,765**

### Note 7. Other Long Term Liabilities

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Deposits from lessees .....	30,694,666	44,542,026
<b>Total .....</b>	<b>30,694,666</b>	<b>44,542,026</b>

### Note 8. Long term Provisions

Compensated absences .....	2,201,796	1,869,763
Gratuity.....	3,897,070	2,307,836
Provision for premium on redemption of debentures (Refer Note 5.a) .....	109,694,038	136,509,120
<b>Total .....</b>	<b>115,792,904</b>	<b>140,686,719</b>

### Note 9. Short Term borrowings (secured)

9.50% Redeemable Non Convertible Debentures.....	500,000,000	-
Overdraft from banks*.....	-	7,695,835
<b>Total .....</b>	<b>500,000,000</b>	<b>7,695,835</b>

\*Overdraft from banks is secured against earmarked Fixed deposits mentioned in note 19. The overdraft is repayable on demand.

### 9.50% Redeemable Non Convertible Debentures

- 9.a Company has issued 50 Redeemable Secured Non Convertible Debentures of ₹ 1 crore each aggregating to ₹ 50 crore repayable in 1 year with call options on 06<sup>th</sup> January, 2016, 29<sup>th</sup> February, 2016, 06<sup>th</sup> April, 2016 and 06<sup>th</sup> June, 2016. It can be fully exercised on these dates. As of 31<sup>st</sup> March, 2016 company has not exercised its call option.

Series	Series I
Face Value (₹)	10,000,000
No. of Debentures	50
Total Value (₹)	500,000,000
Maturity Date	11-Jul-16

- 9.b These Debentures are secured by way of first pari passu charge along with:-

i) the debenture holders of ₹ 175 crore (Out of 250 crore issued in July'12) as mentioned below in note 5.c. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds and Hypothecation with the Debenture trustee.

ii) the debenture holders of ₹ 65 crore as mentioned in note 5.f. on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee.

The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 times at all times during the currency of debentures.

- 9.c Interest on these debentures is payable on redemption.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**Note 10. Trade payables**

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Trade payables		
Total outstanding dues of micro enterprises and small enterprises...	10,150,185	11,192,141
Total outstanding dues of creditors other than micro enterprises and small enterprises.....	78,181,215	74,842,969
<b>Total</b> .....	<b>88,331,400</b>	<b>86,035,110</b>

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Payable on purchase of Fixed Assets .....	39,353,016	50,982,758
Other liabilities .....	70,328,728	40,687,287
<b>Total</b> .....	<b>1,401,768,265</b>	<b>1,340,341,991</b>

\*\* Refer Note 5.a - Long Term Borrowings - for terms of repayment and security

\*\*\* This premium is towards debentures redeemable in July 2016. Refer Note 5.a

**Note 11. Other current Liabilities**

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Current maturities of long term NCDs** .....	750,000,000	750,000,000
Interest accrued and not due on Debentures.....	180,147,024	199,445,344
Premium on redemption of debentures (Refer Note 5.b***).....	77,180,732	52,885,504
Other Payables		
Statutory Remittances .....	2,374,100	3,998,692
Earnest money deposit received .....	497,000	497,000
Advances from customers .....	160,415,904	152,139,193
Deposit from lessees.....	121,471,761	89,706,213

**Note 12. Short term provisions**

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Compensated absences .....	2,449,373	627,669
Gratuity.....	201,096	35,162
Proposed Equity Dividend.....	45,000,000	45,000,000
Proposed Preference Dividend .....	40,000,000	40,000,000
Tax on Proposed Dividend .....	17,304,000	17,304,000
<b>Total</b> .....	<b>104,954,469</b>	<b>102,966,831</b>

**Note 13. Fixed Assets**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 01.04.2015	For the year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>										
Leasehold land	44,308,273	-	-	44,308,273	3,608,107	443,167	-	4,051,274	40,256,999	40,700,166
Buildings										
Owned	456,666,547	73,510,160	-	530,176,707	28,003,037	14,571,710	-	42,574,747	487,601,960	428,663,510
Given under operating lease	993,513,708	985,973	-	994,499,681	93,439,156	20,162,125	-	113,601,281	880,898,400	900,074,552
Plant and machinery										
Owned	102,280,690	43,453,514	-	145,734,204	25,130,180	18,737,585	-	43,867,765	101,866,439	77,150,510
Given under operating lease	118,592,704	754,697	-	119,347,401	34,495,923	13,051,532	-	47,547,455	71,799,946	84,096,781
Office equipment	3,338,288	1,585,123	-	4,923,411	1,447,614	662,489	-	2,110,103	2,813,308	1,890,674
Furniture and fixtures										
Owned	8,728,118	125,400	-	8,853,518	3,235,008	1,148,217	-	4,383,225	4,470,293	5,493,110
Given under operating lease	139,059,988	-	-	139,059,988	89,816,606	14,934,694	-	104,751,300	34,308,688	49,243,382
Computers	5,488,553	595,243	-	6,083,796	4,615,432	679,819	-	5,295,251	788,545	873,121
Vehicles	4,545,739	591,727	-	5,137,466	2,112,632	1,378,027	-	3,490,659	1,646,807	2,433,107
<b>Total Tangible Assets</b>	1,876,522,608	121,601,837	-	1,998,124,445	285,903,695	85,769,365	-	371,673,060	1,626,451,385	1,590,618,913

In ₹

**Note 14. Intangible Assets**

Particulars	As at 31.03.2016	Additions	Deductions	As at 31.03.2016	As at 31.03.2016	For the year	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Software	5,203,368	-	-	5,203,368	5,203,367	-	-	5,203,367	1	1
<b>Total Intangible Assets</b>	<b>5,203,368</b>	<b>-</b>	<b>-</b>	<b>5,203,368</b>	<b>5,203,367</b>	<b>-</b>	<b>-</b>	<b>5,203,367</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>1,881,725,976</b>	<b>121,601,837</b>	<b>-</b>	<b>2,003,327,813</b>	<b>291,107,062</b>	<b>85,769,365</b>	<b>-</b>	<b>376,876,427</b>	<b>1,626,451,386</b>	<b>1,590,618,914</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**
**Note 13. Fixed Assets (Previous Year)**

In ₹

Particulars	Gross Block				Depreciation					Net Block		
	As at 01.04.2014	Additions	Adjustments	Deductions	As at 31.03.2014	As at 01.04.2014	Transition Adjustment (Refer Note 1)	For the year	Deductions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
<b>Tangible Assets</b>												
Leasehold land	42,253,019	2,055,254	-	-	<b>44,308,273</b>	3,176,032	-	432,075	-	<b>3,608,107</b>	<b>40,700,166</b>	39,076,987
Buildings												
Owned	346,512,637	110,153,910	-	-	<b>456,666,547</b>	20,613,137	-	7,389,900	-	<b>28,003,037</b>	<b>428,663,510</b>	325,899,500
Given under operating lease	988,285,883	5,227,825	-	-	<b>993,513,708</b>	72,691,193	-	20,747,963	-	<b>93,439,156</b>	<b>900,074,552</b>	915,594,690
Plant and machinery												
Owned	73,836,608	28,444,082	-	-	<b>102,280,690</b>	18,775,367	441,053	5,913,760	-	<b>25,130,180</b>	<b>77,150,510</b>	55,061,241
Given under operating lease	118,592,704	-	-	-	<b>118,592,704</b>	22,686,025	-	11,809,898	-	<b>34,495,923</b>	<b>84,096,781</b>	95,906,679
Office equipment	2,191,276	1,147,012	-	-	<b>3,338,288</b>	434,511	463,161	549,942	-	<b>1,447,614</b>	<b>1,890,674</b>	1,756,765
Furniture and fixtures												
Owned	8,461,560	266,558	-	-	<b>8,728,118</b>	2,114,827	-	1,120,181	-	<b>3,235,008</b>	<b>5,493,110</b>	6,346,733
Given under operating lease	139,059,988	-	-	-	<b>139,059,988</b>	73,318,359	-	16,498,247	-	<b>89,816,606</b>	<b>49,243,382</b>	65,741,629
Computers	4,974,345	514,208	-	-	<b>5,488,553</b>	3,413,214	423,530	778,688	-	<b>4,615,432</b>	<b>873,121</b>	1,561,131
Vehicles	4,545,739	-	-	-	<b>4,545,739</b>	1,363,963	-	748,669	-	<b>2,112,632</b>	<b>2,433,107</b>	3,181,776
<b>Total Tangible Assets</b>	<b>1,728,713,759</b>	<b>147,808,849</b>	-	-	<b>1,876,522,608</b>	<b>218,586,628</b>	<b>1,327,744</b>	<b>65,989,323</b>	-	<b>285,903,695</b>	<b>1,590,618,913</b>	<b>1,510,127,131</b>

**Note 14. Intangible Assets (Previous Year)**

In ₹

Software	5,203,368	-	-	-	<b>5,203,368</b>	5,203,367	-	-	-	<b>5,203,367</b>	<b>1</b>	<b>1</b>
<b>Total Intangible Assets</b>	<b>5,203,368</b>	-	-	-	<b>5,203,368</b>	<b>5,203,367</b>	-	-	-	<b>5,203,367</b>	<b>1</b>	<b>1</b>
<b>Total</b>	<b>1,733,917,127</b>	<b>147,808,849</b>	-	-	<b>1,881,725,976</b>	<b>223,789,995</b>	<b>1,327,744</b>	<b>65,989,323</b>	-	<b>291,107,062</b>	<b>1,590,618,914</b>	<b>1,510,127,132</b>

**Note 15. Long term Loans and advances  
(Unsecured unless otherwise  
stated and considered good.)**

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Capital advances (Secured by Bank Guarantee from vendors) .....	<b>3,664,630</b>	9,117,559
Security deposits .....	<b>8,628,964</b>	7,051,064
Deposits in respect of premises taken on lease .....	<b>186,168</b>	186,168
Export duty refund receivable .....	<b>8,290,887</b>	8,290,887
Advance income tax (net of provisions) .....	<b>108,855,899</b>	117,936,763
Prepaid expenses .....	<b>52,527,620</b>	14,845,938
<b>Total .....</b>	<b>182,154,168</b>	<b>157,428,379</b>

Particulars	Units		₹	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
DSP Black Rock Money manager Fund - Direct plan - growth .....		231		431,269
JM Money Manager Fund Super Plus Plan - Growth .....		7,846,192		152,024,210
IDFC Money Manager Fund - Treasury Plan .....		3,631,816		80,000,000
JM High Liquidity Fund - Growth Option (452) .....	<b>48,834</b>	778,187	<b>2,008,684</b>	29,511,947
JM - Floater Long Term Fund Direct Growth Option .....	<b>449,783</b>		<b>10,433,594</b>	
BSL Cash Plus Direct Growth .....	<b>20,719</b>		<b>5,014,525</b>	
IDFC Cash Fund - Growth - Direct Plan .....	<b>8,729</b>		<b>16,011,815</b>	
Reliance Interval Fund Quarterly Plan Series - II .....		2,642,371		50,000,000
Reliance Liquid Fund - Treasury Plan - Direct Growth Plan - Growth Option .....		2,063		7,000,000
Birla Sunlife Savings Fund .....	<b>30,037</b>		<b>8,737,549</b>	
Templeton India Ultra Short Bond Fund Super Institutional Plan - Direct Growth .....		10,631,481		192,412,372
<b>Total .....</b>	<b>558,102</b>	<b>30,841,173</b>	<b>42,206,167</b>	<b>586,379,798</b>

**Note 16. Current Investments (At lower of cost and fair value)**

Particulars	Units		₹	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Investment in Mutual funds (unquoted & non trade)				
ICICI - Ultra Short Term Plan - Direct Growth .....		5,308,832		75,000,000

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****Note 17. Inventories (at lower of cost and net realisable value)**

Particulars	As at	As at
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Work In Progress .....	4,626,565,778	4,369,752,207
<i>(representing cost of land and related expenditure including borrowing costs)</i>		
<b>Total .....</b>	<b>4,626,565,778</b>	<b>4,369,752,207</b>

**Note 18. Trade Receivable. (Unsecured considered good)**

Trade receivables outstanding for a period exceeding six months from the date they were due for payment.....	4,27,08,576	4,86,55,348
Other Trade receivables .....	3,93,56,871	1,35,87,022
<b>Total .....</b>	<b>8,20,65,447</b>	<b>6,22,42,370</b>

**Note 19. Cash and cash equivalents**

Cash on hand .....	20,014	62,035
Balances with Banks		
in Current account.....	6,29,64,041	1,50,91,565
In Deposits maturing after 3 months....	9,402,303	12,536,404
in earmarked deposits (with restriction on usage)* .....	1,66,75,561	2,40,30,491
<b>Total .....</b>	<b>8,90,61,919</b>	<b>5,17,20,495</b>

\* The earmarked deposits are given as security against term loan, Bank over draft and other non-fund based facilities.

**Note 20. Short term Loans and advances (Unsecured, considered good unless otherwise stated)**

Prepaid expenses .....	3,456,269	2,096,367
Mobilization and other advances given to vendors (secured against bank guarantee).....	-	1,962,834
Balances with Government authorities (Service tax) .....	5,360,232	1,542,179
Other advances given to vendors.....	27,991,920	2,889,285
Other recoverable from Employees.....	12,910	-
<b>Total .....</b>	<b>36,821,331</b>	<b>8,490,665</b>

**Note 21. Other current assets**

Deferred lease rent .....	1,658,596	5,949,519
Interest accrued on Fixed Deposits.....	2,683,610	2,267,230
Contractually recoverable expenses.....	1,000,000	1,400,000
<b>Total .....</b>	<b>5,342,206</b>	<b>9,616,749</b>

**Note 22. Revenue from operations**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Land Lease Premium .....	489,437,704	1,032,810,158
Property Rentals .....	187,276,728	171,009,364
Income from Operation and Maintenance.....	147,635,030	112,389,167
<b>Total .....</b>	<b>824,349,462</b>	<b>1,316,208,689</b>

**Note 23. Other Income**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Interest on		
Deposits from Banks .....	4,214,428	4,699,001
Others .....	2,433,687	926,021
Gain on Redemption of Mutual funds .....	34,333,207	20,973,762
Miscellaneous Income.....	48,400	18,657
Liabilities no longer required written back.....	2,281,097	-
<b>Total .....</b>	<b>43,310,819</b>	<b>26,617,441</b>

**Note 24. Changes in Inventory of Work in Progress**

Opening work in progress .....	4,369,752,207	4,369,974,693
Less: Closing work in progress .....	4,626,565,778	4,369,752,207
<b>Total .....</b>	<b>(256,813,571)</b>	<b>222,486</b>

**Note 25. Employee Benefits Expense**

Salaries, Wages and Bonus...	59,096,610	55,644,447
Contribution to Provident and other funds.....	2,078,283	1,816,273
Gratuity.....	2,104,457	1,328,020
Staff welfare .....	1,560,997	2,110,403
<b>Total .....</b>	<b>64,840,347</b>	<b>60,899,143</b>

**Note 26. Finance Costs**

Interest on Term Loans.....	-	54,012,174
Interest on Inter Corporate Deposits .....	-	7,085,616
Interest on Debentures.....	301,939,899	269,993,288
Premium on Redemption of Debentures.....	55,856,396	69,686,530
Interest - Others.....	56,666	1,548,520
Other Borrowing Costs.....	4,561,407	9,965,554
<b>Total .....</b>	<b>362,414,368</b>	<b>412,291,682</b>

**Note 27. Other Expenses**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Legal and Professional.....	6,193,533	3,931,669
Electricity.....	26,229,815	19,578,870
Rent.....	1,285,522	1,312,846
Rates and Taxes .....	286,920	711,790
Insurance .....	2,208,323	2,838,364

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

Particulars	For the year ended	For the year ended	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015		
	₹	₹	₹	₹
Repairs and Maintenance .....	6,207,872	5,457,545		
Commission .....	1,617,600	10,536,082		
Marketing & Advertisement.....	24,956,331	28,136,807		
Operation & Maintenance Expenses.....	100,290,124	93,966,043		
Travelling and Conveyance .....	8,882,461	8,883,403		
Communication.....	1,209,791	1,283,046		
Payments to auditors (Refer Note (i) below) .....	1,011,294	931,788		
Expenditure on Corporate Social Responsibility.....	7,994,201	5,026,506		
Miscellaneous Expenses .....	1,401,901	2,322,459		
<b>Total .....</b>	<b>189,775,688</b>	<b>184,917,218</b>		

**Note:-**

The above amount is based on demands raised, which the company is contesting with the concerned authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decision of the appellate authorities and the company's rights for future appeals.

(c) Rajasthan Entry Tax ...	3,028,161	4,292,646
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**(ii) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for on Tangible Assets

	77,041,393	33,197,642
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Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Payment to the auditors comprises (net of service tax refund) .....		
Statutory Audit .....	630,000	575,000
Other services.....	372,000	350,000
Reimbursement of expenses...	9,294	6,788
<b>Total .....</b>	<b>1,011,294</b>	<b>931,788</b>

**Note 29. Due to Micro, Small and Medium Enterprises**

Particulars	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Principal Amount remaining unpaid to any supplier at the end of the accounting year ...	10,150,185	11,192,141

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.

There is no overdue amounts any time during the year and hence no interest amount is due or paid during the year.

**Additional information to the financial statements**
**Note 28. Contingent liabilities and commitments (to the extent not provided for)**

	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
<b>(i) Contingent liabilities</b>		
<b>(a) Income Tax matters disputed and under appeal</b>		
By Company.....	-	3,072,880
By Tax authorities.....	17,341,638	17,341,638
<b>(b) Demands received by the company not acknowledged as debt</b>		
Shehri Jamabandi (Urban assessment/ Ground rent demanded by Jaipur Development Authority, Government of Rajasthan) .....	3,217,938,890	-

**Note 30. Value of imports calculated on CIF basis**

	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Capital Goods.....	-	6,297,804

**Note 31. Expenditure in foreign currency**

	For the year ended	For the year ended
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
	₹	₹
Travel.....	348,555	-
Advertisement .....	-	272,639
Subscription .....	199,257	255,299
	<b>547,812</b>	<b>527,938</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****Disclosures under Accounting Standards****Additional information to the financial statements - Employee benefits****Note Disclosures on Employee share based payments:**

**Note 32(a)** Under the following Employee Stock Option Schemes, Mahindra Lifespace Developers Limited, the parent company issued equity – settled options to the employees of the Company as per the following details:

In ₹

ESOS Scheme	Date of grant	No. of options granted	Options vested	Options exercised	Options lapsed	Options outstanding as at		Employee compensation cost incurred by the Parent company and not charged to the Company for the	
						31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	year ended 31 <sup>st</sup> March, 2016	year ended 31 <sup>st</sup> March, 2015
ESOS 2008	25 <sup>th</sup> April, 2008	64,550	49,450	1,250	13,550	49,750	49,750	-	-
ESOS 2012	4 <sup>th</sup> August, 2012	11,000	4,300	2,350	1,950	6,700	7,600	616,495	1,073,303
	17 <sup>th</sup> October, 2014	9,000	1,500	300	-	8,700	9,000	1,138,669	474,445
	28 <sup>th</sup> January, 2016	2,500	-	-	-	2,500	-	45,974	-
<b>Total charge for the year</b>								<b>1,801,138</b>	<b>1,547,748</b>

**Other terms**

ESOS Scheme	ESOS 2008	ESOS 2012
Exercise price	₹ 428/share	₹ 10/share
Vesting Conditions	25 % each on expiry of 12, 24, 36 and 48 months from the date of grant	20 % each on expiry of 12 and 24 months and 30 % each on expiry of 36 and 48 months from the date of grant
Contractual life	5 years from the date of individual vesting.	

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

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

**Note 32(b) Employee Benefits**

	Gratuity (Unfunded)			Gratuity (Unfunded)	
	2015-16 ₹	2014-15 ₹		2015-16 ₹	2014-15 ₹
a. <b>Net Asset/(Liability) recognized in the balance sheet as at March 31, 2016</b>			Benefits Paid .....	<b>(349,289)</b>	(464,009)
Liability recognised in the balance sheet	<b>4,098,166</b>	2,342,998	Present value of the obligation as at the end of the year .....	<b>4,098,166</b>	2,342,998
Non current .....	<b>3,897,070</b>	2,307,836	d. <b>Principal actuarial assumptions.....</b>		
Current .....	<b>201,096</b>	35,162	Discount Rate .....	7.46%	7.77%
b. <b>Expense recognized in the Profit &amp; Loss account</b>			Mortality Rate .....	<b>IALM</b>	<b>IALM</b>
Past service cost.....	<b>1,307,032</b>	-		<b>(2006-08)</b>	<b>(2006-08)</b>
Current Service cost.....	<b>635,336</b>	653,788		<b>Ultimate</b>	<b>Ultimate</b>
Interest cost .....	<b>168,481</b>	114,722	e. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.		
Actuarial (gains)/Losses .....	<b>(6,392)</b>	559,510	f. <b>Experience adjustment as provided by actuary:</b>	<b>Year</b>	
Total expenses	<b>2,104,457</b>	1,328,020		2015-16	2014-15
c. <b>Change in present value of Defined Benefit obligation</b>				2013-14	2012-13
Present Value of the obligation at the beginning of the year.....	<b>2,342,998</b>	1,478,987	Present value of obligation	1,478,987	2,270,331
Past service cost.....	<b>1,307,032</b>	-	Experience adjustment on plan liabilities	2,527,755	2,527,755
Current Service cost.....	<b>635,336</b>	653,788		50,247	95,631
Interest Cost.....	<b>168,481</b>	114,722		(162,668)	(169,416)
Actuarial (Gains)/Losses.....	<b>(6,392)</b>	559,510		(126,336)	

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

### Note 33. Details of borrowing costs capitalized

	For the year ended 31 <sup>st</sup> March, 2016 ₹	For the year ended 31 <sup>st</sup> March, 2015 ₹
Borrowing cost capitalized during the year as		
– Inventory	144,752,942	183,519,809

### Note 34. Related party transactions

Details of related parties:

#### Particulars

Description of relationship	Names of related parties
Ultimate Holding Company	Mahindra & Mahindra Limited
Holding Company	Mahindra Lifespace Developers Limited

#### Particulars

Fellow Subsidiaries	Mahindra Integrated Business Solutions Private Limited Mahindra Susten Private Limited (Formerly known as Mahindra EPC Services Private Limited) Mahindra Consulting Engineers Limited Mahindra Holidays & Resorts India Limited
Key Management Personnel (KMP)	Mr. Sanjay Srivastava - Chief Operating Officer Mr. Sanjay Jain - Chief Financial Officer Ms. Prashi Jain - Company Secretary (KMP from Current year)

Note: Related parties have been identified by the Management and disclosed where transaction entered into.

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

In ₹

Particulars	Mahindra & Mahindra Limited	Mahindra Lifespace Developers Limited	Mahindra Integrated Business Solutions Private Limited	Mahindra Susten Private Limited	Mahindra Holidays & Resorts India Limited	Mahindra Consulting Engineers Limited	Mr. Sanjay Srivastava	Mr. Sanjay Jain	Ms. Prashi Jain
Rendering of services	2,911,118 (1,585,564)			12,000 (12,000)					
Receiving of services	826,260 (831,740)		108,500 (108,000)		– (1,277,067)	– (95,000)			
Security Deposit Received	135,000 (–)								
Finance (including loans and equity contributions in cash or in kind)									
ICD Taken		– (20,000,000)							
ICD Repaid		– (20,000,000)							
Interest on ICD		– (7,085,616)							
Preference Shares Dividend Paid		29,600,000 (29,600,000)							
Equity Shares Dividend Paid		33,300,000 (44,400,000)							
Remuneration							112,75,154 (9,968,046)	5,206,518 (4,680,569)	293,378 (–)
<b>Balances outstanding at the end of the year</b>									
Trade receivables	843,763 (–)			2,446 (6,742)					
Trade payables	2,148,493 (486,757)	– (–)	19,019 (9,315)		– (–)	– (–)	– (–)	– (–)	– (–)
Deposits Payable	834,518 (699,518)								

Note 1: Figures Shown above do not include the re-imburement amounts.

Note 2: Figures in bracket relate to the previous year.

### Note 35. Leases

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

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Gross carrying amount of premises and other assets	1,252,907,070	1,243,382,226
Accumulated depreciation	265,900,036	217,269,532
Depreciation for the year	48,148,351	48,573,955

Future minimum lease payments under non-cancellable operating leases (lock in period of 2 to 3 years for the building and 9 years 5 months for interiors)

Particulars	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
Not later than 1 year	66,368,702	13,703,238
Later than 1 year and not later than 5 years	118,853,519	164,771,545
Later than 5 years	3,127,235	101,559,471

#### Significant Leasing Arrangements

Lease is non-cancellable during the lock in period.

In respect of buildings, primary lease period is for 5 years, renewable for further 2 terms of 5 years each.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016****Note 36. Earnings per share**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2016 ₹</b>	<b>As at 31<sup>st</sup> March, 2015 ₹</b>
<b>Basic &amp; Diluted</b>		
Net profit for the year from continuing operations	<b>128,609,707</b>	379,890,048
Less: Preference dividend and tax thereon	<b>48,143,059</b>	48,143,059
Net profit for the year from continuing operations attributable to the equity shareholders	<b>80,466,648</b>	331,746,989
Weighted average number of equity shares	<b>150,000,000</b>	150,000,000
Par value per share	<b>10</b>	10
Earnings per share from continuing operations - Basic & Diluted	<b>0.54</b>	2.21

**Note 37.** (i) The Company does not have material foreseeable losses on long term contracts as on March 31, 2016.

(ii) The Company did not enter into any derivative contracts during the year.

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

**Note 38.** Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

**Geetha Suryanarayanan**  
Partner  
Membership No. 29519

Place : Chennai  
Date : April 21, 2016

**Sanjay Srivastava**  
Manager & COO

**Sanjay Jain**  
Chief Financial Officer

**Prashi Jain**  
Company Secretary  
(ACS: 37806)

For and on behalf of the Board of Directors

**Veenu Gupta** Director (DIN: 02170999)  
**Sangeeta Prasad** Director (DIN: 02791944)

Place : Jaipur  
Date : April 21, 2016