DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their tenth report together with the audited financial statement of your Company for the year ended 31st March, 2017.

Financial Highlights

(₹ in lakh)

Particulars	**For the year ended 31st March, 2017**	For the year ended 31st March, 2016
Total Income	**1,315.20**	*3,383.06*
Profit/(Loss) Before Depreciation, Finance Cost and Taxation	**(242.47)**	563.95
Less : Depreciation	**–**	–
Profit/(Loss) Before Finance Cost and Taxation	**(242.47)**	563.95
Less : Finance Cost	**31.71**	13.93
Profit/(Loss) Before Taxation	**(274.18)**	550.02
Less : Provision for Taxation	**–**	114.68
Profit/(Loss) for the year after Taxation	**(274.18)**	435.34
Add : Balance of Profit/(Loss) for earlier years	**3,824.67**	3,389.33
Dividend on preference and equity shares (including tax on distributed profits)	**–**	–
Transfer to Preference Share Redemption Reserve	**1.00**	0.00
Balance carried forward	**3,549.49**	3,824.67

Indian Accounting Standards

The financial statements for the financial year 2016-17 have been prepared in accordance with applicable Indian Accounting Standards (IND-AS) and the corresponding figures for the previous year have been restated as per IND-AS for the purpose of comparison.

Dividend

With a view to conserve the resources of the Company for its growth plan, the Directors have not recommended dividend for Financial Year 2016-2017.

Reserves

Loss for the year has been carried forward to P & L account and ₹ 1 lakh amount has been transferred to Capital Redemption Reserves from retained earnings of earlier years.

Operations

The Company's project 'Aqualily' is a premium project within Mahindra World City, Chennai. Spread across 55 acres of land, the project offers villas and apartments with an estimated saleable area of 1.57 million square feet of which 1.51 million square feet has been launched. The Company has completed the construction of Villas and 3 Phases of apartments taking the total completed area under the project to 1.23 million square feet.

A new phase consisting of 196 units of 1BHK and Flexi apartments (2E) was launched during FY 2016-17. 78% of the total launched area in Aqualily has been sold as of 31st March 2017.

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

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

Share Capital

The Authorised share capital of the company is ₹ 50 lakh consisting of equity share capital of ₹ 45 lakhs and preference share capital of ₹ 5 lakh. The paid up equity capital is ₹ 25 lakh and paid up preference share capital is ₹ 1 lakh. The entire paid up equity share capital of the Company is held by Mahindra Integrated Township Limited. The preference share capital of ₹ 1 lakh comprising of 10,000 preference shares of face value ₹ 10 each held by Mahindra Integrated Township Limited, In accordance with the terms of redemptions, were duly redeemed by the Company on 21st July, 2016.

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.

Non-Convertible Debentures

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

Networth

The networth of the Company at the close of the previous financial year (FY 2015-16) and at the close of the current financial year (FY 2016-17) was ₹ 9,285.00 lakh and ₹ 9,010.82 lakh respectively.

Holding Company

The Company is a wholly owned subsidiary of Mahindra Integrated Township Limited and consequently a subsidiary company of the Mahindra Lifespace Developers Limited and of the ultimate holding company, Mahindra & Mahindra Limited.

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

Board of Directors

As at 31st March, 2017, the Board of Directors comprise of following:

Name of Director	Designation
Ms. Sangeeta Prasad (DIN: 02791944)	Chairperson, Non-Executive Non-Independent Director
Mr. Raghunath Murti (DIN: 00082761)	Independent Director
Mr. Sanjay Jain (DIN: 06446899)	Independent Director
Mr. Sanjiv Kapoor (DIN: 00004005)	Independent Director
Mr. Jayantt Manmadkar (DIN: 03044559)	Non-Executive Non-Independent Director

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

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

Key Managerial Personnel

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

Committees of the Board

- **Audit Committee**

  The Audit Committee comprises of two independent directors, namely Mr. Sanjay Jain, Mr. Raghunath Murti and one non-executive non-independent director, Mr. Jayantt Manmadkar. Mr. Sanjay Jain is the Chairman of the Committee. All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairperson and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Board has accepted all recommendations of the Audit Committee made from time to time.

- **Corporate Social Responsibility (CSR) Committee**

  The CSR Committee comprises of one independent director, Mr. Raghunath Murti and two non-exeucitve non-independent directors, Ms. Sangeeta Prasad and Mr. Jayantt Manmadkar. Ms. Sangeeta Prasad is the Chairperson of the Committee.

  During the year, the company contributed ₹ 43 lakh towards Corporate Social Responsibility. The annual report on the CSR activities providing brief details on CSR policy and CSR initiatives undertaken by the Company during the year is attached herewith at **Annexure 1** to this Report.

- **Nomination and Remuneration Committee**

  The Nomination and Remuneration Committee comprise of two independent directors, namely Mr. Raghunath Murti and Mr. Sanjay Jain and two non-executive non-independent directors, Ms. Sangeeta Prasad and Mr. Jayantt Manmadkar. Mr. Raghunath Murti is the Chairman of the Committee.

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

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

Performance Evaluation

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

Meeting of Independent Directors

The Independent Directors of the Company met once without the presence of the Non- Independent Directors or any other Management Personnel. The Meeting was conducted to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non- Independent Directors and the Board as a whole, assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meetings

During the year, four (4) meetings of the Board of Directors were convened and held on following dates:

13th April, 2016, 21th July 2016, 20th October, 2016 and 18th January, 2017.

During the year, four (4) meetings of the Audit Committee were convened and held on the following dates :

13th April, 2016, 21st July, 2016, 20th October, 2016 and 18th January, 2017.

During the year, one (1) meeting of Nomination & Remuneration Committee was convened and held on 13th April, 2016.

During the year, four (4) meetings of the Corporate Social Responsibility Committee were convened and held on 13th April, 2016, 21st July, 2016, 20th October 2016 and 18th January, 2017.

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	No of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Sangeeta Prasad	4	–	1	4
2.	Jayantt Manmadkar	4	4	1	4
3.	Sanjiv Kapoor	3	–	–	–
4.	Sanjay Jain	4	4	1	–
5.	Raghunath Murti	4	4	1	4

The previous Annual General Meeting was held on 15th July 2016.

Code of Conduct

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

During the year, due to the changes in the business environment and the governance landscape, the Code of Conduct of the Company for Senior Management and Employees was revised.

The Company has for the financial year 2016-17, received declarations under the Codes from the Board members, Independent Directors of the Company affirming compliance with the respective Codes.

Directors' Responsibility Statement

Pursuant to Section 134(5) 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;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the loss 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 the Companies Act, 2013, 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 auditors.

Vigil Mechanism/Whistle Blower Mechanism

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

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. 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

At the 7th Annual General Meeting held on 22nd July 2014 M/s. Deloitte Haskins & Sells., Chartered Accountants (Reg No: 008072S), Chennai, were appointed as Auditors for a term of 5 consecutive years from the conclusion of the 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the calendar year 2019. Pursuant to Section 139(1) of the Companies Act, 2013, the Company shall place the matter relating to appointment of auditors for ratification by members at every Annual General Meeting. Accordingly, the members are requested to ratify the appointment of Statutory Auditors from the conclusion of the 10th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in 2019.

As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent from M/s. Deloitte Haskins & Sells., Chartered Accountants, Chennai, proposed to be re-appointed as Auditors, that their appointment if made, would be in conformity within the limits specified in the said Section.

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

The requirements of having secretarial auditor and cost auditor are presently not applicable to the Company.

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

As the Company is engaged in the business of Real Estate Development, 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 said provisions are also not applicable to acquisition of shares if allotted in pursuance of Section 62(1)(a) of the Act. However, the details of the loans and advances are provided in the financial statement at note no. 3.

During the year, there are no investment made by the Company attracting the provision of section 186 of the Companies Act, 2013.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which could be considered material. Accordingly, the disclosure of related party transaction to be provided under section 134(3)(h) of the Companies Act, 2013, in form AOC-2 is not applicable to the Company.

Deposits, Loan and Advances

During the year, the Company has not accepted any deposits from the public or its employees.

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

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

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

Extract of Annual Return

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

Safety, Health and Environmental Performance

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

Sustainability

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

General

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

Disclaimer:

The Company is currently in the process of registering its ongoing projects in the applicable jurisdictions/States under the Real Estate (Regulation and Development) Act, 2016 ("RERA") and wherever the Rules under RERA have been notified by the respective States in which Company has projects. Till such time, the projects that are required to be registered under RERA are registered, none of the images, material, projections, details, descriptions and other information that are mentioned in the Annual Report for the year 2016-17, should be deemed to be or constitute advertisements, solicitations, marketing, offer for sale, invitation to offer, invitation to acquire, including within the purview of the RERA.

Acknowledgment

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 1

THE ANNUAL REPORT ON CSR ACTIVITIES

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

   The company has the mission of: 'Transforming Urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. In addition to the past investments in CSR initiatives which are mostly in the areas of education, public health and environment, which also include sustainability initiatives to reduce energy and resource use. This is reflected in Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". We undertake to endeavour for inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life.

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

   The CSR Committee of the Company comprise of Ms. Sangeeta Prasad (Chairperson), Mr. Raghunath Murti, Independent Director and Mr. Jayantt Manmadkar, Non-executive Non-Independent Director.

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

   The average net profit of the Company for the last three financials years- ₹ 21.60 Crores

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

   Prescribed CSR Spend (2% of above amount) - ₹ 0.43 Crore

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

   a. Total amount to be spent for the financial year: ₹ 0.43 Crore

   b. Amount unspent, if any: Nil

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

(Amount in ₹)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no.	**CSR project of activity identified**	**Sector in which the project is covered**	**Projects (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects: (1) Direct expenditure on projects or programs (2) Overhead**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1.	Nanhi Kali	Education	Varanasi, Uttar Pradesh	2,160,000	Direct expenditure - 2,160,000	2,160,000	Implementing Agency: KC Mahindra Education Trust
2.	Support Schools	Education	Kancheepuram, Tamil Nadu	600,000	Direct expenditure - 600,000	600,000	World vision
3.	Supporting PHC and water	Health	Kancheepuram, Tamil Nadu	600,000	Direct expenditure - 600,000	600,000	World vision
4.	Public park	Environment	Kancheepuram, Tamil Nadu	440,000	Direct expenditure - 440,000	440,000	World vision

(Amount in ₹)

(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**
5.	Tree plantation	Environment	Kancheepuram, Tamil Nadu	100,000	Direct expenditure - 100,000	100,000	World vision
6.	Swachh Bharat Initiative	Environment	Kancheepuram, Tamil Nadu	300,000	Direct expenditure - 300,000	300,000	World vision
7.	Capacity Building & Income Generation of Self Help Group (SHG)	Others	Kancheepuram, Tamil Nadu	100,000	Direct expenditure - 100,000	100,000	World vision

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

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

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

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

Sangeeta Prasad (Chairperson of Board and CSR Committee) Mumbai, 12th April, 2017	**Jayant Manmadkar** (Member of CSR Committee) Mumbai, 12th April, 2017

ANNEXURE 2 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

A. 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 Residential Developers Limited.

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

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

"**HR**" means the Human Resource department of the Company.

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

(i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)

(ii) Chief Financial Officer (CFO); and

(iii) Company Secretary (CS).

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

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

B. APPOINTMENT OF DIRECTORS

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

C. REMOVAL OF DIRECTORS

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

D. SENIOR MANAGEMENT PERSONNEL

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 3

POLICY FOR REMUNERATION OF THE DIRECTORS

A. PURPOSE

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

B. POLICY STATEMENT

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

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

C. 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.

D. EXECUTIVE DIRECTORS:

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

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

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 4

POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy is effective from the financial year 2014 - 15.

Objective

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

Standards

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 5

WHISTLE BLOWER POLICY

1. **The Whistle Blower Policy is effective from 1st April 2014.**

2. **Preface**

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

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

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

3. **Definitions**

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

   a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

   b. "Codes" mean three separate Codes of Conduct viz. for Directors, for Independent Directors and for Senior Management and Employees.

   c. "Director" means a director as defined under Section 2 (34) of the Companies Act, 2013.

   d. "Employee" means every employee of the Company (whether working in India or abroad), including the Directors in the whole time employment of the Company.

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

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

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

   h. "Whistle Blower" means a Director or Employee making a Protected Disclosure under this Policy.

4. **Scope**

   a. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

   b. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigator.

   c. Protected Disclosure will be appropriately dealt with by the Audit Committee.

5. **Eligibility**

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

6. **Procedure**

   a. All Protected Disclosures should be addressed to the Audit Committee.

   b. If a protected disclosure is received by any Executive(s) of the Company other than the Audit Committee member, the same should be forwarded to the Audit Committee for further appropriate action.

   c. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

d. Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised, be typed in English, Hindi or in the Regional Language of the place of employment of the Whistle Blower(s).

e. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower(s). The Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators for investigation.

f. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

7. Investigation

a. All Protected Disclosures reported under this Policy would be thoroughly investigated by the Audit Committee who would investigate/oversee the investigations.

b. The Audit Committee may at their discretion, consider involving any Investigators for the purpose of investigation.

c. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.

d. The identity of a Subject and the Whistle Blower would be kept confidential to the extent possible given the legitimate needs of law and the investigation.

e. Subjects would normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

g. Subjects have a right to consult with a person or persons of their choice, other than the Audit Committee.

h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.

i. Unless there are compelling reasons not to do so, Subjects would be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

j. Subjects have a right to be informed of the outcome of the investigation.

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

8. Protection

a. For the purpose of providing protection to the Whistle Blower(s), the Whistle Blower(s) should disclose his/her identity in the covering letter forwarding such Protected Disclosure.

b. The identity of the Whistle Blower(s) shall be kept confidential unless otherwise required by law, and in which case the Whistle Blower(s) would be informed accordingly.

c. No unfair treatment would be meted out to a Whistle Blower(s) by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistle Blower(s). Complete protection would, therefore, be given to Whistle Blower(s) against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company would take steps to minimise difficulties, which the Whistle Blower(s) may experience as a result of making the Protected Disclosure.

d. A Whistle Blower(s) may report any violation of the above Clause to the Audit Committee who shall investigate into the same and advise suitable action to the Management.

e. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower(s).

9. Disqualifications

a. While it would be ensured that genuine Whistle Blower(s) are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection would warrant disciplinary action.

b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower(s) knowing it to be false or bogus or with a mala fide intention.

c. Whistle Blower(s), who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle Blower(s) who make 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, would be disqualified from reporting further Protected Disclosures under this Policy and may be subject to disciplinary action.

10. Investigators

a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.

b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.

c. Investigations would be launched only after a preliminary review by the Audit Committee, as the case may be, which establishes that:

   i. the alleged act constitutes an improper or unethical activity or conduct; and

   ii. the allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of Management review.

11. Decision

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

12. Reporting

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

13. Retention of documents

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

14. Amendment

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 6

1. Conservation of energy:

(i)	the steps taken or impact on conservation of energy;	:	As a part of sustainable development adequate measures have been initiated to reduce energy consumption. With respect to providing an Energy Efficient final product to its customers, the Company is developing Green Building. Green building increases the resource efficiency (energy, water and materials), while reducing impacts on human health and the environment, through better selection of sites, design, construction, operation, maintenance, and demolition i.e. the complete building life cycle. Steps taken for energy conservation: 1. Energy efficient building envelops for walls and roofs 2. Solar water heating system 3. Heat Reflective paint 4. Adoption of solar street lighting for landscape areas 5. Adoption of highly efficient pumps, motors 6. Group control mechanism for lifts 7. LED lamps for common areas & pathways.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	Adoption of Solar hot water systems.
(iii)	the capital investment on energy conservation equipments	:	It is a mandate in our organisation to develop all the projects as green building projects. We don't capture these expenses separately under environmental protection expenditures/green investments. During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself. These expenditures are mainly for: 1. Use of energy efficient building envelops & fenestration 2. Heat reflective paint, 3. Low flow fixtures, 4. Sewage treatment plant, 5. Rain water harvesting system, 6. Organic waste converter, 7. Energy efficient equipments such as pumps and motors, etc. 8. Solar hot water systems, 9. Energy efficient lighting fixtures such as LED's

2. TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	:	The Company has adopted various alternate materials, methods during the year which includes use of Vinyl flooring, Rubber flooring, Fiber based concrete, Pre-cut and pre-polished door shutters.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Process improvement, Product Improvement
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	–
(iv)	the expenditure incurred on Research and Development	:	–

3. Foreign exchange Outgo

During the year, details of Foreign Exchange earnings is NIL and the Foreign Exchange outgo in terms of actual outflows is ₹ 7.33 lakh.

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

ANNEXURE 7

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31ST March, 2017

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

1. REGISTRATION AND OTHER DETAILS

1.	CIN	U45200TN2008PLC066292
2.	Registration Date	01.02.2008
3.	Name of the Company	Mahindra Residential Developers Limited
4.	Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamilnadu, India – 603002. Tel: +91 44 67455001
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	–

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

 # on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	Mahindra Integrated Township Limited Address: Administrative Block, Central Avenue, Mahindra World City, Natham Sub(PO), Chengalpet, Kacheepuram, Tamilnadu, India – 603002.	U74140TN1996PLC068288	Holding Company	100	2(46)
2	Mahindra Lifespace Developers Limited Address: Mahindra Towers, 5th Floor, Dr G M Bhosale Marg, Worli, Mumbai 400 018	L45200MH1999PLC118949	Intermediate Holding Company	–	2(46)
3	Mahindra and Mahindra Limited Address: Gateway Building, Apollo, Bunder, Mumbai – 400 001	L65990MH1945PLC004558	Ultimate Holding Company	–	2(46)

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

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total isuued shares	Demat	Physical	Total	% total isuued shares	
A. Promoters									
(1) **Indian**									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt.	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total isuued shares	Demat	Physical	Total	% total isuued shares	
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	250,000	250,000	100	–	250,000	250,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	250,000	250,000	100	–	250,000	250,000	100	–
(2) **Foreign**									
a) NRI-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	–	**250,000**	**250,000**	**100**	–	**250,000**	**250,000**	**100**	–
B. Public Shareholding									
1. **Institutions**									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	–
2. **Non-Institutions**									
a) Bodies Corp.									
i) Indian	–	–	–	–	–	–	–	–	–
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total isuued shares	Demat	Physical	Total	% total isuued shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Non Resident Individuals)	–	–	–	–	–	–	–	–	–
d) Others Trust	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	–	**250,000**	**250,000**	**100**	–	**250,000**	**250,000**	**100**	–

(ii) Shareholding of Promoters (Equity)

Sl. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra Integrated Township Limited	249,930	100	–	249,930	100	–	–
2.	Mahindra Integrated Township Limited and Ms. Anita Arjundas	10	0.00	–	10	0.00	–	–
3.	Mahindra Integrated Township Limited and Mr. S. Chandru	10	0.00	–	–	–	–	–
4.	Mahindra Integrated Township Limited and Ms. K. Bharathy	10	0.00	–	–	–	–	–
5.	Mahindra Integrated Township Limited and Mr. Vivek Sharma	–	–	–	10	0.00	–	–
6.	Mahindra Integrated Township Limited and Mr. Jayant Manmadkar	10	0.00	–	10	0.00	–	–
7.	Mahindra Integrated Township Limited and Mr. R. Eswaran	10	0.00	–	10	0.00	–	–
8.	Mahindra Integrated Township Limited and Mr. K. Shyam Sundar	10	0.00	–	10	0.00	–	–

Sl. No.	Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
9.	Mahindra Integrated Township Limited and Ms. Sangeeta Prasad	10	0.00	–	10	0.00	–	–
10.	Mahindra Integrated Township Limited and Mr. Ulhas Bhosale	–	–	–	10	0.00	–	–
	Total	**250,000**	**100**	–	**250,000**	**100**	–	–

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in the shareholding of the promoters. However, during the year, 10 shares held by Mahindra Integrated Township Limited (MITL) jointly with Ms. K Bharathy were transferred to MITL jointly with Mr. Ulhas Bhosale and 10 shares held by MITL jointly with Mr. S Chandru were transferred to MITL jointly with Mr. Vivek Sharma.

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

(v) Shareholding of Directors and Key Managerial Personnel:

For each of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
Sangeeta Prasad – Director* At the beginning of the year	10	0.00	10	0.00
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
At the End of the year	10	0.00	10	0.00

* ***Jointly held with Mahindra Integrated Township Limited (first shareholder).***

5. INDEBTEDNESS

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

(₹ in lakh)

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

(₹ in lakh)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	317.24	NIL	NIL	317.24
• Reduction	190.01	NIL	NIL	190.01
Net Change	127.23	NIL	NIL	127.23
Indebtedness at the end of the financial year				
i) Principal Amount	127.23	NIL	NIL	127.23
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	127.23	NIL	NIL	127.23

6. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

   B. **Remuneration of other directors:**

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	**Raghunath Murti**	**Sanjay Jain**	**Sanjiv Kapoor**	
	• Fee for attending board/committee meetings	1.30	1.30	0.60	3.2
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	**1.30**	**1.30**	**0.60**	**3.2**
2.	Other Non-Executive Directors	Nil	Nil	Nil	Nil
	• Fee for attending board/committee meetings	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**
	Total (B)=(1+2)	**1.30**	**1.30**	**0.60**	**3.20**
	Total (A)	N.A.	N.A.	N.A.	N.A.
	Total Managerial Remuneration	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

   C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/MANAGER/WHOLE TIME DIRECTOR: NOT APPLICABLE**

7. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

For and on behalf of the Board,

Sangeeta Prasad
Chairperson
DIN : 02791944

Mumbai, 12th April, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA RESIDENTIAL DEVELOPERS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **MAHINDRA RESIDENTIAL DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 and the reports of the other auditors.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
   e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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, its branches and joint operations which are companies incorporated in India 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, as amended, 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 Ind AS financial statements (Refer Note 24 to the Ind AS financial statements);
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts ; the company has not entered into any derivative contracts;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
      iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. (Refer Note 29 to the Ind AS financial statements)
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: 12th April, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section 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 RESIDENTIAL DEVELOPERS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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, 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 whether 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, 2017, 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 Suryanarayanan
(Partner)
(Membership No. 29519)

Place: Chennai
Date: 12th April, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) The Company does not have any fixed assets and hence reporting under clause (i) of CARO 2016 is not applicable.

(ii) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of lease deeds, physical verification of materials, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. There were no unclaimed deposits at any time during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) The details of dues of Income Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount Unpaid
				(₹ in lakh)	
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2012-13	393.42	116.19
		Commissioner of Income Tax - Appeals	AY 2013-14	368.44	47.61
			AY 2014-15	1,810.72	809.17

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures. The Company has not taken loans or borrowings from Financial Institutions and government.

(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 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 and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any managerial remuneration.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 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 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 Suryanarayanan
(Partner)
(Membership No. 29519)

Place: Chennai
Date: 12th April, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017 ₹ in lakh	As at 31st March, 2016 ₹ in lakh	As at 1st April, 2015 ₹ in lakh
I ASSETS				
NON-CURRENT ASSETS				
(a) Financial Assets				
(i) Other Financial Assets	3	**23.84**	23.84	573.84
(b) Other Non-current Assets	4	**579.02**	386.12	345.10
Total Non-Current Assets		**602.86**	409.96	918.94
CURRENT ASSETS				
(a) Inventories	5	**8,386.07**	8,960.79	7,656.80
(b) Financial Assets				
(i) Trade Receivables	6	**226.10**	311.46	406.49
(ii) Cash and Cash Equivalents	7	**339.54**	72.99	310.02
(iii) Other Financial Assets	3	**539.75**	1,417.95	1,857.51
(c) Other Current Assets	4	**1,612.26**	2,276.31	2,320.40
Total Current Assets		**11,103.72**	13,039.50	12,551.22
Total Assets		**11,706.58**	13,449.46	13,470.16
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	8	**25.00**	25.00	25.00
(b) Other Equity	9	**8,985.82**	9,260.00	8,824.66
Total Equity		**9,010.82**	9,285.00	8,849.66
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	10	**–**	1.00	1.00
Total Non-Current Liabilities		**–**	1.00	1.00
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	11	**127.23**	–	–
(ii) Trade Payables	12	**1,832.42**	3,647.40	3,616.46
(iii) Other Financial Liabilities	13	**397.04**	266.16	176.56
(b) Provisions	14	**110.09**	167.10	156.06
(c) Other Current Liabilities	15	**228.98**	82.80	670.42
Total Current Liabilities		**2,695.76**	4,163.46	4,619.50
Total Liabilities		**2,695.76**	4,164.46	4,620.50
Total Equity & Liabilities		**11,706.58**	13,449.46	**13,470.16**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 12th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Independent Director	(DIN: 00082761)
Sanjay Jain	Independent Director	(DIN: 06446899)
Sanjiv Kapoor	Independent Director	(DIN: 00004005)
Jayantt Manmadkar	Non-Executive, Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 12th April, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	**Year ended 31st March, 2017 ₹ in lakh**	Year ended 31st March, 2016 ₹ in lakh
INCOME			
Revenue from operations	16	**1,217.52**	3,139.92
Other income	17	**97.68**	243.14
Total Income		**1,315.20**	3,383.06
EXPENSES			
Operating Expenses- Cost of Sales	18	**904.36**	2,216.75
Finance costs	19	**317.10**	13.93
Other expenses	20	**653.31**	602.36
Total Expenses		**1,589.38**	2,833.04
(Loss)/Profit before tax		**(274.18)**	550.02
Tax expense			
Current tax	21	**–**	114.68
Deferred tax		**–**	–
Total tax expense		**–**	114.68
(Loss)/Profit after tax for the Year		**(274.18)**	435.34
Earnings per equity share (of face value ₹ 10/-each):			
Basic/Diluted (in ₹)	**23**	**(109.67)**	174.14

See accompanying notes forming part of the financial statements

In terms of our report attached	For and on behalf of the Board of Directors		
For **Deloitte Haskins & Sells** Chartered Accountants	**Sangeeta Prasad**	Chairperson	(DIN: 02791944)
	Raghunath Murti	Independent Director	(DIN: 00082761)
	Sanjay Jain	Independent Director	(DIN: 06446899)
	Sanjiv Kapoor	Independent Director	(DIN: 00004005)
Geetha Suryanarayanan Partner	**Jayantt Manmadkar**	Non-Executive, Non-Independent Director	(DIN: 03044559)
Place: Chennai Date: 12th April, 2017	Place: Mumbai Date: 12th April, 2017		

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	**Year ended 31st March, 2017 ₹ in lakh**	Year ended 31st March, 2016 ₹ in lakh
Cash flows from operating activities		
(Loss)/Profit before tax for the year	**(274.18)**	550.02
Adjustments for:		
Finance costs recognised in profit or loss	**31.71**	–
Investment income recognised in statement of profit or loss	**(90.37)**	(200.52)
Movements in working capital:		
Increase in trade and other receivables	**85.36**	95.03
Decrease/(Increase) in amounts due from customers under construction	**329.61**	(92.00)
Decrease/(Increase) in inventories	**574.72**	(1,303.99)
Decrease/(Increase) in other assets	**334.44**	136.09
Decrease/(Increase) in other Financial Assets	**15.91**	110.37
(Decrease)/increase in trade and other payables	**(1,814.97)**	30.94
(Decrease)/increase in other liabilities	**192.21**	(62.86)
(Decrease)/increase in deferred revenue	**84.85**	(435.16)
(Decrease)/increase) in provisions	**(57.01)**	11.04
Cash used in operations	**(587.72)**	(1,161.04)
Income taxes paid	**(192.90)**	(155.70)
Net cash used in operating activities	**(780.62)**	(1,316.74)
Cash flows from investing activities		
Interest received	**93.40**	193.26
Other dividends received	**–**	4.57
Bank balances not considered as Cash and Cash Equivalents	**114.26**	(268.12)
Repayment of Inter-corporate deposits by related parties	**745.00**	1,150.00
Net cash generated by investing activities	**952.66**	1079.71
Cash flows from financing activities		
Repayment of borrowings	**(1.00)**	–
Short term Borrowings taken	**127.23**	–
Interest paid	**(31.71)**	–
Net cash from financing activities	**94.52**	–
Net increase/(decrease) in cash and cash equivalents	**266.56**	(237.03)
Cash and cash equivalents at the beginning of the year	**72.99**	310.02
Cash and cash equivalents at the end of the year	**339.55**	72.99
Reconciliation of Cash and Cash Equivalents with the Balance Sheet	**339.54**	72.99
Less: Bank balances not considered as Cash and Cash Equivalents (Earmarked balances).	**–**	–
Total Cash and Cash Equivalents (Note no.7)	**339.54**	72.99

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 12th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Independent Director	(DIN: 00082761)
Sanjay Jain	Independent Director	(DIN: 06446899)
Sanjiv Kapoor	Independent Director	(DIN: 00004005)
Jayantt Manmadkar	Non-Executive, Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 12th April, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

All amounts are in lakh unless otherwise stated

A. EQUITY SHARE CAPITAL

	Amount ₹ in lakh
AS AT 1ST APRIL, 2015	25.00
Changes in equity share capital during the year	–
AS AT 31ST MARCH, 2016	25.00
Changes in equity share capital during the year	–
AS AT 31ST MARCH, 2017	25.00

B. OTHER EQUITY

Particulars	Securities Premium Reserve	Capital Redemption Reserve	Ind AS Transition Reserve	Retained Earnings	Total
Balance As at 1st April, 2015	5,435.33	–	36.55	3,352.78	8,824.66
Profit/(Loss) for the period	–	–	–	435.34	435.34
Other Comprehensive Income/(Loss) for the year net of income tax	–	–	–	–	–
Total Comprehensive Income for the year	–	–	–	435.34	435.34
Balance As at 31st March, 2016	5,435.33	–	36.55	3,788.12	9,260.00
Profit/(Loss) for the period	–	–	–	(274.18)	(274.18)
Other Comprehensive Income/(Loss) for the year net of income tax	–	–	–	–	–
Total Comprehensive Income for the year	–	–	–	(274.18)	(274.18)
Transfer to Capital Redemption Reserve	–	1.00	–	(1.00)	–
Balance As at 31st March, 2017	**5,435.33**	**1.00**	**36.55**	**3,512.94**	**8,985.82**

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 12th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Independent Director	(DIN: 00082761)
Sanjay Jain	Independent Director	(DIN: 06446899)
Sanjiv Kapoor	Independent Director	(DIN: 00004005)
Jayantt Manmadkar	Non-Executive, Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 12th April, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. General Information

The Company was incorporated on February 1, 2008.

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

2. Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

2.4.1 Construction contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the balance sheet, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated balance sheet under trade receivables.

Further, in accordance with the Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) issued by the Institute of Chartered Accountants of India, revenues will be recognized from these real estate projects only when

i. All critical approvals necessary for commencement of the project have been obtained and

ii. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and

iii. when at least 10% of the sales consideration is realised and

iv. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

2.4.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is measured based on the proportion of costs incurred for rendering of the service to date relative to the estimated total costs, except where this would not be representative of the stage of completion.

2.4.3 Sale of goods

Revenue from the sale of goods (i.e. residential units sold and entire consideration after the receipt of completion certificate or similar document from the concerned local authority) is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4.4 Dividend and interest income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 2.18 below for hedging accounting policies).

2.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

2.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.12.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.12.3.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of ‘Reserve for debt instruments through other comprehensive income’. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Note 2.12.3.

All other financial assets are subsequently measured at fair value.

2.12.2 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (see note 3.24.3 above).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Company’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.12.3 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.12.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.12.5 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.13 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.13.1 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

2.13.1.1 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.13.1.2 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.13.1.3 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.13.1.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.14 1.28 First-time adoption – mandatory exceptions, optional exemptions, and

2.14.1 Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

2.14.2 Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2015 (the transition date).

2.14.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

All amounts are in lakh unless otherwise stated

is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

2.14.4 Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

2.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

3 Other Financial Assets

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A) Security Deposits						
– Unsecured, considered good	**30.89**	**23.84**	2.80	23.84	2.80	23.84
Less: Allowance for Credit Losses	–	–	–	–	–	–
TOTAL (A)	**30.89**	**23.84**	2.80	23.84	2.80	23.84
B) Loans to related parties*						
– Unsecured, considered good	**355.00**	–	1,144.00	–	1,700.00	550.00
Less: Allowance for Credit Losses	–	–	–	–	–	–
TOTAL (B)	**355.00**	–	1,144.00	–	1,700.00	550.00
C) Interest Receivable						
(i) Interest accrued on deposits, loans and advances	–	–	3.03	–	0.34	–
TOTAL (C)	–	–	3.03	–	0.34	–
D) Other Bank Balances						
(i) Restricted Cash and bank balances						
– Earmarked Deposit account with scheduled banks #	**153.86**	–	268.12	–	154.37	–
TOTAL (D)	**153.86**	–	268.12	–	154.37	–
GRAND TOTAL	**539.75**	**23.84**	1,417.95	23.84	1,857.51	573.84

* This loan is given to M/s. Mahindra Integrated Township Limited to meet its working capital requirement at an interest rate of 11% p.a. This loan is unsecured and repayable on demand.

\# Earmarked balances with banks refers to FD's with bank created out of Corpus and Advance maintenance Charges collected from customers.

4 Other assets

Particulars	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
A) Advances other than capital advances						
(i) Balances with government authorities (other than income taxes)	**553.56**	–	671.81	–	511.83	–
(ii) Other advances (Mobilisation and Material Advances)	**74.72**	–	290.91	–	586.98	–
B) Advance income tax – Unsecured, considered good	–	**579.02**	–	386.12	–	345.10
	628.28	**579.02**	962.72	386.12	1,098.81	345.10
C) Contract Assets	**983.98**	–	1,313.59	–	1,221.59	–
	983.98	–	1,313.59	–	1,221.59	–
	1,612.26	**579.02**	2,276.31	386.12	2,320.40	345.10

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4a Contract Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Contracts in Progress at the end of reporting Period			
Construction costs incurred plus profits recognised less losses recognised	–	–	2,580.57
Less: Progress Billings	–	–	3,337.30
Balance at end of the year	–	–	(756.73)
Recognised and Included in Financial Statements as amounts due:			
(i) Amounts due from Customers under construction contracts	**983.98**	1,313.59	–
(ii) Amounts due to Customers under construction contracts	**84.85**	–	435.16
	1,068.83	1,313.59	435.16
Retentions held by customer for contract work	–	–	–
Advances received from customers for contract work	**140.70**	62.93	208.68

5 Inventories

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(a) Construction Materials	**316.96**	615.66	364.61
(b) Work-in-Progress	**3,000.42**	2,606.00	5,188.36
(c) Finished Goods-Stock in trade	**5,068.69**	5,739.13	2,103.83
Total Inventories (at lower of cost and net realisable value)	**8,386.07**	8,960.79	7,656.80

Construction materials majorly include Steel, Cement, Chrome Plated & Sanitary Fixtures and UPVC windows.

The cost of inventories recognised as an expense during the year in respect of continuing operations was 904.36 (2015-2016: 2,216.75)

The carrying amount of inventories pledged as security for CC obtained from HDFC bank is 8,386.07 (31st March, 2016: NIL, 1st April, 2015: NIL).

6 Trade receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Current	Current	Current
Trade receivables			
Unsecured, considered good	**226.10**	311.46	406.49
Total	**226.10**	311.46	406.49
Of the above, trade receivables from:			
– Related Parties	–	–	–
– Others	**226.10**	311.46	406.49
Total	**226.10**	311.46	406.49

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

7 Cash and cash equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents			
Balances with banks			
– in Current Accounts	**96.35**	72.98	310.01
– in earmarked account balances#	**243.18**	–	–
Cash on hand	**0.01**	0.01	0.01
Total Cash and cash equivalents	**339.54**	72.99	310.02

Earmarked balances with banks refers to Fixed Deposits with bank created out of Corpus and Advance maintenance Charges collected from customers.

8 Equity Share Capital

Particulars	As at 31st March, 2017 No. of shares	As at 31st March, 2017 Amount	As at 31st March, 2016 No. of shares	As at 31st March, 2016 Amount	As at 1st April, 2015 No. of shares	As at 1st April, 2015 Amount
Authorised:						
Equity shares of ₹ 10 each with voting rights	**4,50,000**	**45.00**	4,50,000	45.00	4,50,000	45.00
Issued, Subscribed and Fully Paid:						
Equity shares of ₹ 10 each with voting rights	**2,50,000**	**25.00**	2,50,000	25.00	2,50,000	25.00
TOTAL	**2,50,000**	**25.00**	2,50,000	25.00	2,50,000	25.00

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	Opening Balance	Fresh Issue	Bonus	Other Changes	Closing Balance
(a) Equity Shares with Voting rights*					
Year Ended 31st March, 2017					
No. of Shares	**2,50,000**	**–**	**–**	**–**	**2,50,000**
Amount in lakh	**25.00**	**–**	**–**	**–**	**25.00**
Year Ended 31st March, 2016					
No. of Shares	2,50,000	–	–	–	2,50,000
Amount in lakh	25.00	–	–	–	25.00
Year Ended 1st April, 2015					
No. of Shares	2,50,000	–	–	–	2,50,000
Amount in lakh	25.00	–	–	–	25.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

All amounts are in lakh unless otherwise stated

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

(ii) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2017 No.	As at 31st March, 2017 % holding in the class	As at 31st March, 2016 No.	As at 31st March, 2016 % holding in the class	As at 1st April, 2015 No.	As at 1st April, 2015 % holding in the class
Equity shares with voting rights:-						
Mahindra Integrated Township Limited, Holding Company..	**2,50,000**	**100.00%**	2,50,000	100.00%	2,50,000	100.00%

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	Others
	No. of Shares		
As at 31st March, 2017			
Mahindra Integrated Township Limited, Holding Company	**2,50,000**	–	–
As at 31st March, 2016			
Mahindra Integrated Township Limited, Holding Company	2,50,000	–	–
As at 1st April, 2015			
Mahindra Integrated Township Limited, Holding Company	2,50,000	–	–

9 Other equity

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities premium reserve	**5,435.33**	5,435.33	5,435.33
Capital Redemption Reserve	**1.00**	–	–
Retained earnings	**3,512.94**	3,788.12	3,352.78
IND AS Transition Reserve............................	**36.55**	36.55	36.55
	8,985.82	9,260.00	8,824.66

10 Non-Current Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unsecured Borrowings – at amortised Cost			
Non-convertible Preference Shares – 10000 shares of ₹ 10/- each	–	1.00	1.00
Total Borrowings	–	1.00	1.00

The Company had one class of preference shares having a par value of ₹ 10 per share, redeemable upon payment of dividend of ₹ 2,324.50 and at the option of the Preference shareholder. The preference dividend was fully paid as on March 31, 2015. The preference shareholder has exercised the option for redemption during the current financial year and accordingly preference shares have been redeemed in September 2016.

11 Current Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured Borrowings			
From Banks-Cash Credit Facility	**127.23**	–	–
Total Current Borrowings..........	**127.23**	–	–

Company has obtained Secured Cash Credit Limit from HDFC Bank Ltd for ₹ 2500 lakh @ Bank Base Rate + 0.25% p.a. payable on a monthly basis. This facility is secured by hypothecation of book debts and Inventories.

12 Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payable – Micro ans small enterprises	**57.34**	186.10	162.06
Trade payable – Other than micro ans small enterprises......	**1,310.58**	2,825.13	2,453.42
Retention Payable....................	**464.50**	636.17	1,000.98
Total Trade Payables	**1,832.42**	3,647.40	3,616.46

There are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

13 Other Financial Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Deposits from Customers*........	**397.04**	266.16	176.56
Total Other Financial Liabilities................................	**397.04**	266.16	176.56

* Refers to amount collected from customers towards "Advance maintenance and Corpus fund". Out of the funds collected, the Company has invested in earmarked deposit accounts with banks (Refer Note 3)

14 Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Defect Liability Provision.........	**110.09**	167.10	156.06
Total Provisions	**110.09**	167.10	156.06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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Details of movement in Other Provisions is as follows:

Particulars	Defect Liability Provision
Balance at 1st April, 2015	156.06
Additional provisions recognised	6.19
Amounts used during the period	(9.08)
Unused amounts reversed during the period	
Unwinding of discount and effect of changes in the discount rate	13.93
Balance at 31st March, 2016	167.10
Balance at 1st April, 2016	167.10
Additional provisions recognised	4.43
Amounts used during the period	(52.69)
Unused amounts reversed during the period	(20.28)
Unwinding of discount and effect of changes in the discount rate	11.53
Balance at 31st March, 2017	**110.09**

Defect Liability Provision:

Provision for defect liability represents present value of management's best estimate of the future outflow of economic resources that will be required in respect of residential units given under perpetual lease, the estimated cost of which is accrued during the period of construction. Management estimates the related provision for future defect liability claims based on historical cost of rectifications and is adjusted regularly to reflect new information. The residential units are generally covered under a the defect liability period limited to 1 year from the date of handover of residential units. It is expected that most of these costs will be incurred within two years from the reporting date.

15 Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a. Advances received from customers(under Construction Contracts)	**140.70**	62.93	208.68
b. Deferred Revenue			
– Other Deferred Revenues	**84.85**	–	435.16
c. Statutory dues			
– taxes payable (other than income taxes)	**3.43**	19.87	26.58
Total Trade Payables	**228.98**	82.80	670.42

16 Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Revenue from projects	**1,217.52**	3,139.92
Total Revenue from Operations	**1,217.52**	3,139.92

17 Other Income

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest Income on Financial assets that are not designated as Fair Value through Profit or Loss	**91.87**	204.24
On Financial Assets at Amortised Cost	**89.59**	195.95
From Fixed deposits with Banks	**0.78**	5.62
From Customers	**1.50**	2.67
Dividend Income	–	4.57
Others	–	4.57
Scrap Income	**0.04**	5.82
Cancellation/Transfer income	**5.77**	28.51
Total Other Income	**97.68**	243.14

18 Operating Expenses

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Inventories at the beginning of the year:		
Finished goods	**5,739.13**	2,103.83
Work-in-progress	**2,606.00**	5,188.36
Construction Materials	**615.66**	364.61
Add: Expenses incurred during the year		
Land and Construction Costs	**54.83**	3,167.28
Architect & Consultant Fees	**43.74**	14.32
Project Management Fees	**143.72**	109.87
Other Expenses	**87.35**	229.27
Inventories at the end of the year:		
Finished goods	**(5,068.69)**	(5,739.13)
Work-in-progress	**(3,000.42)**	(2,606.00)
Construction Materials	**(316.96)**	(615.66)
Operating Expenses	**904.36**	2,216.75

19 Finance Cost

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest Expense	**18.71**	–
Other borrowing cost	**13.00**	13.93
Total Finance Costs	**31.71**	13.93

Analysis of Interest Expenses by Category

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Interest Expenses		
On Financial Liability at Amortised Cost	**18.71**	–
On Financial Liabilities at FVTPL	**13.00**	13.93

20 Other Expenses

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Rent including lease rentals	**1.79**	2.48
Rates and taxes	**0.56**	0.79
Repairs and maintenance – Others	**28.55**	0.49
Advertisement	**340.16**	229.96
Commission on sales/contracts (net)	**22.93**	15.42
Travelling and Conveyance Expenses	**15.87**	3.86
Defect liability provision (net)	**(15.85)**	6.19
Expenditure on corporate social responsibility*	**43.00**	46.72
Staff Deputation Costs	**111.00**	135.18
Director Sitting Fee	**3.20**	2.80
Auditors remuneration and out-of-pocket expenses	**7.74**	8.67
As Auditors	**5.25**	5.75
For Other services (Net of ₹ 1.50 lakh reimbursed by parent company)	**2.40**	2.90
For reimbursement of expenses	**0.09**	0.02
Other expenses	**94.36**	149.80
Legal and other professional costs	**28.63**	27.90
Other General Expenses	**65.73**	121.90
Total Other Expenses	**653.31**	602.36

* Details of expenditure on Corporate Social Responsibility

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Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Education	**6.00**	5.00
PHC & Health Camps	**5.40**	5.00
Centre for Excellence	**7.00**	11.70
Tree Plantation	**3.00**	1.66
Contribution to approved NGO (Nanhi Kali foundation)	**21.60**	23.36
Total CSR Expense	**43.00**	46.72

21 Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Current Tax:		
In respect of current year	–	114.68
Total income tax expense on continuing operations	–	114.68

Company being SEZ Developer is exempted from paying tax on income under Income tax Act,1961.

(b) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year Ended 31st March, 2017	Year Ended 31st March, 2016
Profit before tax from continuing operations	**(274.18)**	550.02
Income tax expense calculated at 34.61% (2016: 34.61%)#	–	190.35
Effect of income that is exempt from taxation	–	(190.35)
Unrecognised MAT Credit	–	114.68
Income tax expense recognised In profit or loss from continuing operations	–	114.68

The tax rate used for the 31 March 2017 and 31 March 2016 reconciliations above is the corporate tax rate of 34.61% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(c) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items, because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unused tax credits -MAT (with year of expiry of the MAT credit)			
– MAT Credit of FY 2012-13 (Expiry-2022-23)	**202.90**	202.90	202.90
– MAT Credit of FY 2013-14 (Expiry-2023-24)	**870.18**	870.18	870.18
– MAT Credit of FY 2014-15 (Expiry-2024-25)	**325.90**	325.90	325.90
– MAT Credit of FY 2015-16 (Expiry-2025-26)	**32.94**	32.94	–
Total	**1,431.92**	1,431.92	1,398.98

22 Segment Reporting

Business segments

The Company operates in only one business segment, i.e. 'Residential Projects & Development Activities' based on the nature of the services and products, the risks and returns etc. Therefore, business segment reporting in terms of IND AS 108 on segmental reporting is not applicable.

Geographical segments

The Company operates only in India. Therefore, geographical segment reporting in terms of IND AS 108 on segmental reporting is not applicable. The conditions prevailing in India being uniform, no separate geographical disclosure within India is considered necessary.

23 Earnings per Share

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Basic/Diluted Earnings per share		
From continuing operations (₹) per share	**(109.67)**	174.14
From discontinuing operations (₹) per share	–	–
Total basic/diluted earnings per share	**(109.67)**	174.14

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit/(loss) for the year attributable to owners of the Company	**(274.18)**	435.34
Less: Preference dividend and tax thereon		–
Profit/(loss) for the year used in the calculation of basic earnings per share	**(274.18)**	435.34
Profit for the year on discontinued operations used in the calculation of basic earnings per share from discontinued operations		
Profits used in the calculation of basic earnings per share from continuing operations	**(274.18)**	435.34
Weighted average number of equity shares	**2,50,000**	2,50,000
Earnings per share from continuing operations – Basic (₹)	**(109.67)**	174.14

24 Contingent liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Contingent liabilities (to the extent not provided for)			
Income tax demand Notices (to the extent not recognised in the books)			
FY 2011-12 (Assessment Year 2012-13)	**121.05**	121.05	121.05
FY 2012-13 (Assessment Year 2013-14)	**148.98**	148.98	–
FY 2014-15 (Assessment Year 2013-14)	**940.56**	–	–
Total	**1,210.59**	270.03	121.05

All Income tax demands appealed or in the process filing appeal with appropriate tax authority.

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25 Financial Instruments

Capital management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Company compared to last year.

The Company uses debt to equity ratio as a capital management index and calculates the ratio as total debt divided by total equity based on the amounts stated in the financial statements.

The Company is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31st March, 2017, 31st March, 2016 and 1st April, 2015 is as follows:

	31st March, 2017	31st March, 2016	1st April, 2015
Debt (A)	**127.23**	1.00	1.00
Equity (B)	**9,010.82**	9,285.00	8,849.66
Debt Equity Ratio (A/B)	**1.41%**	0.01%	0.01%

Categories of financial assets and financial liabilities

	As at 31st March, 2017			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Financial Assets Measured at Amortised Cost	**23.84**	–	–	**23.84**
Current Assets				
Trade Receivables	**226.10**	–	–	**226.10**
Cash and Cash equivalents	**339.54**	–	–	**339.54**
Loans & Other Financial Assets	**539.75**	–	–	**539.75**
	1,129.23	–	–	**1,129.23**
Current Liabilities				
Current Borrowings	**127.23**	–	–	**127.23**
Trade Payables	**1,832.42**	–	–	**1,832.42**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**397.04**	–	–	**397.04**
	2,356.69	–	–	**2,356.69**

	As at 31st March, 2016			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Financial Assets Measured at Amortised Cost	23.84	–	–	23.84
Current Assets				
Trade Receivables	311.46	–	–	311.46
Cash and Cash equivalents	72.99			72.99
Financial Assets measured at Amortised Cost	1,417.95	–	–	1,417.95
	1,826.24	–	–	1,826.24
Non-current Liabilities				
Borrowings	1.00	–	–	1.00
Current Liabilities				
Borrowings				–
Trade Payables	3,647.40	–	–	3,647.40
Other Financial Liabilities				
– Non Derivative Financial Liabilities	266.16	–	–	266.16
	3,914.56	–	–	3,914.56

	As at 1st April, 2015			
Particulars	**Amortised Costs**	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Financial Assets Measured at Amortised Cost	573.84	–	–	573.84
Current Assets				
Investments				–
Trade Receivables	406.49	–	–	406.49
Cash and Cash equivalents	310.02	–	–	310.02
Financial Assets measured at Amortised Cost	1,857.51	–	–	1,857.51
	3,147.86	–	–	3,147.86
Non-current Liabilities				
Borrowings	1.00	–	–	1.00
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	3,616.46	–	–	3,616.46
Other Financial Liabilities				
– Non Derivative Financial Liabilities	176.56	–	–	176.56
	3,794.02	–	–	3,794.02

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk . In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

The amount of trade receivable of residential business as appearing in the balance sheet of the company shows the amount due from the customers to whom the flat has not yet been handed over to him. As per the company's flat handover policy, a flat to a customer is handed over to him only upon clearing of entire dues payable by him and not before that, since the flat is in the custody of the company and as per the terms of the agreement with the customer's, he/she can claim the right on the property only upon clearing of all the dues and proper handover of flat to him, company is not exposed to any credit loss risk. Further there has been no instance in past which shows that the company has handed over any unit to a customer with any dues pending from him and has exposed to a credit risk. In light of the above fact the company is not making any provision for expected credit loss.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

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To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-2017				
Non Interest Bearing				
Trade Payable	**1,832.80**	–	–	–
Deposits from Customers	**397.04**	–	–	–
Floating Interest Payable Instruments				
Short term borrowing borrowing	**127.23**	–	–	–
Total	**2,357.07**	–	–	–
31-Mar-2016				
Non Interest Bearing				
Trade Payable	**3,649.25**	–	–	–
Short term Deposits	**266.16**	–	–	–
Fixed Interest Payable Instruments				
Redeemable Preference shares	**1.00**	–	–	–
Total	**3916.41**	–	–	–
1-Apr-2015				
Non Interest Bearing				
Trade Payable	**3,618.94**	–	–	–
Short term Deposits	**176.56**	–	–	–
Fixed Interest Payable Instruments				
Redeemable Preference shares	**1.00**	–	–	–
Total	**3,796.50**	–	–	–

(iii) Financing arrangements

The Company had access to following undrawn borrowing facilities at the end of the reporting period:

Particulars	31st March, 2017	31st March, 2016	1st April, 2015
Secured Bank Cash Credit facility			
– Expiring within one year	**2,372.77**	–	–
Secured Bank Guarantee Limit (sub limit of CC Credit facility)			
– Expiring within one year	**50.00**	–	–
Secured Letter of Credit (sub limit of CC Credit facility)			
– Expiring within one year	**50.00**	–	–
	2,372.77		

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-Mar-2017				
Non-interest bearing				
Trade Receivables	**226.10**	–	–	–
Security Deposits	**30.89**	–	**23.84**	
Interest receivables	–	–	–	–
Cash and Cash Equivalents	**339.54**	–	–	–
Fixed interest rate instruments				
Loans to Related Parties	**355.00**	–	–	–
Deposits made with banks (refer note no.3)	**153.86**	–	–	–
Total	**1,105.39**	–	**23.84**	–
31-Mar-2016				
Non-interest bearing				
Trade Receivables	311.46	–	–	–
Security Deposits	2.80	–	23.84	–
Interest receivables	3.03	–	–	–
Cash and Cash Equivalents	72.99	–	–	–
Fixed interest rate instruments				
Loans to Related Parties	1,144.00	–	–	–
Deposits made with banks (refer note no.3)	268.12	–	–	–
Total	1,802.40	–	23.84	–
1-Apr-2015				
Non-interest bearing				
Trade Receivables	406.49	–	–	–
Security Deposits	2.80	–	23.84	–
Interest receivables	0.34	–	–	–
Cash and Cash Equivalents	310.02	–	–	–
Fixed interest rate instruments				
Loans to Related Parties	1,700.00	550.00	–	–
Deposits made with banks (refer note no.3)	154.37	–	–	–
Total	2,574.02	550.00	23.84	–

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and

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other price risk such as equity price risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors and Risk Management Committee.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Company undertakes transactions denominated only in India Rupees and hence there is no risk of foreign exchange fluctuations.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for derivative instruments at the end of reporting period. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Currency	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-17	**INR**	**+100**	**(1.27)**
	INR	**-100**	**1.27**
31-Mar-16	INR	+100	–
	INR	-100	–

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

26 Related Party Transactions

Name of the parent Company **Mahindra Integrated Township Limited**

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

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

Fellow Subsidiary and Associates(including Sub-subsidiaries) with whom transactions have been entered during the year

- Mahindra World City Developers Limited (MWCDL)
- Mahindra Holidays & Resorts India Limited (MHRIL)
- EPC Mahindra Industries Limited (EPCMIL)
- Mahindra Integrated Business Solutions Private Limited (MIBS)

Details of transaction between the Company and its related parties are disclosed below:

Particulars	For the year ended	Ultimate Holding Company	Parent of Holding Company	Holding company	Fellow Subsidiary	Associates
Nature of transactions with Related Parties						
Interest Income	31-Mar-17	–	–	89.59	–	–
	31-Mar-16	–	–	159.60	–	36.35
Marketing Expenses-sharing expenses	31-Mar-17	–	–	26.2	–	–
	31-Mar-16	–	–	44.00	–	–
Purchase of Materials and Services	31-Mar-17	9.73	–	–	10.72	0.87
	31-Mar-16	10.45	–	–	4.90	–
Manpower Deputation Charges- Expense	31-Mar-17	–	245	–	–	–
	31-Mar-16	–	296.91	–	–	–
Office Establishment Expenses-Expense	31-Mar-17	–	28.59	30.11	–	–
	31-Mar-16	–	45.25	68.92	–	–
Maintenance Charges-Expense	31-Mar-17	–	–	–	–	56.41
	31-Mar-16	–	–	–	–	66.71
Reimbursement of Expenses-Received	31-Mar-17	–	1.51	–	–	–
	31-Mar-16	–	–	–	–	–
Inter Corporate Deposit (ICD) repayment received	31-Mar-17	–	–	745.00	–	–
	31-Mar-16	–	–	600.00	–	–
Loan term Loans repayment received	31-Mar-17	–	–	–	–	–
	31-Mar-16	–	–	–	–	550.00

Nature of Balances with Related Parties	Balance as on	Ultimate Holding Company	Parent of Holding Company	Holding company	Subsidiary	Associates
Nature of transactions with Related Parties						
Deposits	31-Mar-17	–	–	–	–	23.07
	31-Mar-16	–	–	–	–	23.07
Other Payables (Marketing Expenses sharing)	31-Mar-17	–	–	–	–	–
	31-Mar-16	–	–	44.00	–	–
Interest on ICD receivable	31-Mar-17	–	–	–	–	–
	31-Mar-16	–	–	3.03	–	–
Inter corporate deposit given	31-Mar-17	–	–	355.00	–	–
	31-Mar-16	–	–	1,100.00	–	–
Other Payables	31-Mar-17	8.41	39.41	11.70	0.40	5.85
	31-Mar-16	0.18	470.24	–	–	4.80

27 Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	31st March, 2017 Carrying amount	31st March, 2017 Fair value	31st March, 2016 Carrying amount	31st March, 2016 Fair value	1st April, 2015 Carrying amount	1st April, 2015 Fair value
Financial assets						
Financial assets carried at Amortised Cost						
– loans to related parties	**355.00**	**355.00**	1,144.00	1,144.00	2,250.00	2,250.00
– trade and other receivables	**379.96**	**379.96**	579.58	579.58	560.86	560.86
– cash and cash equivalents	**339.54**	**339.54**	72.99	72.99	310.02	310.02
– Other Receivables	–	–	3.03	3.03	0.34	0.34
– deposits and similar assets	**54.73**	**54.73**	26.64	26.64	26.64	26.64
Total	**1,129.23**	**1,129.23**	1,826.24	1,826.24	3,147.86	3,147.86
Financial liabilities						
Financial liabilities held at amortised cost						
– Other financial Liabilities	**397.04**	**397.04**	266.16	266.16	176.56	176.56
– trade and other payables	**1,832.42**	**1,832.42**	3,647.40	3,647.40	3,616.46	3,616.46
Financial lease payables						
Total	**2,229.46**	**2,229.46**	3,913.56	3,913.56	3,793.02	3,793.02

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

All amounts are in lakh unless otherwise stated

	Fair value hierarchy as at 31st March, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	**355.00**	–	**355.00**
– trade and other receivables	–	**379.96**	–	**379.96**
– cash and cash equivalents	–	**339.54**	–	**339.54**
– Other Receivables	–	–	–	–
– deposits and similar assets	–	**54.73**	–	**54.73**
Total	–	**1,129.23**	–	**1,129.23**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Other financial Liabilities	–	**397.04**	–	**397.04**
– trade and other payables	–	**1,832.42**	–	**1,832.42**
TOTAL	–	**2,229.46**	–	**2,229.46**

	Fair value hierarchy as at 31st March, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	1,144.00	–	1,144.00
– trade and other receivables	–	579.58	–	579.58
– cash and cash equivalents	–	72.99	–	72.99
– Other Receivables	–	3.03	–	3.03
– deposits and similar assets	–	26.64	–	26.64
Total	–	1,826.24	–	1,826.24
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Other financial Liabilities	–	266.16	–	266.16
– trade and other payables	–	3,647.40	–	3,647.40
Total	–	3,913.56	–	3,913.56

	Fair value hierarchy as at 1st April, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	–	2,250.00	–	2,250.00
– trade and other receivables	–	560.86	–	560.86
– cash and cash equivalents	–	310.02	–	310.02
– Other Receivables	–	0.34	–	0.34
– deposits and similar assets	–	26.64	–	26.64
Total	–	3,147.86	–	3,147.86
Financial liabilities				
Financial Instruments not carried at Fair Value				
– Other financial Liabilities	–	176.56	–	176.56
– trade and other payables	–	3,616.46	–	3,616.46
Total	–	3,793.02	–	3,793.02

For recurring and non-recurring fair value measurements, if the highest and best use of a nonfinancial asset differs from its current use, an entity shall disclose that fact and why the non-financial asset is being used in a manner that differs from its highest and best use.

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

28 First-time adoption of Ind-AS

First Time Ind AS Adoption reconciliations

(i) Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015:

Particulars	As at 31st March, 2016	As at 1st April, 2015
Total Equity as reported under previous GAAP	9,239.86	8,788.11
Ind AS: Adjustments increase (decrease):		
Defect Liability Provision	18.27	32.20
Deferred assured rental liability	1.87	4.35
Equity as reported under IND AS	9,260.00	8,824.66

(ii) Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016:

Particulars	Year Ended 31st March, 2016
Profit or Loss as per previous GAAP	566.43
Ind AS: Adjustments increase (decrease):	
Defect Liability Provision	-13.93
Deferred assured rental liability	-2.48
Total adjustment to profit or loss	-16.41
Profit or Loss under Ind AS	550.02
Other comprehensive income	–
Total comprehensive income under Ind ASs	550.02

Note: No statement of comprehensive income was produced under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

All amounts are in lakh unless otherwise stated

(iii) Material adjustments to the Statement of Cash Flows

	Year Ended 31st March, 2016		
Particulars	**Previous GAAP**	**Ind AS Adjustments**	**Ind AS**
Net cash flows from operating activities	(1,476.73)	(159.99)	(1,316.74)
Net cash flows from investing activities	1,239.70	159.99	1079.71
Net cash flows from financing activities	–		
Net increase (decrease) in cash and cash equivalents	(237.03)	0.00	(237.03)
Cash and cash equivalents at beginning of period	310.02	–	310.02
Effects of exchange rate changes on the balance of cash held in foreign currencies	–		
Cash and cash equivalents at end of period	72.99	0.00	72.99

(iv) Analysis of cash and cash equivalents as at 31st March, 2016 and 1st April, 2015 for the purpose of Statement of Cash flows under Ind AS

Particulars	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	72.99	310.02
Cash and cash equivalents for the purpose of Statement of Cash flows as per Ind AS	72.99	310.02

29 Additional Information to the Financial Statements

(i) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

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 are no overdue amounts payable to Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, as at the reporting date or anytime during the year and hence no interest has been paid or payable accordingly no additional disclosures have been made. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(ii) Disclosure of transactions in Specified bank notes (SBN's) as per Rule 11 of Companies (Audit and Auditors)Rules,2014

Name of the party	**SBNs**	**Other denomination notes**	**Total**
Closing Cash in hand as on 08.11.2016	0.01	0.03	0.03
(+) Permitted receipts	–	0.20	0.20
(-) Permitted payments	(0.01)	(0.19)	(0.19)
(-) Amount deposited in Banks	–	–	–
Closing Cash in hand as on 30.12.2016	–	0.04	0.04

30 Other Notes

i. The Company has disclosed the impact of pending litigations on its financial position this Ind AS financial statements (Refer Note 24 to the Ind AS financial statements);

ii. The Company did not have any material foreseeable losses on long term contracts; the company has not entered into any derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

31 Approval

The financial statements were approved for issue by the board of directors on 12th April, 2017.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

Place: Chennai
Date: 12th April, 2017

For and on behalf of the Board of Directors

Sangeeta Prasad	Chairperson	(DIN: 02791944)
Raghunath Murti	Independent Director	(DIN: 00082761)
Sanjay Jain	Independent Director	(DIN: 06446899)
Sanjiv Kapoor	Independent Director	(DIN: 00004005)
Jayantt Manmadkar	Non-Executive, Non-Independent Director	(DIN: 03044559)

Place: Mumbai
Date: 12th April, 2017