DIRECTORS' REPORT TO THE MEMBERS

Your Directors present their Twentieth report together with the audited financial statements 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	**6,093.47**	21,359.26
Profit/(Loss) Before Depreciation, Finance Costs and Taxation	**4,102.20**	5,538.51
Less: Depreciation	**464.67**	471.33
Profit/(Loss) Before Finance Cost and Taxation	**3,637.53**	5,067.19
Less: Finance Cost	**4,110.55**	4,141.43
Profit/(Loss) Before Taxation	**(473.01)**	925.76
Less: Provision for Taxation	**(158.59)**	(104.56)
Profit/(Loss) for the year after Taxation	**(314.42)**	821.20
Add: Balance of Profit/(Loss) for earlier years	**3,686.57**	3,106.08
Less : Dividend on Equity Shares (including tax on distributed profits)	**–**	240.71
Balance carried forward to the Balance Sheet	**3,372.15**	3,686.57

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

The company has incurred loss during the year. However, with a view to conserve the resources of the Company for its growth plan, your Directors have not recommended dividend from the opening reserves for financial year 2016-17.

Reserves

Loss for the year after appropriation has been carried forward to P & L account and no amount has been transferred to Reserves.

Operations/State of the company's affairs

The Company is an 89:11 joint venture between Mahindra Lifespace Developers Limited (MLDL) and the Tamil Nadu Industrial Development Corporation Limited (TIDCO). The company is developing the Mahindra world city in Chennai (MWC). It is the first township in India to receive Green Township Certification (Stage I Gold certification) from IGBC.

MWC has pioneered in the concept of Sustainable Urban Communities. These large format integrated cities create self-fulfilling environments that nurture Livelihood, Living and Life. These Cities are economic nerve-centers and attract the best corporates with their emphasis on economic development and employment generation by creating infrastructure of global standards.

MWC Chennai, has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel & Fashion Accessories and Auto Ancillaries, and a Domestic Tariff Area (DTA) for businesses catering to the Indian market. In addition, residential and social infrastructure helps create a self-fulfilling ecosystem.

During the year, the project added 2 new customers along with an existing client leasing additional land, taking the total area leased during the year to 7.54 acres. At the end of 2016-17, it has a total of 64 industrial customers - of which 26 are in the SEZ and 38 are in the DTA. Today, 52 companies operate out of Mahindra World City, Chennai. During the year, direct employment in Mahindra World City was around 38,000 persons. Exports was at ₹ 10,202 crores in FY 2016-17 as against ₹ 9,359 crores during FY 2015-16.

Mahindra World City, Chennai, has allocated 289 acres for the development of residential and social infrastructure. The city has four operational residential projects. With the handover of a sizeable number of units in 2016-17, occupancy increased from around 700 units to 1,100 units.

On the retail and social infrastructure, considerable progress was made during the year. 'The Canopy' – the city's commercial centre, added a variety of service providers, enhancing the convenience and quality of life of its residents. During the year, a hostel for young working professionals was inaugurated at MWC Chennai. JSP Hospitals enhanced its service offering to 30-beds, 24x7 services as well as out-patient, pharmacy and ambulance services.

Mahindra World City, Chennai, continued to build on its community development and engagement initiatives during the year. This included fresh editions of its flagship programmes:

'Champions Trophy' an inter-company sports tournament and 'Mindquest' — the annual MWC quiz competition with over 80 teams participating. These have been well received by both participants and residents.

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 basis.

Share Capital

Authorised share capital of your company is ₹ 9,500 lakh and Paid-up share capital of the company is ₹ 2,000 lakh.

During the year, the Company has neither issued any shares nor granted employee stock options.

Non-Convertible Debentures

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

Networth

The net worth of the Company at the close of the previous financial year (FY 2015-16) and at the close of the current financial year (FY 2016-17) was ₹ 12,531.57 lakh and ₹ 12,225.09 lakh respectively.

Holding Company

The Company is a subsidiary company of Mahindra Lifespace Developers Limited and consequently a subsidiary company of the ultimate holding company, Mahindra & Mahindra Limited. However for the purpose of Ind-AS based on which the financial statements are drawn up, this company is a Joint Venture since it is jointly controlled by the two shareholders Mahindra Lifespace Developers Ltd (MLDL) and Tamil Nadu Industrial Development Corporation Limited (TIDCO).

Subsidiaries, Joint Ventures and Associate companies

Mahindra Industrial Park Chennai Limited (MIPCL) was incorporated as a subsidiary of Mahindra World City Developers Limited (MWCDL) in FY 2015. Subsequently, MWCDL signed a Joint Venture agreement with Sumitomo Corporation, Japan (SC), thereby making MIPCL a 60:40 joint venture company between MWCDL and SC. MIPCL is developing an industrial cluster with a project area of 264 acres in North Chennai on the NH-16 (Chennai–Kolkata highway) corridor.

On the development front, the Company has secured environmental clearances for its project. It has also received in-principle approval for commencement of construction activities from the relevant authority.

However, for the purpose of IND-AS based on which the financials statements of MIPCL are drawn up, the entity is a Joint Venture since it is jointly controlled by the two shareholders Mahindra World City Developers Ltd (MWCDL) and Sumitomo Corporation, Japan.

The Company also holds 25.78% of paid-up share capital of Mahindra Integrated Township Limited (MITL), which is an Associate Company.

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

Consolidated Financial Statement

During the year, the Board of Directors reviewed the affairs of Mahindra Industrial Park Chennai Limited, Subsidiary of your company. The Company availed the exemption to consolidate the accounts of the Company vide notification issued by the Ministry of Corporate Affairs dated 27th July, 2016 in respect of subsidiary, Mahindra Industrial Park Chennai Limited and associates, Mahindra Integrated Township Limited and its subsidiary, Mahindra Residential Developers Limited.

A report highlighting performance of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013, and their contribution to the overall performance of the Company is provided in Annexure A to the Financial Statement.

Board of Directors

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

Name of Director	DIN	Designation
Mr. N Vaghul	00002014	Chairman and Independent Director
Mr. Arun Kumar Nanda	00010029	Non-Executive Non-Independent Director
Mr. Sanjiv Kapoor	00004005	Independent Director
Mr. V Balaraman	00267829	Independent Director
Ms.Anita Arjundas	00243215	Non-Executive Non-Independent Director
Ms.Sangeeta Prasad	02791944	Non-Executive Non-Independent Director

Pursuant to Section 152 of the Companies Act, 2013, Mr. Arun Kumar Nanda (DIN: 00010029), a Non-executive and Non-independent Director retires by rotation at the 20th Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Mr. Arun Kumar Nanda 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 independence in accordance with the Section 149(6) of the Act.

Key Managerial Personnel

During the year under review, the following persons were appointed/resigned as Key Managerial Personnel under the Companies Act, 2013.

Sr. No.	Name of the person	Nature of Change	Date of Change	Designation
1.	Mr. L Nataraj	Appointment	15th April, 2016	Chief Financial Officer
2.	Mr. S. Chandru	Superannuation	30th June, 2016	Chief Operating Officer, Manager and Company Secretary
3.	Mr. Vivek Sharma	Appointment	15th July, 2016	Business Head
4.	Ms. Iyer Shobha Narayanan	Appointment and Resignation	15th July, 2016 and 15th September 2016	Company Secretary
5.	Mr. A. Muthukumaran	Appointment	14th October, 2016	Company Secretary

During the year, Mr. S. Chandru Superannuated from the position of Chief Operating Officer, Manager and Company Secretrary with effect from 30th June, 2016. The Board places on record its sincere appreciation of his association with the Company.

Mr. Vivek Sharma was appointed as the Chief Executive Officer designated as Business Head with effect from 15th July 2016.

Consequent to above superannuation, Ms. Iyer Shobha Narayanan was appointed as the Company Secretary of the Company with effect from 15th July, 2016 and resigned from the Company with effect from 15th September 2016. Accordingly, Mr. A. Muthukumaran was appointed as the Company Secretary with effect from 14th October 2016.

Committees of the Board

Audit Committee

As on 31st March, 2017, the Audit Committee comprises of three independent Directors, namely Mr. Sanjiv Kapoor, Mr. N. Vaghul and Mr. V. Balaraman. Mr. Sanjiv Kapoor is the Chairman of the Committee. The Chief Financial Officer, Internal Auditor and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Committee met four times during the year. The Board has accepted all recommendations of the Audit Committee made from time to time.

Corporate Social Responsibility (CSR) Committee

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and contribute to their long term social good and welfare.

The Company, in every financial year commencing from 1st April, 2014, in line with the Companies Act, 2013, pledges to spend, two per cent of the average net profits made during the three immediately preceding financial years specifically towards CSR initiatives.

The Company has constituted Corporate Social Responsibility Committee comprising of Mr. V. Balaraman - Independent Director, Ms. Anita Arjundas - Non Independent director and Ms. Sangeeta Prasad - Non Independent director. Mr. V Balaraman is the Chairman of the Committee. The Role of the Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The Company's CSR policy is available on the Company's website : www.mahindraworldcity.com

The Company's CSR activities have traditionally focussed on education, skill development, health, environment and promoting sustainable practices.

The objective of the CSR policy is to:

- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the Company's philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organisation, to operate in an economically, socially and environmentally responsible manner while recognising the interests of all its stakeholders.
- Encourage employees to participate actively in the Company's CSR and give back to the society in an organised manner through the employee volunteering programme called ESOPs.

The Company has spent the entire amount as against the required CSR expenditure of ₹ 26.39 lakh calculated in the manner prescribed in the Companies Act, 2013. The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprise of two independent directors, namely Mr. N Vaghul and Mr. V Balaraman and one non-executive non-independent director, Ms. Anita Arjundas. Mr. V Balaraman 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 has been carried out by Independent Directors. Evaluation of Independent Directors has been 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. have been 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 without the presence of the Non-Independent Directors or Chief Financial Officer or any other Management Personnel. The Meeting was conducted in an informal and flexible manner 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 financial year, four (4) Board Meetings had been convened and held on the following dates:

15th April 2016, 15th July, 2016, 14th October, 2016 and 19th January, 2017

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

15th April, 2016, 15th July, 2016, 14th October, 2016 and 19th January, 2017

During the year, three (3) meetings of the Nomination & Remuneration Committee had been convened and held on 15th April, 2016, 15th July, 2016 and 14th October, 2016.

During the year, three (3) meetings of the CSR Committee had been convened and held on 15th April, 2016, 15th July, 2016 and 14th October, 2016.

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

Sr. no.	Name of the Director	No. of Board meetings attended	No. of Audit Committee meetings attended	No. of Nomination & Remuneration Committee meetings attended	No. of CSR Committee meetings attended
1.	Mr.N. Vaghul	4	4	3	NA
2.	Mr.Arun Kumar Nanda	3	NA	NA	NA
3.	Mr. V.Balaraman	2	2	2	2
4.	Mr. Sanjiv Kapoor	4	4	NA	NA
5.	Ms. Anita Arjundas	4	NA	3	3
6.	Ms Sangeeta Prasad	3	NA	NA	3

The previous Annual General Meeting of the Company 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 would 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 year under review, received declarations under the Codes from the Board members, Independent Directors and employees 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 had been followed along with proper explanation relating to material departures;

(b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 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 management and auditors.

Vigil Mechanism/Whistle Blower Mechanism

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against 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 or the Corporate Governance Cell. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or Chairman of the Company or the Corporate Governance Cell. The Whistle Blower Policy of the Company is placed on the website of the company at www.mahindraworldcity.com

Risk Management

The Company already has in place the procedure to inform the Board about the risk assessment and minimisation procedures. Your Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Auditors

The Shareholders of the Company at the 19th Annual General Meeting of the Company held on 15th July, 2016, had appointed M/s. A.F. Ferguson & Co., Chartered Accountants (Registration Number- 112066W), as Statutory Auditors of the Company to hold office from the conclusion of the 19th Annual General Meeting until the conclusion of the 20th Annual General Meeting to conduct the audit of the Accounts of the Company.

Under Section 139(2) of the Companies Act, 2013 and Rules framed thereunder, it is mandatory to rotate the Statutory Auditors on completion of term including the transition period permitted under the said Section.

Pursuant to Section 139(2) of the Companies Act, 2013 read with Rules framed thereunder, M/s. A.F. Ferguson & Co., Chartered Accountants have completed a period of more than 10 years on the commencement of the Companies Act, 2013 and have completed the transition period of 3 years from the date of commencement of the Companies Act, 2013. In terms of said section, M/s. A.F. Ferguson & Co. will be holding the office of Statutory Auditors up to the conclusion of the forthcoming 20th Annual General Meeting.

Accordingly, the Board of Directors, based on the recommendation of Audit Committee and subject to approval of the Shareholders at the ensuing 20th Annual General Meeting, propose to appoint M/s. B. K. Khare & Co., Chartered Accountants (Registration Number- 105102W) as Statutory Auditors of the Company for a term of 5 consecutive years from the conclusion of the 20th Annual General Meeting till the conclusion of the 25th Annual General Meeting to be held in the calendar year 2022 (subject to ratification of their appointment at every AGM), to conduct the audit of the Accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

The Company has also received a written consent and a certificate from M/s. B. K. Khare & Co., Chartered Accountants, to the effect that their appointment if made, would be in accordance with the provision of Section 139 and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rules framed thereunder.

The Board places on record its appreciation for the services rendered by M/s. A.F. Ferguson & Co., Chartered Accountants, during their tenure as the Statutory Auditors of the Company.

The notes of the financial statements referred to in the Auditors' Report issued by M/s. A.F. Ferguson & Co. for the financial year ended on 31st March, 2017 are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The paid-up share capital of the company as on 31st March 2016 is ₹ 2,000 lakh which is less than the threshold limit required for appointment of Secretarial Auditor, and hence there is no requirement to have a Secretarial Audit for the financial year 2016-17.

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

As your 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.

The particulars of investment made under 186 of the Companies Act, 2013 are provided in the financial statement at Note no. 4.

Contracts and Arrangements with Related Parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material under the Companies Act, 2013.

Therefore, the form AOC-2 is not applicable to the Company. The Directors draw attention to the financial statement which sets out details of transactions with related parties.

Deposits, Loans and Advances

Your Company has not accepted any deposits from the public or its employees during the year under review.

The Company has not made any loans and advances of the nature which are required to be disclosed in the annual accounts of the Company pursuant to 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 5** to this report.

Employee Remuneration

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

Extract of Annual Return

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure 6** and forms part of this Report.

Safety, Health and Environmental Performance

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

Sustainability

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

General

- During the year ended 31st March, 2017, 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 and Cost Auditor of the Company.

Cautionary statement:

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

Acknowledgment

The Directors would like to thank all shareholders, customers, bankers, contractors, suppliers, joint venture partners and associates of your Company for the support received from them during the year. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

For and on behalf of the Board,

N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2017

ANNEXURE 1 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

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.**
   a) The Company's CSR initiatives are focussed in the areas of education, public health and environment. This is in line with the Mahindra Group's 'Core Purpose' to "challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities across the world, to enable them to Rise". The Company endeavours to enable inclusive development at all its project locations so as to help the communities around these projects to prosper in all walks of life.
   b) The Company has formed a CSR policy which is available on the website of the company.
   c) The Company has planned the following projects in the identified areas:
      - Sponsoring girl child education – Nanhi Kali – Education
      - Supporting Education- Improving Infrastructures for schools in surrounding areas of Mahindra World City Chennai
      - Supporting Primary Health Centre (PHC) & water – Supporting PHC with medical & non-medical equipment - Health
      - Public Park & Tree Plantation - Environment
      - Cleanliness drive – Swachh Bharat - Public health& Sanitation
      - Capacity Building & Income Generation of Self Help Group (SHG) - Others
2. The composition of the CSR Committee of the Board of Directors is as under:
   Mr. V. Balaraman – Independent Director
   Ms. Anita Arjundas – Non Executive Non-Independent Director
   Ms. Sangeeta Prasad – Non Executive Non-Independent Director
3. **Average net profit of the Company for the last three financial years: ₹ 1319.5 lakh**
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 26.39 lakh**
5. **Details of CSR spent during the financial year**
   a. Total amount to be spent for the financial year: ₹ 26.39 lakh
   b. Amount unspent (if any) : Nil
   c. Manner in which the amount spent during the financial year was utilised is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken**	**Amount outlay (budget) project or programme wise (₹)**	**Amount spent on the project/ programme Subheads (1) Direct expenditure on project (2) Overheads (₹)**	**Cumulative spend up to the reporting period (₹)**	**Amount spent: Direct or through implementing agency**
1.	Nanhi Kali	Education	Krishnagiri, Tamil Nadu	1,311,000	Direct expenditure - 1,311,000	1,311,000	Implementing Agency: K. C. Mahindra Education Trust
2.	Support Schools	Education	Kancheepuram, Tamil Nadu	300,000	Direct expenditure - 300,000	300,000	NGO: World Vision
3.	Supporting PHC & Water	Health	Kancheepuram, Tamil Nadu	350,000	Direct expenditure - 350,000	350,000	NGO: World Vision

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where project or programme was undertaken**	**Amount outlay (budget) project or programme wise (₹)**	**Amount spent on the project/ programme Subheads (1) Direct expenditure on project (2) Overheads (₹)**	**Cumulative spend up to the reporting period (₹)**	**Amount spent: Direct or through implementing agency**
4.	Development of Public Park	Environment	Kancheepuram, Tamil Nadu	318,000	Direct expenditure - 318,000	318,000	NGO: World Vision
5.	Tree Plantation	Environment	Kancheepuram, Tamil Nadu	100,000	Direct expenditure - 100,000	100,000	NGO: World Vision
6.	Swachh Bharat Initiative	Environment	Kancheepuram, Tamil Nadu	160,000	Direct expenditure - 160,000	160,000	NGO: World Vision
7.	Capacity building of Self Help Group(SHG)	Others	Kancheepuram, Tamil Nadu	100,000	Direct expenditure - 100,000	100,000	NGO: 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.

   Not Applicable, as 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.

V Balaraman	**Sangeeta Prasad**
Director	**Director**
DIN : 00267829	**DIN : 02791944**
Chennai, 15th April, 2017	Chennai, 15th April, 2017

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

Policy on appointment of Directors and Senior Management

DEFINITIONS

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

"**Board**" means Board of Directors of the Company.

"**Company**" means Mahindra World City 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 members of its Core Management Team/Executive Council excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

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

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

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

REMOVAL OF DIRECTORS

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

SENIOR MANAGEMENT PERSONNEL

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

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

N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2017

ANNEXURE 3 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Policy on remuneration of Directors

Purpose

This Policy sets out the approach to Compensation of Directors, in Mahindra World city Developers Limited.

Policy Statement

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

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

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS:

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

Manager

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

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

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

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

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

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

Directors

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

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

Disclosures

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

N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2017

ANNEXURE 4 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

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 vary from 10% to 25% of the Cost-to-Company (CTC) and will be a function of the employee's grade.
- The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and PPS rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive and is around 60th percentile. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
  a) The increment that needs to be paid for different performance ratings as well as grades.
  b) The increment for promotions and the total maximum increment.
  c) The maximum increase in compensation cost in % and absolute.
- Compensation corrections are made in a few cases where it is outside the band or to keep it in tune with the market.

N. Vaghul
Chairman
DIN: 00002014

Chennai, 15th April, 2017

ANNEXURE 5 TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

(A) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy;	:	The operations of the Company are not energy intensive. However, as a part of sustainable development adequate measures have been initiated to reduce energy consumption like installation of Solar street lights.
(ii)	the steps taken by the company for utilising alternate sources of energy;	:	The first off-grid solar power plant in the state of Tamil Nadu was set up at Mahindra World City, Chennai in FY 11-12. Installed over 800 sq. mt. and equipped with a remote monitoring system, the 75 kW rooftop solar plant is expected to generate approximately 116,000 units (kWh) of clean electrical energy annually. Other initiatives to reduce energy consumption at MWC include use of energy efficient LED/Induction lighting. These LED/Induction lights, come with dimmable controllers which have a significant impact in maximising overall energy efficiency of the area. During the year, an MOU has been signed between World Resources India (WRI) and Mahindra World City Chennai (MWCC) to explore options for Green Energy Procurement to fulfil the peak demand of energy for customers within the city through Renewable sources. As an extension of technology, Mahindra & Mahindra (M&M) Group is in the process of developing alternate fuel technologies for rural and urban India for quite long time. A biogas plant in Mahindra World city, which uses the food waste & others collected from various companies inside Mahindra World City and produce Bio CNG for Shuttles & collection tractors and energy generating through Bio CNG DG sets (20 KW – 2Nos) from April 2016.
			Total energy saved 45459 kwhr and in terms of cost, ₹ 3.65 lakh/year
(iii)	the capital investment on energy conservation equipments	:	NIL.

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, details of Foreign Exchange earnings is Nil and the Foreign Exchange outgo in terms of actual outflows is ₹ 8.42 lakh.

For and on behalf of the Board,

N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2017

ANNEXURE 6

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	U92490TN1997PLC037551
2.	Registration Date	19th February, 1997
3.	Name of the Company	Mahindra World City 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	Mahindra Towers, Ground Floor, No. 17/18 Patullos Road, Chennai 600 002 Tel. No.:044-64522294 Fax No. 044-28584713
6.	Whether listed Company (Yes/No)	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not applicable

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of Main Product/Services	NIC Code of the Product*	% to total turnover of the Company#
1	Builders - Property Developers	0403	96

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

\# on the basis of Gross Turnover

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GIN	Holding/Subsidiary/ Associate of the Company	% of shares held	Applicable Section
1	Mahindra Lifespace Developers Limited	L45200MH1999PLC118949	Holding Company	89.00	**2(46)**
2	Mahindra and Mahindra Limited	L65990MH1945PLC004558	Ultimate Holding Company	Nil	**2(46)**
3	Mahindra Industrial Park Chennai Limited	U45209TN2014PLC098543	Subsidiary Company	60.00	**2(87)(ii)**
4	Mahindra Integrated Township Limited	U45200TN2008PLC066292	Associate/Joint Venture	25.78	**2(6)**

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
A. Promoters									
(1) Indian									
a) Individual/HUF	–	–	–	–	–	–	–	–	–
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A)(1):-	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–
(2) **Foreign**									
a) NRIs–Individuals	–	–	–	–	–	–	–	–	–
b) Other–Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other....	–	–	–	–	–	–	–	–	–
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total subscribed & paid up capital	Demat	Physical	Total	% of total subscribed & paid up capital	
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)	–	20,000,000	20,000,000	100	–	20,000,000	20,000,000	100	–

(ii) Shareholding of Promoters

Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
Body Corporate – Mahindra Lifespace Developers Ltd	17,799,999	89	–	17,799,999	89	–	–
Body corporate – Tamilnadu Industrial Development Corporation Ltd	22,00,000	11	–	22,00,000	11	–	–

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

There is no change in the Shareholding of Promoter Group.

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

Promoters hold 100% of the share capital of the company.

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the year- 31st March, 2016		Shareholding at the end of the year- 31st March, 2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Sr. No.	**For Each of the Top 10 Shareholders**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
1.	At the beginning of the year	–	–	–	–
2.	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year)	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Ms. Sangeeta Prasad Director					
1.	At the beginning of the year	1*	–	1*	–
2.	Date wise Increase/Decrease in Shareholding during the years specifying the reasons for increase/decrease (e.g. Allotment/ transfer/bonus/sweat equity, etc):	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year	1*	–	1*	–
Mr. S. Chandru Manager & Company Secretary**					
1.	At the beginning of the year	1*	–	1*	–
2.	Date wise Increase/Decrease in Shareholding during the years specifying the reasons for increase/decrease (e.g. Allotment/ transfer/bonus/sweat equity, etc)	–	–	–	–
3.	At the End of the year (or on the date of separation, if separated during the year	1*	–	1*	–

*Note: * Shares jointly held with Mahindra Lifespace Developers Limited*

*** Superannuated with effect from 30th June 2016*

I) 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	38,047	–	–	38,047
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	38,047	–	–	38,047
Change in Indebtedness during the financial year				
• Addition	7,075	2,000	–	9,075
• Reduction	6,312	1,000	–	7,312
Net Change	763	1,000		1,763
Indebtedness at the end of the financial year				
i) Principal Amount	38,810	1,000	–	39,810
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–		–	–
Total (i+ii+iii)	38,810	1,000	–	39,810

II) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

			(₹ in lakh)
Sr. No.	**Particulars of Remuneration**	**Name of MD/WTD/ MANAGER**	**Total Amount**
		S. Chandru	
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.57	31.57
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.03	4.03
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission	–	–
	- as % of profit	–	–
	- others, specify	–	–
5.	Others, please specify (Taxable Retirement benefits)	30.51	30.51
	Total (A)	66.11	66.11
	Ceiling as per the Act (read with section III (d) of schedule V)	240.00	240.00

B. Remuneration of other directors:

					(₹ in lakh)
Sr. No.	**Particulars of Remuneration**	**Name of Directors**			**Total Amount**
1	**Independent Directors**	**N. Vaghul**	**V. Balaraman**	**Sanjiv Kapoor**	
	• Fee for attending board/committee meetings	1.50	0.80	1.20	3.50
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (1)	**1.50**	**0.80**	**1.20**	**3.50**
2.	**Other Non-Executive Directors**	**A. K. Nanda**	–	–	–
	• Fee for attending board/committee meetings	0.60	–	–	0.60
	• Commission	–	–	–	–
	• Others, please specify	–	–	–	–
	Total (2)	**0.60**	–	–	**0.60**
	Total (B)=(1+2)	–	–	–	4.10
	Total (A)	–	–	–	66.11
	Total Managerial Remuneration	–	–	–	70.21
	Overall Ceiling as per the Act (read with section III (d) of schedule V)	–	–	–	240.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

					(₹ in lakh)
Sl. No.	**Particulars of Remuneration**	**Key Managerial Personnel**			
		Business Head	**Company Secretary**	**CFO**	**Total**
1.	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67.04	6.68	35.88	109.60
	b) Value of perquisites u/s 17(2) Income tax Act, 1961	0.07	–	–	0.07
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission				
	- as % of profit	–	–	–	–
	- others, specify	–	–	–	–
5.	Others, please Specify	–	–	–	–
	Total	67.11	6.68	35.88	109.67

III) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

OTHER OFFICERS IN DEFAULT

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

For and on behalf of the Board,

N. Vaghul
Chairman
DIN : 00002014

Chennai, 15th April, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
MAHINDRA WORLD CITY DEVELOPERS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **MAHINDRA WORLD CITY 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 Standalone 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 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 it's 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 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 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 2)
     - 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;
     - 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 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 procedure 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 33 to the 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 **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

Geetha Suryanarayanan
(Partner)
(Membership No. 29519)

Place: Chennai
Date: 15th 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 WORLD CITY 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 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 control 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 **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

Geetha Suryanarayanan
(Partner)
(Membership No. 29519)

Place: Chennai
Data: 15th 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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered title deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as at the balance sheet date.

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

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

(iv) The company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

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

(vi) 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 subsection (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 Provident Fund, Employees' State Insurance, 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 Provident Fund, Employees' State Insurance Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lacs)	Amount Unpaid (₹ in Lacs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax – Appeals	AY 2014-15	532.25	201.42
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax – Appeals	AY 2009-10	174.91	174.91
Finance Act, 1994	Service Tax	CESTAT	1st August, 2004 - 21st June, 2012	359.96	359.96

(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 any money from initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of 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 and based on the Company's confirmation that they are covered under Para (d), Section III (Remuneration payable by companies having no profit or inadequate profit without Central Government approval in special circumstances), Part II of Schedule V to the Companies Act, 2013, relating to company in a Special Economic Zone as notified by the Department of

Commerce, the managerial remuneration paid/provided by the Company is in accordance with Section 197 read with the above Schedule V of the Companies Act, 2013.

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

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements 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 **A. F. Ferguson & Co.**
Chartered Accountants
(Firm's Registration No. 112066W)

Geetha Suryanarayanan
(Partner)
(Membership No. 29519)

Place: Chennai
Date: 15th April, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Amounts in INR)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	**3**	**495,949,531**	535,475,323	564,836,391
(b) Capital Work in Progress	**3**	**–**	6,486,256	949,716
(c) Intangible assets	**3**	**118,741**	237,808	356,875
(d) Financial Assets				
(i) Investments				130,500,000
(a) Investment in Associates	**4**	**130,000,000**	130,000,000	130,000,000
(b) Investment in Joint Venture	**4**	**1,020,000,000**	1,020,000,000	500,000
(ii) Other Financial Assets	**5**	**5,277,660**	5,595,863	4,414,887
(e) Other Non-current Assets	**6**	**212,721,866**	193,201,332	138,943,003
		1,864,067,798	1,890,996,582	970,500,872
Current assets				
(a) Inventories	**7**	**3,099,574,653**	2,962,290,251	4,079,194,715
(b) Financial assets				
(i) Trade Receivables	**8**	**21,547,217**	16,419,835	13,558,123
(ii) Cash and Cash Equivalents	**9**	**42,882,047**	41,121,545	15,929,253
(iii) Other Financial Assets	**5**	**12,475,000**	675,000	675,000
(c) Other current assets	**6**	**648,186,602**	676,127,856	531,939,224
		3,824,665,519	3,696,634,487	4,641,296,315
Total Assets		**5,688,733,317**	5,587,631,069	5,611,797,187
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	**10**	**200,000,000**	200,000,000	200,000,000
(b) Other Equity	**11**	**1,022,509,106**	1,053,156,563	995,107,771
Total Equity		**1,222,509,106**	1,253,156,563	1,195,107,771
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	**12A**	**2,407,305,791**	3,173,454,332	3,511,275,667
(ii) Other Financial Liabilities	**13**	**1,743,824**	954,095	83,970
(b) Other Liability	**14**	**147,767,241**	153,770,109	35,494,000
(c) Deferred Tax Liability (Net)	**15**	**223,843,898**	239,703,370	256,081,157
(d) Provisions	**16**	**1,403,319**	3,675,101	3,825,189
		2,782,064,073	3,571,557,007	3,806,759,983
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	**12B**	**732,063,636**	–	–
(ii) Trade Payable				
Total outstanding dues of micro enterprises and small enterprises	**17**	**–**	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	**17**	**81,733,324**	41,986,517	24,167,235
(iii) Other Financial Liabilities	**13**	**852,129,190**	644,860,399	223,309,708
(b) Other Liabilities	**14**	**17,920,708**	74,862,513	230,640,180
(c) Provisions	**16**	**313,280**	1,208,070	1,312,310
Total Liabilities		**1,684,160,138**	762,917,499	479,429,433
Total Equity and Liabilities		**5,688,733,317**	5,587,631,069	5,481,297,187

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For **A. F. Ferguson & Co.**
Chartered Accountants

For and on behalf of the Board of Directors of Mahindra World City Developers Limited

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Geetha Suryanarayanan
Partner
Place : Chennai
Date : 15th April, 2017

Vivek Sharma
Business Head (CEO)

L. Nataraj
Chief Financial Officer

A. Muthukumaran
Company Secretary
(ACS: 33894)

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

(Amounts in INR)

Particulars	Note No.	March 31, 2017	March 31, 2016
Income			
I. Revenue from operations	18	**585,816,350**	2,115,300,802
II. Other income	19	**23,531,106**	20,625,611
III. Total income (I + II)		**609,347,456**	2,135,926,413
Expenses			
(a) Construction Expenses incurred		**34,709,548**	201,392,550
(b) (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	20	**(137,284,402)**	1,116,904,464
(c) Employee Benefit Expense	21	**40,592,049**	39,384,752
(d) Depreciation Expenses	3	**46,467,304**	47,132,513
(e) Finance Cost	22	**411,054,570**	414,142,778
(f) Other expenses	23	**261,109,834**	224,393,370
IV. Total Expense		**656,648,903**	2,043,350,428
V. Profit/(Loss) before tax (III) - (IV)		**(47,301,447)**	92,575,985
Tax expenses			
Current tax	15	**–**	162,370,000
Deferred tax	15	**(15,859,472)**	(151,914,407)
VI. Total tax expense		**(15,859,472)**	10,455,593
VII. Profit/(Loss) for the year (V - VI)		**(31,441,975)**	82,120,392
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		**794,518**	–
VIII. Other Comprehensive Income for the year		**794,518**	–
Total Comprehensive Income for the year (VII - VIII)		**(30,647,457)**	82,120,392
Earnings per equity share	27		
Basic & Diluted		**(1.57)**	4.11

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For **A. F. Ferguson & Co.**
Chartered Accountants

Geetha Suryanarayanan
Partner
Place : Chennai
Date : 15th April, 2017

For and on behalf of the Board of Directors of Mahindra World City Developers Limited

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Vivek Sharma
Business Head (CEO)

L. Nataraj
Chief Financial Officer

A. Muthukumaran
Company Secretary
(ACS: 33894)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Cash flow from operating activities		
(Loss)/Profit Before Tax	**(47,301,447)**	92,575,985
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation	**46,467,304**	47,132,513
Net Loss/(Gain) recognised in P&L on borrowings	**23,018,127**	(48,863,000)
Loss on sale of fixed assets	**19,334**	173,591
Finance Costs	**411,054,570**	414,142,778
Interest Income	**–**	(17,213,908)
Dividend Income	**(312,065)**	(843,703)
Provision towards expected credit losses	**–**	264,644
Bad debts written off	**–**	37,516
Operating Profit/(Losses) before working capital changes	**432,945,823**	487,406,416
Working Capital changes and other adjustments:		
(Increase)/Decrease Inventories	**(137,284,402)**	97,404,464
(Increase)/Decrease Trade Receivables	**(5,127,382)**	(3,163,872)
Increase/Decrease Financial Assets	**(11,481,797)**	(1,180,976)
(Increase)/Decrease Other Assets	**27,941,254**	(138,980,542)
(Decrease)/Increase in Trade payables	**39,746,807**	17,819,282
(Decrease)/Increase in Financial Liabilities	**(2,358,147)**	(41,120,852)
(Increase)/Decrease in Other Liabilities	**(62,150,155)**	(37,501,558)
(Increase)/Decrease in Provision	**(3,166,572)**	(254,328)
Cash generated from/(used in) operations	**279,065,429**	380,428,034
Direct taxes paid (net of refunds)	**(19,520,534)**	(81,310,901)
Net cash flow from/(used in) Operating activities (A)	**259,544,895**	299,117,133
Cash flows from Investing activities		
Purchase of property, plant and equipment	**(2,090,325)**	(23,249,684)
Proceeds from sale of fixed assets	**1,734,802**	106,367
Interest received	**–**	12,005,818
Mahindra Industrial Park Chennai Limited	**–**	–
Others	**–**	–
Dividend Received	**312,065**	843,703
Net cash flow from/(used in) Investing activities (B)	**(43,458)**	(10,293,796)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (Cont'd)

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Cash flows from Financing activities		
Proceeds from Short Term Borrowings	**732,063,636**	–
Proceeds from commercial papers	**–**	600,000,000
Repayment of commercial papers	**–**	(600,000,000)
Proceeds from long term borrowings	**52,500,000**	2,060,000,000
Repayment of long term borrowings from related party	**–**	(1,675,000,000)
Repayment of current maturities of long term borrowings	**(631,250,001)**	(210,416,667)
Interest Paid	**(411,054,570)**	(414,142,778)
Dividend distribution tax paid	**–**	(24,071,600)
Net cash flow from/(used in) in Financing activities (C)	**(257,740,935)**	(263,631,045)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	**1,760,502**	25,192,292
Cash and cash equivalents at the beginning of the period	**41,121,545**	15,929,253
Cash and cash equivalents at the end of the period	**42,882,047**	41,121,545
Components of cash and cash equivalents		
Cash on hand	**207,515**	159,731
With banks		
– on current account	**42,674,532**	40,936,814
– on deposit account	**–**	25,000
Total cash and cash equivalents (note 15)	**42,882,047**	41,121,545

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For **A. F. Ferguson & Co.**
Chartered Accountants

Geetha Suryanarayanan
Partner
Place : Chennai
Date : 15th April, 2017

For and on behalf of the Board of Directors of Mahindra World City Developers Limited

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Vivek Sharma
Business Head (CEO)

L. Nataraj
Chief Financial Officer

A. Muthukumaran
Company Secretary
(ACS: 33894)

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

A. Equity Share Capital

Particulars	No. of Shares	Amount in INR
Equity Shares of ₹ 10 each issues, subscribed and fully paid		
As at April 1, 2015	20,000,000	200,000,000
Issue is share capital	–	–
As at March 31, 2016	20,000,000	200,000,000
Changes in equity share capital during the year	–	–
As at March 31, 2017	**20,000,000**	**200,000,000**

B. Other Equity

(Amounts in INR)

Particulars	Reserves and Surplus				Total
	General Reserve (Note 11)	Capital Redemption Reserve (Note 11)	IND AS Transition Reserve	Retained earnings (Note 11)	
As at April 1, 2015	34,500,000	650,000,000	1,797,000	308,810,771	995,107,771
Profit/(Loss) for the period	–	–	–	82,120,392	82,120,392
Payment of dividends on equity shares	–	–	–	(20,000,000)	(20,000,000)
Related income tax	–	–	–	(4,071,600)	(4,071,600)
Other Comprehensive Income/(Loss)	–	–	–	–	–
As at March 31, 2016	34,500,000	650,000,000	1,797,000	366,859,563	1,053,156,563
Profit/(Loss) for the period	–	–	–	(31,441,975)	(31,441,975)
Other Comprehensive Income/(Loss)	–	–	–	794,518	794,518
As at March 31, 2017	**34,500,000**	**650,000,000**	**1,797,000**	**336,212,106**	**1,022,509,106**

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

1. General Information

Mahindra World City Developers Limited ("the Company") was incorporated on February 19, 1997. The Company is in the business of land development for industrial, commercial and residential use. The Company acquires land and incurs expenditure on its development and related infrastructure facilities for lease/sale. The Company also maintains the Industrial Park for which it collects operation and maintenance charges from the lessees. The Company has developed and operates an integrated business city "Mahindra World City" at Chengalpattu taluk near Chennai.

Promoted in a Public Private Partnership by the Mahindra Group and TIDCO (A Govt. of Tamil Nadu Undertaking), Mahindra World City surpasses the conventional definition of a business space - it is a business eco-system, carefully linked and integrated to function with efficiency. Mahindra World City, Chennai is India's first integrated City and Corporate India's first operational SEZ.

Etching its name on India's business map, Mahindra World City Chennai, has attracted corporate giants such as BMW, B. Braun, Capgemini, Holiday Inn Express, Infosys, BASF, Lincoln Electric, Parker Hannifin, Renault-Nissan, Tesa SE, Federal Mogul, Fujitec, NTN Corporation, Timken, TVS Group of Companies and Wipro among others.

2. Significant Accounting Policies

2.1 Statement of compliance

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

The Company prepared its financial statements up to the year ended March 31, 2016 in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The Company has prepared its financial statements for the current financial year as per the requirement Ind AS. The date of transition to Ind AS is April 1, 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 considers 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 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.3.1 Land Lease Premium

Land lease premium is recognized as income upon creation of leasehold rights in favour of the lessee or upon an agreement to create leasehold rights with handing over of possession.

2.3.2 Income from properties

Income from properties and other assets given under operating lease is recognised based on the terms of lease agreement on a straight-line basis over the non-cancellable lease period.

2.3.3 Income from O&M

Income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

2.3.4 Other income

Dividend income from investment in mutual funds is recognised when the unit holder's right to receive payment has been established (if 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 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.

2.3.5 Leases

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

2.4 Taxation

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

2.4.1 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 or substantively enacted by the end of the reporting period.

2.4.2 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.

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

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 way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.4.3 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.

2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.6 Inventories

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

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

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

2.8 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 used 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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.

Capital Work in Progress:

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

2.9 Intangible Assets:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase/completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10 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.

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.

2.11 Government grants, Subsidies and Export Incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are adjusted to the carrying value of the assets.

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

2.12 Cash flow statement

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

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) because 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 the economic benefits required to settle, a provision is 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.

2.13.1 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.

2.14 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.

2.15 Foreign currency transactions and translations

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

2.16 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

2.16.1 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.

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.

All other financial assets are subsequently measured at fair value.

2.16.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.16.3 Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument by- instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling 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 or
- a financial guarantee.

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

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

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

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.

2.16.5 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 receivables, trade receivables, and 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.

2.16.6 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.

2.16.7 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 FVTOC Irelating 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.

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

2.17 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.

2.17.1 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.

2.17.1.1 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.

2.17.1.2 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.

2.17.1.3 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.

2.18 Employee benefits

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

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

Defined benefit plans

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

Short-term employee benefits

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

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

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

2.19 First-time adoption – mandatory exceptions, optional exemptions, and

2.19.1 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.

2.19.2 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).

2.19.3 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.19.4 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 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.

2.19.5 Deemed cost for Property, Plant and Equipment, Investment Properties and Intangible Assets:

The Company has not elected the exemption of previous GAAP carrying value for its Property, Plant and Equipment and Intangible Assets recognized as of April 1, 2015 (transition date) as deemed costs. Consequently, these items are carried at values approved at by applying the Ind AS retrospectively.

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

2.20 Insurance Claims

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

2.21 Earnings per Share:

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

2.22 Service tax Input Credit:

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

3. 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. Property, Plant and Equipment

(Amounts in INR)

Description of Assets	Land - Freehold	Buildings - (Own use)	Buildings - (Given under operating lease)	Plant and Equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
I. Gross Carrying Amount									
Balance as at April 1, 2016	20,838,405	244,033,062	116,977,826	266,402,753	9,588,594	50,640,322	8,328,485	4,539,140	721,348,587
Additions		3,436,898		1,611,433	2,832,963	339,350	–	355,937	8,576,581
Disposals	–				–	–	(3,108,263)	–	(3,108,263)
Balance as at March 31, 2017	**20,838,405**	**247,469,960**	**116,977,826**	**268,014,186**	**12,421,557**	**50,979,672**	**5,220,222**	**4,895,077**	**726,816,905**
II. Accumulated depreciation and impairment									
Balance as at April 1, 2016	–	40,087,171	32,570,710	94,490,150	3,584,500	7,849,589	4,850,209	2,440,935	185,873,264
Depreciation expense for the year	–	10,949,100	3,907,149	21,922,477	2,026,430	5,799,155	1,015,040	728,886	46,348,237
Eliminated on disposal of assets	–				–	–	(1,354,127)	–	(1,354,127)
Balance as at March 31, 2017	**–**	**51,036,271**	**36,477,859**	**116,412,627**	**5,610,930**	**13,648,744**	**4,511,122**	**3,169,821**	**230,867,374**
III. Net carrying amount (I-II)									
Balance as at March 31, 2017	**20,838,405**	**196,433,689**	**80,499,967**	**151,601,559**	**6,810,627**	**37,330,928**	**709,100**	**1,725,256**	**495,949,531**
Balance as at March 31, 2016	**20,838,405**	**203,945,891**	**84,407,116**	**171,912,603**	**6,004,094**	**42,790,733**	**3,478,276**	**2,098,205**	**535,475,323**
I. Gross Carrying Amount									
Balance as at April 1, 2015	20,838,405	230,254,285	116,977,826	251,139,776	9,588,594	63,413,333	7,429,843	4,337,981	703,980,043
Additions		13,778,777		829,573		1,660,393	1,462,433	201,159	17,932,335
Disposals	–				–	–	(563,791)	–	(563,791)
Others [describe]	–			14,433,404	–	(14,433,404)		–	–
Balance as at March 31, 2016	**20,838,405**	**244,033,062**	**116,977,826**	**266,402,753**	**9,588,594**	**50,640,322**	**8,328,485**	**4,539,140**	**721,348,587**
II. Accumulated depreciation and impairment									
Balance as at April 1, 2015		29,839,237	28,683,849	71,762,153	2,212,683	2,081,584	2,841,446	1,722,700	139,143,652
Depreciation expense for the year		10,247,934	3,886,861	22,727,997	1,371,817	5,768,005	2,292,597	718,235	47,013,446
Eliminated on disposal of assets	–				–	–	(283,834)	–	(283,834)
Balance as at March 31, 2016	**–**	**40,087,171**	**32,570,710**	**94,490,150**	**3,584,500**	**7,849,589**	**4,850,209**	**2,440,935**	**185,873,264**

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

(Amounts in INR)

Description of Assets	Land - Freehold	Buildings - (Own use)	Buildings - (Given under operating lease)	Plant and Equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
III. Net carrying amount (I-II)									
Balance as at March 31, 2016	**20,838,405**	**203,945,891**	**84,407,116**	**171,912,603**	**6,004,094**	**42,790,733**	**3,478,276**	**2,098,205**	**535,475,323**
Balance as at March 31, 2015	**20,838,405**	**200,415,048**	**88,293,977**	**179,377,623**	**7,375,911**	**61,331,749**	**4,588,397**	**2,615,281**	**564,836,391**

Intangible Assets

(Amounts in INR)

Description of Assets	Computer Software	Total
I. Gross Carrying Amount		
Balance as at April 1, 2016	5,915,924	5,915,924
Additions	–	–
Disposals	–	–
Balance as at March 31, 2017	**5,915,924**	**5,915,924**
II. Accumulated depreciation and impairment		
Balance as at April 1, 2016	5,678,116	5,678,116
Depreciation expense for the year	119,067	119,067
Eliminated on disposal of assets	–	–
Balance as at March 31, 2017	**5,797,183**	**5,797,183**
III. Net carrying amount (I-II)		
As At March 31, 2017	**118,741**	**118,741**
As At March 31, 2016	**237,808**	**237,808**

(Amounts in INR)

Description of Assets	Land - Freehold	Total
I. Gross Carrying Amount		
Balance as at April 1, 2015	5,915,924	5,915,924
Additions	–	–
Disposals	–	–
Balance as at March 31, 2016	**5,915,924**	**5,915,924**

(Amounts in INR)

Description of Assets	Land - Freehold	Total
II. Accumulated depreciation and impairment		
Balance as at April 1, 2015	5,559,049	5,559,049
Depreciation expense for the year	119,067	119,067
Eliminated on disposal of assets	–	–
Balance as at March 31, 2016	**5,678,116**	**5,678,116**
III. Net carrying amount (I-II)		
Balance as at March 31, 2016	**237,808**	**237,808**
Balance as at April 1, 2015	**356,875**	**356,875**

Refer note for Company's policy on recognition and measurement of Property Plant, Equipment and Depreciation Methods Used.

Movement of Capital Work in Progress

Particulars	31-03-2017	31-03-2016	01-04-2015
Opening Balance	**6,486,256**	949,716	469,905,632
Additions		5,536,540	949,716
Subtotal	**6,486,256**	6,486,256	470,855,348
Capitalised during the year	**6,486,256**		469,905,632
Closing Balance	–	6,486,256	949,716

4. Investments

Particulars	March 31, 2017	March 31, 2016
Investment in Associates	**130,000,000**	130,000,000
Mahindra Industrial Township Limited		
13000000 Shares @ INR 10 Per Share		
Investment in Joint Ventures	**1,020,000,000**	1,020,000,000
102000000 Shares @ INR 10 Per Share		
Total Investments	**1,150,000,000**	1,150,000,000

5. Other Financial assets

(Amounts in INR)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good unless stated otherwise						
Interest accrued on fixed deposits						
Security Deposits	**5,277,660**	**675,000**	5,595,863	675,000	4,414,887	675,000
Recoverable Expense*	–	**11,800,000**	–	–	–	–
Total Other assets	**5,277,660**	**12,475,000**	5,595,863	675,000	4,414,887	675,000

* Recoverable Expenses represents cost of repairs incurred in the industrial park consequent to damages during Vardah cyclone in December 2016. The company has submitted necessary claims with the insurance company and expects to get full settlement. Shortfall, if any, is recoverable from lessees as per the operation and maintenance agreement.

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

6. Other assets

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Non-current	**Current**	Non-current	Current	Non-current	Current
Capital advances						
Unsecured, considered good	–	–	–	–	219,192	–
	–	–	–	–	219,192	–
Advances						
Advances to employees	–	**49,035**	–	–	–	128,712
Advances for purchase of land - secured	–	**328,754,905**	–	328,754,905	–	473,263,192
Advances for purchase of land - unsecured	–	**3,405,000**	–	3,405,000	–	3,405,000
Advances to suppliers Unsecured considered good	–	**258,674,943**	–	262,894,452	–	8,649,518
	–	**590,883,883**	–	595,054,357	–	485,446,422
Others						
Advance income-tax (Net of Provision for Taxation)	**212,721,866**	–	193,201,332	–	138,723,811	–
Interest accrued on advance for purchase of land	–	**42,860,603**	–	42,860,603	–	37,652,513
Gratuity Advance with LIC		**34,662**				
Prepaid Expenses	–	**4,835,952**	–	1,110,010	–	3,158,976
Balances with statutory/government authorities	–	**9,571,502**	–	37,102,886	–	5,681,313
	212,721,866	**57,302,719**	193,201,332	81,073,499	138,723,811	46,492,802
Total Other Assets	**212,721,866**	**648,186,602**	193,201,332	676,127,856	138,943,003	531,939,224

7. Inventories

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Work in progress (representing cost of land and related expenditure)	**3,098,472,232**	2,961,328,029	4,075,687,280
Club Inventory	**1,102,421**	962,222	3,507,435
Total Inventories	**3,099,574,653**	2,962,290,251	4,079,194,715

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowing cost inventorised during the year in the above	**165,838,467**	222,095,712	278,723,509

(i) The Cost of inventory recognised as expenses/(income) during the year in respect of continuing operations was INR (1025.75 lakh) (March 31, 2016 was INR 13182.97 lakh and April 1, 2015 was INR (2470.19 lakh)).

(ii) The Carrying amount of inventories pledged as security for liabilities - Refer note 12 A Non Current Borrowings

(iii) Mode of Valuation of Inventories is Cost on Net Realisable Value whichever is lesser.

(iv) Borrowing cost inventorised relates to interest on borrowings referred in Note 12A, Note 12B considered in the Ratio of Land Inventory pending to be developed to the total inventory.

8. Trade Receivables

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade Receivables: Unsecured Considered Good	**21,547,217**	16,419,835	13,558,123
Considered Doubtful	**732,407**	732,407	467,763
Less: Provision for expected credit losses	**(732,407)**	(732,407)	(467,763)
Total Trade Receivables	**21,547,217**	16,419,835	13,558,123

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.

Trade receivables are dues in respect of services rendered in the normal course of business.

Trade receivables are non-interest bearing and The average credit period on service rendered is as per the terms of the service agreement with clients.

9. Cash and Cash Equivalents

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Cash and cash equivalents			
Balances with banks:			
– On current accounts	**42,674,532**	40,936,814	15,846,980
– Deposits with original maturity of less than three months*	–	25,000	25,000
Cash on hand	**207,515**	159,731	57,273
Total Cash and cash equivalent	**42,882,047**	41,121,545	15,929,253

* Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Reconciliation of Cash and Cash Equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total Cash and Cash Equivalents as per Balance Sheet	**42,882,047**	41,121,545	15,929,253
Total Cash and Cash Equivalents as per Statement of Cashflow	**42,882,047**	41,121,545	15,929,253

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

10. Equity

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorized shares			
2,50,00,000 Ordinary Equity Shares of ₹ 10 each with Voting rights ...	**250,000,000**	250,000,000	250,000,000
50,00,000 Ordinary Equity Shares of ₹ 10 each with Voting rights	**50,000,000**	50,000,000	50,000,000
65,00,000 Cumulative Redeemable preference shares of ₹ 100 each	**650,000,000**	650,000,000	650,000,000
	950,000,000	950,000,000	950,000,000
Issued, subscribed and fully paid-up shares			
2,00,00,000 Ordinary Equity Shares of ₹ 10 each with Voting rights ...	**200,000,000**	200,000,000	200,000,000
Total issued, subscribed and fully paid-up share capital...........................	**200,000,000**	200,000,000	200,000,000

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

Particulars	Opening Balance	Changes during the year	Closing Balance
Ordinary Equity Shares			
Year Ended March 31, 2017			
No. of Shares	**20,000,000**	–	20,000,000
Amount..........................	**200,000,000**	–	200,000,000
Year Ended March 31, 2016			
No. of Shares	**20,000,000**	–	20,000,000
Amount..........................	**200,000,000**	–	200,000,000
Year Ended April 1, 2015			
No. of Shares	**20,000,000**	–	20,000,000
Amount..........................	**200,000,000**	–	200,000,000

(a) Terms/rights attached to equity shares

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

The dividends proposed by the Board of Directors are subject to the approval of the shareholders at the Annual General Meeting.

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

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

(Amounts in INR)

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No.	**% holding in the class**	No.	% holding in the class	No.	% holding in the class
Equity shares with voting rights						
– Mahindra Lifespace Developers Limited.........................	**17,799,999**	**89%**	17,799,999	89%	17,799,999	89%
– Tamilnadu Industrial Development Corporation Limited ...	**2,200,000**	**11%**	2,200,000	11%	2,200,000	11%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

11. Other Equity

(Amounts in INR)

Particulars	Reserves and Surplus				
	General Reserve	**Capital Redemption Reserve**	**IND AS Transition Reserve**	**Retained earnings**	**Total**
Balance as at April 1, 2015	34,500,000	650,000,000	1,797,000	308,810,771	995,107,771
Profit/(Loss) for the period..........................	–	–	–	82,120,392	82,120,392
Payment of dividends on equity shares..............	–	–	–	(20,000,000)	(20,000,000)
Related income tax	–	–	–	(4,071,600)	(4,071,600)
Other Comprehensive Income/(Loss)	–	–	–	–	–
Balance as at March 31, 2016	34,500,000	650,000,000	1,797,000	366,859,563	1,053,156,563
Profit/(Loss) for the period..........................	–	–		(31,441,975)	(31,441,975)
Other Comprehensive Income/(Loss)	–	–		794,518	794,518
Balance as at March 31, 2017......................	**34,500,000**	**650,000,000**	**1,797,000**	**336,212,106**	**1,022,509,106**

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

12A. Non current borrowings

Details of Long term Borrowings of the Company:

Description of the instrument	Currency of Loan	Coupon Rate	Repayment Bullet (or) Installment	Number of Installments	Date of earliest Redemption (or) Conversion	Amortised cost as at March 31, 2017	Amortised cost as at March 31, 2016	Amortised cost as at April 1, 2015
A. Secured Borrowings:								
a) Term Loans								
(i) From Financial Institution								
HDFC Limited - Term Loan 1	INR	9.85%	Installment	12	30-Apr-16	**819,420,185**	1,589,280,332	1,836,275,667
HDFC Limited - Term Loan 2	INR	10.37% to 9.95%	Installment	12	30-Jun-18	**1,587,885,606**	1,584,174,000	–
Total Secured Borrowings						**2,407,305,791**	3,173,454,332	1,836,275,667
B. Un-Secured Borrowings:								
Mahindra Lifespace Developers Limited (Unsecured)..		12% to 11%				–	–	1,620,000,000
Mahindra Residential Developers Limited (Unsecured)		12%				–	–	55,000,000
Total Un-Secured Borrowings............						–	–	1,675,000,000
Total non current borrowings						**2,407,305,791**	3,173,454,332	3,511,275,667

Term Loan from Financial Institution - Secured Borrowings

Term Loan - 1 From HDFC Ltd INR 81.94 Crores carried an interest of 9.85%. Principal to be repaid in 12 equal quarterly installments, commencing from April 2016, after a moratorium of 36 months.

Term Loan - 2 From HDFC Ltd INR 160 Crores carries an interest of HDFC CPLR - 728 points. Principal to be repaid in 12 equal quarterly instalments, commencing from Jun 2018, after a moratorium of 24 months. Rate of interest is 10.37% from Dec 2016 interest rate in 9.95% HDFC CPLR Less 770 basis points.

Both Term loans are secured by equitable Mortgage by deposit of title deeds of 91.598 acres of land at Mahindra World City, Chengalpattu with carrying value of INR 53.59 Crores, and 264 acres of land in NH 16 near Ponneri whose carrying value of INR 184.28 crores.

There are no defaults in case of either interest or principal with respect to payments for the above borrowings.

Terms of Repayment of terms loans are as under

As at March 31, 2017

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
HDFC Limited Term Loan 1 (Secured)	**1,683,333,332**	36 months moratorium 12 instalments quarterly instalments from April 2016	9.85%
HDFC Limited Term Loan 2 (Secured)	**1,600,000,000**	24 months moratorium 12 instalments quarterly instalments from June 2018	10.37% up to 30th Nov 16, 9.95% from 1 Dec 16 HDFC CPLR Less 770 Points
Total..	**3,283,333,332**		

As at March 31, 2016

(Amounts in INR)

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
HDFC Limited...	**2,262,083,333**	36 months moratorium 12 instalments quarterly instalments from April 2016	9.85%
HDFC Limited...	**1,600,000,000**	24 months moratorium 12 instalments quarterly instalments from June 2018	10.37%
Total..	**3,862,083,333**		

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

As at March 31, 2015

Particulars	Amount Outstanding	Terms of Repayment	Rate of Interest
HDFC Limited	**2,012,500,000**	36 months moratorium 12 instalments quarterly instalments from April 2016	9.85%
Mahindra Lifespace Developers Limited (Unsecured)	**1,620,000,000**	24 months moratorium 12 instalments quarterly instalments from June 2018	11%/12%
Mahindra Residential Developers Limited (Unsecured)	**55,000,000**	Repayable in April'16	12%
Total	**3,687,500,000**		

12B. Current borrowings

Details of Current Borrowings of the Company:

Description of the instrument	**Currency of Loan**	**Coupon Rate**	**Amortised cost as at March 31, 2017**	Amortised cost as at March 31, 2016	Amortised cost as at April 1, 2015
A. Un-Secured Borrowings:					
From Financial Institutions					
HDFC Bank Limited Unsecured OD Limit of INR 100 Crores repayable in demand	INR		**632,063,636**	–	–
Mahindra Integrated Township Limited Unsecured ICD Loan 11% repayable within a year	INR		**100,000,000**	–	–
Total Un-Secured Borrowings			**732,063,636**	–	–
Total current borrowings			**732,063,636**	–	–

Terms of Repayment of Current Borrowings are as under

As at March 31, 2017

Particulars	**Amount Outstanding**	**Terms of Repayment**	**Rate of Interest**
HDFC Bank Limited Unsecured Overdraft of INR 100 Crores	**632,063,636**	On Demand 1 year	9.55%
Mahindra Integrated Township Limited Unsecured ICD Loan	**100,000,000**		11%
Total	**732,063,636**		

13. Other Financial Liabilities

Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	Non-current	**Current**	Non-current	Current	Non-current	Current
Deposits						
Security deposits received from lessees	**1,743,824**	–	954,095	–	83,970	–
	1,743,824	–	954,095	–	83,970	–
Others						
Current maturity of long-term borrowings	–	**841,666,668**	–	631,250,001	–	167,708,333
Interest accrued but not due	–	–	–	–	–	44,938,356
Earnest money deposit	–	**250,000**	–	893,000	–	1,339,300
Rental/Other deposit from customer	–	**10,212,522**	–	12,717,398	–	9,323,719
	–	**852,129,190**	–	644,860,399	–	223,309,708
Total Other Financial Liability	**1,743,824**	**852,129,190**	954,095	644,860,399	83,970	223,309,708

14. Other liabilities

(Amounts in INR)

Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
	Non-current	**Current**	Non-current	Current	Non-current	Current
Advance from customers		**2,173,745**		11,600,132		5,352,936
Advance towards club membership		–		–		122,500,000
Other Payables		–		35,268,333		42,848,428
Payable on purchase of fixed assets		**4,765,714**		10,891,826		52,640,503
Statutory dues payable		**3,366,168**		10,457,024		7,298,313
Deferred Income	**113,051,224**	**7,615,081**	118,665,109	6,645,198	–	–
Un-earned Income	**34,716,017**		35,105,000		35,494,000	
Total Other Liabilities	**147,767,241**	**17,920,708**	153,770,109	74,862,513	35,494,000	230,640,180

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

15. Income Tax

(a) Income Tax recognised in profit or loss

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Current Tax:		
In respect of current year	–	162,370,000
Unrecognised tax loss used to reduce current tax expense	–	–
Deferred Tax:	**(15,859,472)**	(151,914,407)
Total income tax expense on income from operations	**(15,859,472)**	10,455,593

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

Particulars	March 31, 2017	March 31, 2016
Profit before tax from continuing operations	**(47,301,447)**	92,575,985
Income tax expense calculated at statutory rate of 34.608%***	**(16,370,085)**	32,038,697
Disallowance u/s 14A for expense incurred on investment	–	1,107,889
Dividend income exempt from tax	**(108,000)**	(291,989)
Deduction u/s 80-IAB	–	(17,442,912)
Changes based on return of income filed for the year	–	(3,488,235)
Miscellaneous	**618,613**	(1,467,857)
	(15,859,472)	10,455,593
Income tax expense recognised In profit or loss	**(15,859,472)**	10,455,593

*** The Tax Rate used for March 31, 2017 and March 31, 2016 reconciliations above is the corporate tax rate of 34.61% payable by Corporate Entities in India on taxable profits under Indian Income Tax Act laws.

(i) Movement in deferred tax balances

(Amounts in INR)

Particulars	For the Year ended March 31, 2017 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
Property, Plant and Equipment	**56,223,798**	**(1,813,602)**	–	**54,410,196**
Interest Inventorised	**194,532,011**	–	–	**194,532,011**
IND AS Adjustment	**927,000**	–	–	**927,000**
Total Deferred Tax Liability	**251,682,809**	**(1,813,602)**	–	**249,869,207**

(Amounts in INR)

Particulars	For the Year ended March 31, 2017 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Section 43B disallowance	**1,689,968**	**(1,581,548)**	–	**108,420**
Carry Forward of Losses	–	**13,637,458**	–	**13,637,458**
Provision for doubtful debts	**253,471**	–	–	**253,471**
MAT Credit	–	–	–	–
IND AS Adjustment	**10,036,000**		–	**10,036,000**
Total Deferred Tax Asset	**11,979,439**	**12,055,910**	–	**24,035,349**
Net Deferred Tax Liability	**239,703,370**	**(13,869,512)**	–	**225,833,858**

Particulars	For the Year ended March 31, 2016 Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax Liability				
Property, Plant and Equipment	53,427,236	2,796,562	–	56,223,798
Interest Inventorised	434,117,013	(239,585,002)	–	194,532,011
IND AS Adjustment	927,000		–	927,000
Total Deferred Tax Liability	488,471,249	(236,788,440)	–	251,682,809
Tax effect of items constituting deferred tax assets				
Section 43B disallowance	1,777,986	(88,018)	–	1,689,968
Carry Forward of Losses	94,913,603	(94,913,603)	–	–
Provision for doubtful debts	161,883	91,588	–	253,471
MAT Credit	135,536,620	(135,536,620)	–	–
IND AS Adjustment	–	10,036,000	–	10,036,000
Total Deferred Tax Asset	232,390,092	(220,410,653)	–	11,979,439
Net Deferred Tax Liability	256,081,157	(16,377,787)	–	239,703,370

16. Provisions

(Amounts in INR)

Particulars	As at March 31, 2017 Non-current	As at March 31, 2017 Current	As at March 31, 2016 Non-current	As at March 31, 2016 Current	As at April 1, 2015 Non-current	As at April 1, 2015 Current
Gratuity	–	–	500,234	–	1,186,002	–
Leave Encashment	**1,403,319**	**313,280**	3,174,867	1,208,070	2,639,187	1,312,310
Proposed equity dividend	–	–	–	–	–	–
Tax on proposed dividends	–	–	–	–	–	–
Total Other Liabilities	**1,403,319**	**313,280**	3,675,101	1,208,070	3,825,189	1,312,310

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

17. Trade Payables

(Amounts in INR)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade payable - Micro and small enterprises*	–	–	–
Trade payable - Other than micro and small enterprises	**81,733,324**	41,986,517	24,167,235
	81,733,324	41,986,517	24,167,235

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

* There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and 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.

Breakup of financial liabilities carried at amortised cost

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Borrowings (non-current) (note 12A)	**2,407,305,791**	3,173,454,332	3,511,275,667
Borrowings (current) (note 12B)	**732,063,636**	–	–
Trade payable - Micro and small enterprises	–	–	–
Trade payable - Other than micro and small enterprises	**81,733,324**	41,986,517	24,167,235
Total financial liabilities carried at amortised cost	**3,221,102,751**	3,215,440,849	3,535,442,902

18. Revenue from Operations

The following is an analysis of the company's revenue from Continuing Operations:

Particulars	March 31, 2017	March 31, 2016
Land Lease Premium	**300,732,000**	–
Sale of land	**3,680,000**	1,846,085,080
Rental income	**23,072,859**	15,785,975
Operation and maintenance income	**224,713,978**	231,837,510
Club membership fees	**6,883,327**	6,599,644
Club Annual subscription fees	**3,739,262**	3,679,166
Club operating income	**13,189,201**	9,664,243
Project Management Fees	**9,805,723**	1,649,184
Total Revenue from operations	**585,816,350**	2,115,300,802

19. Other Income

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Other non operating income		
Transfer Fees	**18,183,607**	2,438,000
Interest on advance for purchase of land	–	5,208,090
Interest on overdue receivables	–	8,758,732
Interest on Fixed deposit with banks	–	150,685
Redemption of Mutual Funds	–	3,096,401
Dividend from Mutual Fund	**312,065**	843,703
Provision no longer required written back	**4,585,431**	–
Miscellaneous Income	**450,002**	130,000
Total Other Income	**23,531,106**	20,625,611

20. Changes in inventories

Particulars	March 31, 2017	March 31, 2016
Inventories at the end of the year		
Work-in-progress	**3,098,472,232**	2,961,328,029
Inventory - Club	**1,102,421**	962,222
	3,099,574,653	2,962,290,251
Inventories at the beginning of the year		
Work-in-progress	**2,961,328,029**	4,075,687,280
Inventory - Club	**962,222**	3,507,435
Total (Increase)/Decrease in inventories of finished goods, work-in-progress and stock-in-trade	**(137,284,402)**	1,116,904,464

21. Employee Benefit Expense

Particulars	March 31, 2017	March 31, 2016
Salaries and wages	**35,978,401**	35,117,779
Contributions to provident and other funds	**1,718,860**	1,394,091
Staff welfare expenses	**2,894,788**	2,872,882
Total Other expenses	**40,592,049**	39,384,752

22. Finance Costs

Particulars	March 31, 2017	March 31, 2016
(a) Interest expense on:		
(i) Term loan from HDFC Limited	**387,301,594**	223,119,764
(i) Term loan from Related parties	**1,844,384**	179,575,071
(iii) Commercial Papers	–	11,439,600
(iv) Cash Credit Limited	**21,802,566**	–
(v) Other Interest	**106,026**	8,343
Net Finance Cost	**411,054,570**	414,142,778

Analysis of Interest Expenses by Category

Particulars	March 31, 2017	March 31, 2016
Interest Expenses		
On Financial Liability at Amortised Cost	**411,054,570**	414,142,778

23. Other expenses

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Power and fuel	**37,288,831**	34,165,495
Rent including lease rentals	**880,198**	899,717
Repairs and maintenance	**4,646,813**	2,314,788
Insurance	**2,557,073**	2,084,771
Rates and taxes	**6,310,501**	1,699,661
Communication	**3,683,952**	3,092,981
Travelling and conveyance	**5,751,814**	7,709,573
Printing and stationery	**792,483**	766,136
Business promotion	**11,691,890**	7,539,766
Operation and Maintenance Expenses	**138,436,400**	120,491,846
Legal and professional	**23,381,181**	19,520,970
Payments to auditors	**1,700,000**	1,140,812
Directors sitting fees	**410,680**	420,000
Loss on Sale of Fixed Assets	**19,334**	173,591
Services outsourced	**10,038,548**	7,704,243
Allowances for expected credit losses	–	264,644

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

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Bad debts	–	37,516
Corporate Social Responsibility (CSR) activities	**2,639,000**	7,844,750
Club expenses	**9,929,622**	5,982,561
Miscellaneous expenses	**951,514**	539,548
Total Other expenses	**261,109,834**	224,393,370

Payment to auditor (excluding taxes)	March 31, 2017	March 31, 2016
Statutory Audit	**775,000**	775,000
Certification and Other Services	**925,000**	360,000
Out of Pocket Expenses	–	5,812
	1,700,000	1,140,812

24. Expense on Corporate Social Responsibility

Details of expenditure on Corporate Social Responsibility	March 31, 2017	March 31, 2016
Sponsorship to Nanhi Kali	**1,311,000**	3,920,400
Providing lighting facility to Children's Park	**418,000**	1,071,940
Support to School for Enhancing Quality of Education	**300,000**	721,885
Supporting Primary Health Center	**350,000**	721,885
Swachh Bharat Initiative	**160,000**	846,100
Skill development	**100,000**	562,540
	2,639,000	7,844,750

25. Leases

The Company leasing arrangements are in respect of its Commercial Premised being leased out to various customers under Operating Lease. Lease Income from operating leases is recognised on a straight line basis over the period of lease. The particulars of premises under operating leases are given below:

Particulars	As at March 31, 2017 (INR)	As at March 31, 2016 (INR)	As at April 1, 2015 (INR)
Gross Carrying Amount of Premises	**116,977,826**	116,977,826	116,977,826
Accumulated Depreciation	**36,477,859**	32,570,710	28,683,849
Depreciation for the year	**3,907,149**	3,886,861	3,886,861

26. Segment information

Business segments

The Company operates in only one business segment namely lease of land and properties constructed thereon. 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.

27. Earnings per Share

Particulars	March 31, 2017 INR Per Share	March 31, 2016 INR Per Share
Basic/Diluted Earnings per share		
From continuing operations (₹) per share	**(1.57)**	4.11
From discontinuing operations (₹) per share	–	–
Total basic/diluted earnings per share	**(1.57)**	4.11

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:

(Amounts in INR)

Particulars	March 31, 2017	March 31, 2016
Profit/for the year attributable to owners of the Company	**(31,441,975)**	82,120,392
Less: Preference dividend and tax thereon		–
Profit/for the year used in the calculation of basic earnings per share	**(31,441,975)**	82,120,392
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	**(31,441,975)**	82,120,392
Weighted average number of equity shares	**20,000,000**	20,000,000
Earnings per share from continuing operations - Basic	**(1.57)**	4.11

28. Contingent liabilities & Capital Commitments

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Contingent liabilities (to the extent not provided for)			
Income Tax matters disputed and not provided for - under appeal			
<u>Tax on borrowing costs disallowed</u> Tax on borrowing costs inventorised in books but claimed as expenditure under Income Tax and disputed by the department - ₹ 321,579,855 (for the years ended March 31, 2014, March 31, 2013, March 31, 2012 and March 31, 2011 is ₹ 97,481,235, ₹ 88,748,075, ₹ 75,743,139 and ₹ 59,607,406/- respectively. However even if this liability crystallizes, there would be future tax benefits available on account of timing difference except for interest			
<u>Other Matters disputed in the above years</u>	**7,403,291**	4,153,852	768,833

Note: The above amount is based on demand raised, which the Company is contesting with the concerned authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and Company's rights for future appeals. No reimbursements are expected.

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

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Service tax demands received	**35,996,529**	–	–
Total Contingent Liabilities	**43,399,820**	4,153,852	768,833
Bank Guarantees			
Bank Guarantee to Tamil Nadu Pollution control board for Consent to Operate Renewal	**2,000,000**	–	–
Capital Commitments			
Estimated amount of contracts remaining to be executed/taken decision to enter into contract on capital account and not provided for - Tangible Assets	**15,000,000**	–	53,029,878

All Income & Service tax demands are/were appealed or in the process filing appeal with appropriate tax authority.

29. Employee Benefits

(a) Defined Contribution plans

The Company makes Provident fund contribution to defined contribution plans for the employees. Under the scheme, the company is required to contribute a specified percentage of the payroll cost to the fund the benefits. The Company recognized ₹ 1719 (000s) (PY ₹ 1178 (000s)) for Provident fund contributions in the statement of profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

(b) Defined Benefit Plans

The Company's obligation towards gratuity is defined benefit plan. The gratuity expense is included under 'Employee Benefit Expenses' in Note Employee benefits expense. The company has funded the gratuity Liability through LIC Scheme. The details of actuarial valuation are given below:

(Amounts in INR)

		Gratuity (Funded)		
		2016-17	2015-16	2014-15
a.	**Net Asset/(Liability) recognized in the balance sheet**			
	Present Value of Defined Benefit Obligation	**2,401,551**	3,698,537	3,597,239
	Fair Value of Plan assets	**2,436,213**	3,198,303	2,411,237
	Liability (Asset) recognised in the balance sheet	**(34,662)**	500,234	1,186,002
b.	**Expense recognized in the Statement of Profit & Loss**			
	Past service cost	–	–	–
	Current Service cost	**340,408**	359,644	378,879
	Interest cost	**34,947**	278,290	277,384
	Expected return on plan assets	–	(212,424)	(172,172)
	Actuarial (gains)/Losses	–	(564,313)	(103,250)
	Total expenses	**375,355**	(138,803)	380,841
c.	**Change in present value of Defined Benefit obligation**			
	Present Value of the obligation at the beginning of the year	**3,698,537**	3,597,239	3,217,102
	Past service cost	**246,329**	–	–
	Current Service cost	**340,408**	359,644	378,879
	Interest Cost	–	278,290	277,384
	Actuarial (Gains)/Losses	**(1,160,893)**	(477,790)	61,720
	Benefits Paid	**(722,830)**	(58,846)	(337,846)
	Present value of the obligation as at the end of the year	**2,401,551**	3,698,537	3,597,239
d.	**Change in fair value of plan assets**			
	Present value of plan assets as the beginning of the year	**3,198,303**	2,411,237	2,230,192
	Expected return on plan assets	**211,382**	212,424	172,172
	Contributions made	**115,733**	546,965	181,750
	Benefits paid	**(1,160,893)**	(58,846)	(337,846)
	Actuarial Gains/(Losses)	**71,688**	86,523	164,969
	Present value of plan assets at the end of the year	**2,436,213**	3,198,303	2,411,237
e.	**Principal actuarial assumptions**			
	Discount Rate	**6.70%**	7.90%	7.80%
	Expected return on plan assets	**6.70%**	8.00%	8.00%
	Mortality	LIC (2006-08) Ultimate mortality tables		
f.	**Estimate of amount of contribution in the immediate next year**	**19000**	500,000	50,000

g. Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotions, increments and other relevant factors such as supply and demand in the employment market.

h. Basis used to determine expected rate of return - The Gratuity Fund is managed by the Life Insurance Corporation of India and they have not made available the information on major categories of plan assets and the expected rate of return on each class of plan assets.

i. **Experience adjustment as provided by actuary:**	for the years					
	2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Present value of DBO	**3,698,537**	3,597,239	3,597,239	3,217,102	3,800,161	4,024,903
Fair value of plan assets	**2,436,213**	3,198,303	2,411,237	2,230,192	2,846,742	1,177,668
Funded status [Surplus/(Deficit)]						
Experience gain/(loss) adjustments on plan liabilities	–	(212,424)	449,140	(29,123)	1,647,213	(1,645,523)
Experience gain/(loss) adjustments on plan assets	**71,688**	86,523	164,969	84,623	(160,976)	(127,992)

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

Particulars	**For the year ended March 31, 2017**	For the year ended March 31, 2016	For the year ended March 31, 2015
Actuarial assumptions for long-term compensated absences			
Discount rate	**6.70%**	7.90%	7.80%
Expected return on plan assets	**6.70%**	8.00%	8.00%
Salary escalation	**10.00%**	12.00%	12.00%
Attrition	**18.00%**	2.00%	5.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

30. 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 ratio as a capital management index and calculates the ratio as total debt divided by total equity. Total liabilities and total equity are based on the amounts stated in the financial statements.

The Company is not subject to externally enforced regulation.

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

(Amounts in INR)

	March 31, 2017	March 31, 2016	April 1, 2015
Debt (A)	**3,981,036,095**	3,804,704,333	3,678,984,000
Equity (B)	**1,222,509,106**	1,253,156,563	1,195,107,771
Debt Equity Ratio (A/B)	**3.26**	3.04	3.08

Categories of financial assets and financial liabilities

As at March 31, 2017

	Amortised Costs	**FVTPL**	**FVOCI**	**Total**
Non-current Assets				
Investment in Associates	**130,000,000**	–	–	**130,000,000**
Investment in Joint Ventures	**1,020,000,000**			**1,020,000,000**
Other Financial Assets	**5,277,660**			**5,277,660**
Current Assets				
Trade Receivables	**21,547,217**	–	–	**21,547,217**
Cash and Cash equivalents	**42,882,047**	–	–	**42,882,047**
Other Financial Assets	**12,475,000**	–	–	**12,475,000**
	1,232,181,924	–	–	**1,232,181,924**
Non-current Liabilities				
Borrowings	**2,407,305,791**	–	–	**2,407,305,791**
Other Financial Liabilities	**1,743,824**	–	–	**1,743,824**
Current Liabilities				
Borrowings	**732,063,636**	–	–	**732,063,636**
Trade Payables	**81,733,324**	–	–	**81,733,324**
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	**852,129,190**	–	–	**852,129,190**
	4,074,975,765	–	–	**4,074,975,765**

As at March 31, 2016

(Amounts in INR)

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment in Associates	130,000,000	–	–	130,000,000
Investment in Joint Ventures	1,020,000,000			1,020,000,000
Other Financial Assets	5,595,863			5,595,863
Current Assets				
Trade Receivables	16,419,835	–	–	16,419,835
Cash and Cash equivalents	41,121,545	–	–	41,121,545
Other Financial Assets	675,000	–	–	675,000
	1,213,812,243	–	–	1,213,812,243
Non-current Liabilities				
Borrowings	3,173,454,332	–	–	3,173,454,332
Other Financial Liabilities	954,095	–	–	954,095
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	41,986,517	–	–	41,986,517
Other Financial Liabilities				–
– Non Derivative Financial Liabilities	644,860,399	–	–	644,860,399
	3,861,255,343	–	–	3,861,255,343

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

As at April 1, 2015

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investment in Associates	130,000,000	–	–	130,000,000
Investment in Joint Ventures	500,000	–	–	500,000
Other Financial Assets	4,414,887	–	–	4,414,887
Current Assets				
Trade Receivables	13,558,123	–	–	13,558,123
Other Bank Balances	15,929,253	–	–	15,929,253
Other Financial Assets	675,000	–	–	675,000
	165,077,263	–	–	165,077,263
Non-current Liabilities				
Borrowings	3,511,275,667	–	–	3,511,275,667
Other Financial Liabilities	83,970	–	–	83,970
Current Liabilities				
Borrowings	–	–	–	–
Trade Payables	24,167,235	–	–	24,167,235
Other Financial Liabilities	223,309,708	–	–	223,309,708
	3,758,836,580	–	–	3,758,836,580

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 from Land leasing, Industrial park maintenance service and property leasing activities as appearing in the balance sheet of the company shows the amount due from the customers to whom the Industrial park Maintenance charges, water charges and property Lease services are provided. Company executes Land leasing agreement with customers only entire lease premium is paid by customers and hence no risk of credit loss in dues relating to Land leasing premium. Further, As per the company's policy, every customer has to deposit 3 to 6 months of Maintenance charges and/or monthly lease rentals with the company and as per the terms of the agreement with the customer's, company is entitled to adjust the pending dues against the deposits taken from customer and hence, company is not exposed to any credit loss risk. Further there has been no instance in past which shows that the company has not written off bad 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-, medium- 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.

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.

(Amounts in INR)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
March 31, 2017				
Non-interest bearing				
Trade Payable	**81,733,324**	–	–	–
Other Financial Liabilities	**10,462,522**	–	–	**1,743,824**
Variable interest rate instruments				
Short term Borrowing – Principal	**732,063,636**	–	–	–
Loan term Borrowing – Principal	**841,666,668**	**1,908,333,328**	**498,972,463**	–
Total	**1,665,926,150**	**1,908,333,328**	**498,972,463**	**1,743,824**
March 31, 2016				
Non-interest bearing				
Trade Payable	41,986,517	–	–	–
Other Financial Liabilities	13,610,398	–	–	954,095
Variable interest rate instruments				
Short term Borrowing - Principal	–	–	–	–
Loan term Borrowing - Principal	631,250,001	2,106,787,664	1,066,666,668	–
Total	686,846,916	2,106,787,664	1,066,666,668	954,095
April 1, 2015				
Non-interest bearing				
Trade Payable	24,167,235	–	–	–
Other Financial Liabilities	55,601,375	–	–	83,970
Variable interest rate instruments				
Short term Borrowing - Principal	–	–	–	–
Loan term Borrowing - Principal	167,708,333	2,669,609,003	841,666,664	–
Total	247,476,943	2,669,609,003	841,666,664	83,970

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

The amounts included above for financial guarantee contracts are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

(iii) Financing arrangements

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

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Secured Bank Overdraft facility			
– Expiring within one year	**265,936,364**	–	–
– Expiring beyond one year	–	52,500,000	521,016,000
Secured Bank Guarantee Limit (sub limit of CC Credit facility)			
– Expiring within one year	**18,000,000**	–	–
Secured Letter of Credit (sub limit of CC Credit facility)			
– Expiring within one year	**20,000,000**	–	–
	265,936,364	–	–

(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.

(Amounts in INR)

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
March 31, 2017				
Non-interest bearing				
Non Current Investment	–	–	–	–
Security Deposits	**675,000**	–	–	**5,277,660**
Trade Receivable	**21,547,217**	–		
Cash and Cash equivalents	**42,882,047**	–	–	–
Other Current Financial Assets	**11,800,000**	–	–	–
Total	**76,904,264**	–	–	**5,277,660**
March 31, 2016				
Non-interest bearing				
Non Current Investment	–	–	–	–
Security Deposits	675,000	–	–	5,595,863
Trade Receivable	16,419,835			
Cash and Cash equivalents	41,121,545			
Other Current Financial Assets	–	–	–	–
Total	58,216,380	–	–	5,595,863
April 1, 2015				
Non-interest bearing				
Non Current Investment	–	–	–	130,500,000
Security Deposits	675,000	–	–	4,414,887
Trade Receivable	13,558,123	–	–	–
Cash and Cash equivalents	15,929,253	–	–	–
Other Current Financial Assets	–	–	–	–
Total	30,162,376	–	–	134,914,887

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 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.

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 long-term debt obligations with floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-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.

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Year	Currency	Increase/ decrease in basis points	Effect on financials
31-Mar-2017	INR	+100	39,810,361
	INR	–100	(39,810,361)
31-Mar-2016	INR	+100	38,047,043
	INR	–100	(38,047,043)
31-Mar-2015	INR	+100	36,789,840
	INR	–100	(36,789,840)

31. Related Party Transactions

Details of related parties:

Description of relationship	
Holding Company	Mahindra Lifespaces Developers Limited (MLDL)
Joint Venture	Mahindra Industrial Park Chennai Ltd (MIPCL)
Associate	Mahindra Integrated Township Limited (MITL)
Key Management Personnel (KMP)	
Manager under the companies Act, 2013	Mr. Chandru (till 30th June 2016)-Manager and Chief Operating Officer
Business Head	Mr. Vivek Sharma (Business Head With Effect From 15th July 2016)
Chief Financial Officer	Mr. L Nataraj (With Effect From 15th April 2016)
Company Secretary	Ms. Iyer Shoba Narayanan (15th July 2016 to 15th September 2016)
	Mr. A. Muthukumaran (with Effect From 14th October 2016)

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

Details of related party transactions during the year ended 31st March, 2017 and balances outstanding as at 31st March, 2017:

(Amounts in INR)

Transactions during the year	Holding Company (MLDL)	Joint Venture (MIPCL)	Associate (MITL)	KMP
Sale of Land ₹ 2,104,667,000 net of Amount derecognised ₹ 258,581,920/-	–	–	–	–
	–	(2,104,667,000)	–	–
Operation and maintenance Income	–	–	22,304,574	–
	(167,790)	–	(25,230,706)	–
Water charges	–	–	4,950,456	–
	–	–	(3,703,841)	–
Club income	–	–	427,351	–
	–	–	(41,812)	–
Professional charges received	–	9,607,915	–	–
	–	(1,649,184)	–	–
Interest received	–	–	–	–
	–	(8,758,732)	–	–
Rent received	–	–	1,437,050	–
	–	–	(2,845,800)	–
Reimbursement of expenses		4,092,410	–	–
		(11,283,775)	–	–
ESOP	69,976	–	–	–
	–	–	–	–
Interest Paid	–	–	1,844,383	–
	(175,940,550)	–	–	–
Sale of Fixed Asset (incl Taxes)	–	1,128,750	–	–
	–	–	–	–
Inter Corporate Deposit received	–	–	200,000,000	–
	–	–	–	–
Intercorporate Deposit/Term loan repaid	–	–	100,000,000	–
	(1,620,000,000)	–	–	–
Investment in share capital	–	–	–	–
	–	(1,019,500,000)	–	–
<u>Managerial Remuneration</u>*				
Manager and Chief Operating Officer	–	–	–	6,611,059
	–	–	–	(7,716,362)
Business Head				6,711,145

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

(Amounts in INR)

Transactions during the year	Holding Company (MLDL)	Joint Venture (MIPCL)	Associate (MITL)	KMP
				–
Chief Financial Officer	–	–	–	3,752,280
	–	–	–	(2,341,252)
Company Secretary	–	–	–	668,128
	–	–	–	–
Dividend Paid on Equity & Preference Shares	–	–	–	–
	(17,800,000)	–	–	–
Balance Outstanding as at the year end				
Inter-Corporate deposits payable	–	–	100,000,000	–
	–	–	–	–
Security Deposits taken	–	–	7,605,375	–
	–	–	(8,642,835)	–
Receivables	–	262,042,467	493,052	–
	–	(258,581,920)	–	–
Payables	69,976	–	–	
	–	–	–	

Note: Figures in bracket relates to the previous year

* Remuneration payable to Manager, Business Head, Company Secretary & CFO is approved by Nomination & Remuneration committee

32. Fair Value Measurement

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

(Amounts in INR)

Particulars	31-Mar-17		31-Mar-16		31-Mar-15	
	Carrying amount	**Fair value**	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Financial assets carried at Amortised Cost						
– investments in Equity	–	–	–	–	130,500,000	130,500,000
– trade and other receivables	**21,547,217**	**21,547,217**	16,419,835	16,419,835	13,558,123	13,558,123
– deposits and similar assets	**17,752,660**	**17,752,660**	6,270,863	6,270,863	5,089,887	5,089,887
Total	**39,299,877**	**39,299,877**	22,690,698	22,690,698	149,148,010	149,148,010
Financial liabilities						
Financial liabilities held at amortised cost						
– loans from Bank	**732,063,636**	–	–	–	–	–
– loans from related parties	–	–	–	–	1,675,000,000	1,675,000,000
– trade and other payables	**81,733,324**	**81,733,324**	41,986,517	41,986,517	24,167,235	24,167,235
Total	**813,796,960**	**81,733,324**	41,986,517	41,986,517	1,699,167,235	1,699,167,235

Fair value hierarchy as at 31st March, 2017

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	–	–	–
– trade and other receivables	–	**21,547,217**	–	**21,547,217**
– deposits and similar assets	–	**17,752,660**	–	**17,752,660**
Total	–	**39,299,877**	–	**39,299,877**
Financial liabilities				
Financial Instruments not carried at Fair Value				
– loans Bank	–	**732,063,636**	–	**732,063,636**
– loans from related parties	–	–	–	–
– trade and other payables	–	**81,733,324**	–	**81,733,324**
Total	–	**813,796,960**	–	**813,796,960**

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

Fair value hierarchy as at 31st March, 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	–	–	–
– trade and other receivables	–	16,419,835	–	16,419,835
– deposits and similar assets	–	6,270,863	–	6,270,863
Total	–	22,690,698	–	22,690,698
Financial liabilities				
Financial Instruments not carried at Fair Value				
– bank Loans	–	–	–	–
– loans from related parties	–	–	–	–
– trade and other payables	–	41,986,517	–	41,986,517
Total	–	41,986,517	–	41,986,517

Fair value hierarchy as at 31st March, 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets carried at Amortised Cost				
– investments in Equity	–	130,500,000	–	130,500,000
– trade and other receivables	–	13,558,123	–	13,558,123
– deposits and similar assets	–	5,089,887	–	5,089,887
Total	–	149,148,010	–	149,148,010
Financial liabilities				
Financial Instruments not carried at Fair Value				
– bank Loans	–	–	–	–
– loans from related parties	–	1,675,000,000	–	1,675,000,000
– trade and other payables	–	24,167,235	–	24,167,235
Total	–	1,699,167,235	–	1,699,167,235

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.

33. Additional Information to the Financial Statements

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

(i) 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 and this has been relied upon by the auditors.

(ii) 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.

(ii) Disclosure of transactions in Specified bank notes 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	113,500	62,221	175,721
(+) Permitted receipts	–	468,686	468,686
(-) Permitted payments	(73,500)	(380,330)	(453,830)
(-) Amount deposited in Banks	(40,000)	–	(40,000)
Closing Cash in hand as on 30.12.2016	–	150,577	150,577

34. Other Notes

i. The Company has disclosed the impact of pending litigations on its financial position in this Ind AS financial statements (Refer Note 28 to the Ind AS financial statements). The company did not have any pending litigations which would impact its financial position.

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 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.

35. First-time adoption – mandatory exceptions and optional exemptions

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.

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).

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

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 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.

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

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has not elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment, Investment Property, and Intangible Assets recognised as of 1 April 2015 (transition date) as deemed cost.

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.

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

Particulars	Foot Note	As at March 31, 2016	As at April 1, 2015
Equity as reported under previous GAAP		1,197,361,563	1,193,310,771
Ind AS: Adjustments increase (decrease):			
Fair value adjustment of Security Deposits	a	3,113,000	2,724,000
Effective interest rate on borrowings		57,373,000	8,516,000
Interest Capitalisation		(13,511,000)	(8,516,000)
ESOP Adjustments		(289,000)	–
Deferred Tax Adjustment on the above		9,109,000	(927,000)
Equity as reported under IND AS		1,253,156,563	1,195,107,771

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

Particulars	Foot Note	Year ended March 31, 2016
Profit or Loss as per previous GAAP		28,122,392
Ind AS: Adjustments increase (decrease):		
Fair value adjustment of Security Deposits	a	389,000
Effective interest rate on borrowings		48,857,000
ESOP Impact		(289,000)
Interest Capitalisation		(4,995,000)
Deferred Tax Adjustment on the above		10,036,000
Profit or Loss under Ind AS		82,120,392
Other comprehensive income		–
Total comprehensive income under Ind ASs		82,120,392

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

(iii) Material adjustments to the Statement of Cash Flows

Particulars	Year ended March 31, 2016 Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	347,974,133	7,537,500	299,117,133
Net cash flows from investing activities	(10,293,796)	–	(10,293,796)
Net cash flows from financing activities	(312,488,045)	(7,537,500)	(263,631,045)
Net increase (decrease) in cash and cash equivalents	25,192,292	–	25,192,292
Cash and cash equivalents at beginning of period	15,904,253	25,000	15,929,253
Effects of exchange rate changes on the balance of cash held in foreign currencies	–	–	–
Cash and cash equivalents at end of period	41,096,545	25,000	41,121,545

Footnotes to the reconciliation of equity as at 1 April, 2015 and 31 March, 2016 and profit or loss for the year ended 31 March 2016

a) Borrowings

Under previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to qualifying assets for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to qualifying assets using the effective interest method. There is no change in equity or total comprehensive income for the year as the entire amount has been charged to qualifying assets and not to profit and loss account.

36. Approval

The financial statements were approved for issue by the board of directors on 15th April, 2017.

See accompanying notes which are an integral part of the financial statements.

In terms of our report attached
For **A. F. Ferguson & Co.**
Chartered Accountants

For and on behalf of the Board of Directors of Mahindra World City Developers Limited

N. Vaghul
Chairman
(DIN: 00002014)

Anita Arjundas
Director
(DIN: 00243215)

Sangeeta Prasad
Director
(DIN: 02791944)

Geetha Suryanarayanan
Partner
Place : Chennai
Date : 15th April, 2017

Vivek Sharma
Business Head (CEO)

L. Nataraj
Chief Financial Officer

A. Muthukumaran
Company Secretary
(ACS: 33894)