

## BUILDING A GREENER FUTURE

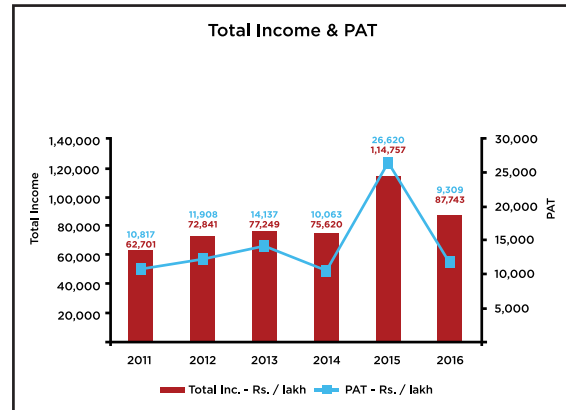
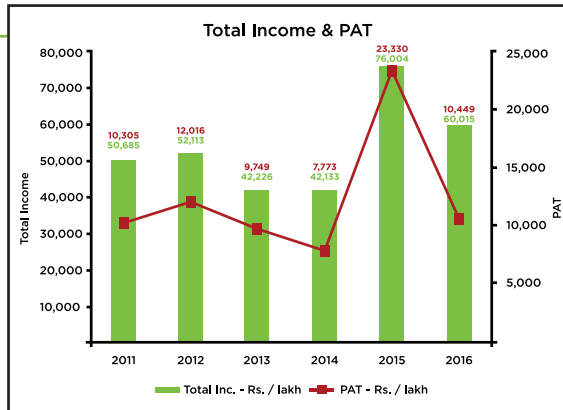
FINANCIAL YEAR  
2016

# Financial Highlights

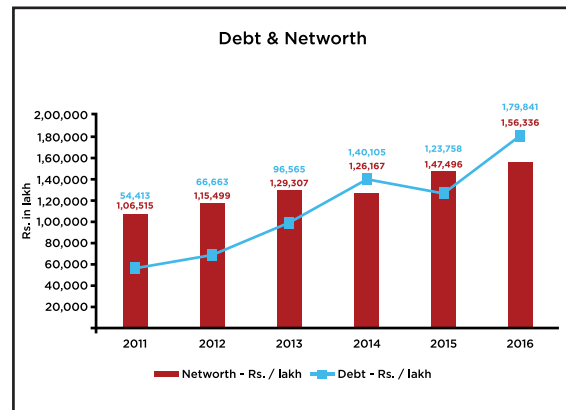
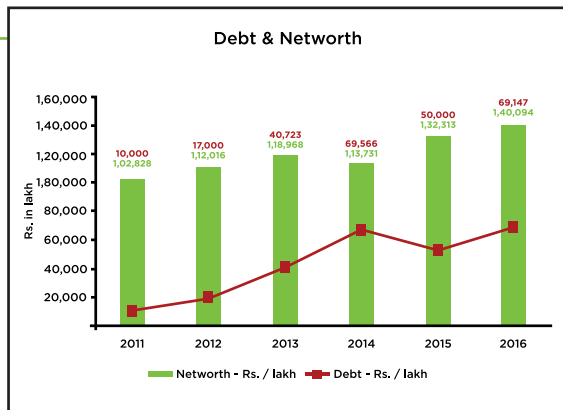
## Standalone

## Consolidated

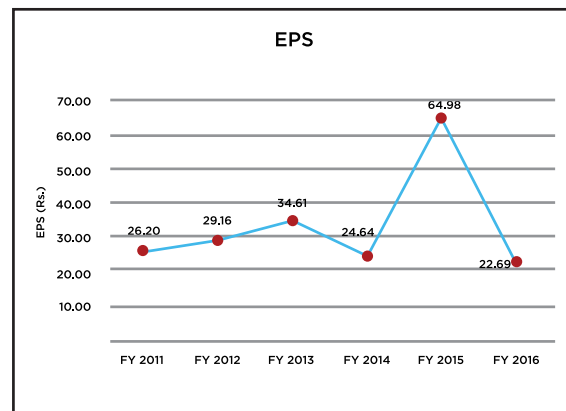
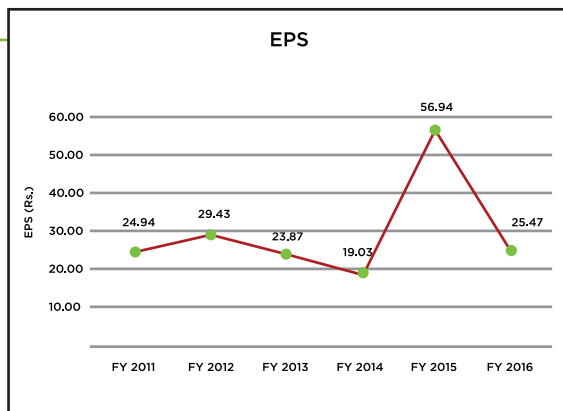
### TOTAL INCOME & PAT



### DEBT & NETWORTH



### EPS



## FINANCIALS HIGHLIGHTS

₹ in lakh										
	F - 2016	F - 2015	F - 2014	F - 2013	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007
Net Worth	1,40,094	1,32,313	1,13,731	1,18,968	1,12,016	1,02,828	95,879	89,802	86,375	77,077
Borrowings	69,147	50,000	69,566	40,723	17,000	10,000	-	-	-	89
Net Fixed Assets	2,941	2,980	2,857	2,557	2,907	3,192	3,237	3,482	2,688	3,282
Investments	77,431	57,340	75,027	43,114	44,860	36,214	40,955	36,153	50,291	32,578
Book Value Per Equity Share (₹)	341	323	278	291	274	252	232	218	209	190
Operating Income	50,297	62,401	30,707	35,152	46,895	47,656	32,065	16,540	17,212	15,552
Other Income	9,718	13,602	11,426	7,073	5,217	3,029	2,899	3,254	4,784	773
Operating Expenses	34,575	29,894	21,879	22,577	30,199	31,367	21,267	12,433	11,181	11,981
Other expenses	11,266	12,339	10,114	6,060	5,159	4,381	2,947	1,585	2,437	2,239
Profit Before Tax	14,174	33,771	10,139	13,588	16,755	14,937	10,750	5,777	8,378	2,105
Profit After Tax	10,449	23,330	7,773	9,749	12,016	10,305	7,938	4,636	6,539	1,417
Basic Earning per Share (₹)	25.47	56.94	19.03	23.87	29.43	24.94	19.15	11.06	16.00	3.82
Diluted Earning per Share (₹)	25.38	56.70	19.03	23.87	29.43	24.94	19.15	11.06	16.00	3.81
Equity Dividend per share (₹)	6.00	12.00*	6.00	6.00	6.00	5.00	3.50	2.50	2.50	1.50

\* Special Dividend by way of an Interim Dividend of ₹ 6 per share and Final Dividend of ₹ 6 per share.

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**Board of Directors (As on 31<sup>st</sup> March, 2016)**

Mr. Arun Nanda	Chairman
Mr. Sanjiv Kapoor	
Mr. Shailesh Haribhakti	
Dr. Prakash Hebalkar	
Dr. Anish Shah	
Ms. Anita Arjundas	Managing Director & Chief Executive Officer

**Leadership Team**

Ms. Anita Arjundas	Managing Director & Chief Executive Officer, MLDL and President - Real Estate Sector
Ms. Sangeeta Prasad	CEO - Integrated cities and Industrial clusters
Mr. S. Chandru	COO, Mahindra World City, Chennai
Mr. Vivek Sharma	Business Head – Mahindra World City, Chennai
Mr. Sanjay Srivastava	COO, Mahindra World City, Jaipur
Mr. Siddharth Bafna	Business Head – Industrial Clusters (West) & Investor Relations
Mr. Sriram S. Mahadevan	Business Head – Happinest
Mr. Ramesh Ranganathan	Business Head - Residential (North & West)
Mr. Deepak Porayath	Business Head - Residential (South)
Mr. Vaibhav Jambhekar	Senior GM - Strategy & Business Excellence
Mr. V. Sundaresan	Senior GM - Business Development
Mr. Jaimin Desai	Head - Design
Mr. Urs Eric Hauptstein	Head - Projects
Mr. Rahul Gupta	Vice President - Sales
Ms. Smeeta Neogi	Vice President – Marketing
Mr. John Lancelot Cutinha	Head – Human Resources
Mr. Jayant Manmadkar	Chief Financial Officer
Mr. Suhas Kulkarni	Senior Vice President – Legal & Company Secretary

**Company Secretary**

Mr. Suhas Kulkarni

**Auditors**

M/s. B. K. Khare &amp; Co. Chartered Accountants

**Bankers**Kotak Mahindra Bank Limited  
HDFC Bank Limited**Legal Advisors**

Khaitan &amp; Co.

**Registrar and Share Transfer Agent**

Karvy Computershare Private Limited  
**Corporate Office:**  
 Karvy Selenium, Tower B, Plot Nos. 31-32,  
 Gachibowli, Financial District,  
 Nanakramguda, Hyderabad 500032.  
 Tel: 91 40-67162222  
 Fax: 91 40-23420814  
 Email Id: einward.ris@karvy.com  
 Website: www.karvycomputershare.com

**Investor Relation Centre:**

24 B, Rajabhadur Mansion  
 Ground Floor, Ambalal Doshi Marg  
 Fort, Mumbai 400 023  
 Tel: 022-66235454 / 412 / 427

**Registered Office**5<sup>th</sup> Floor, Mahindra Towers,  
Worli, Mumbai 400 018**Branch / Representative Offices****NCR Offices:**Mahindra Towers, 2A,  
Bhikaiji Cama Place,  
New Delhi 110 066Khasra No 12/19/2, 21/2 22/2 18/6,  
At Village Behrampur, Sector 59,  
Gurgaon, Haryana 122 001**Chennai Offices**Administrative Block, Central Avenue,  
Mahindra World City, Natham Sub P.O.,  
Chengalpet, Kancheepuram 603 002,  
Tamil NaduThe Canopy, I floor, Unit No. II,  
Mahindra World City, Special Economic Zone,  
Natham Sub P.O.,  
Near Paranur Railway Station,  
Chengalpet 603 004, Tamil Nadu**Mumbai Offices**Chemtex House, Ground Floor,  
Main Street Road, Hiranandani Gardens,  
Powai, Mumbai 400 076301, 3<sup>rd</sup> floor, Building 1, Nirmal Galaxy Avior,  
Opp. J&J, LBS Marg, Mulund (W)  
Mumbai 400 080**Hyderabad Office**Survey No. 78/2, & 78/3,  
Next to Indu Fortune Fields,  
Kukatpally, Hyderabad 500 072**Pune Office**CTS 6017, Pimpri - Nehru Nagar Road,  
Next to Dr. Beck Company, Pimpri,  
Pune 411 018, Maharashtra**Bangalore Office**37/2A, Opp. BPL Software,  
Bannerghata Road, Arakere Village,  
Bangalore 560 076**Dubai Representative Office**M-1C, Mezzanine Floor,  
Sultan Business Centre,  
Next to Lamcy Plaza,  
P.O. Box 119373, Oud Metha, Dubai

## CHAIRMAN'S WELCOME



Dear Shareholder,

Over the past few years, India's economic environment has been subject to much debate and interpretation. The real estate industry has been an integral part of this debate, with concern around oversupply and overheated pricing in the residential markets often dominating the conversation. Consequently, the prospects for the entire sector are painted with a broad brush while some key trends and important nuances are missed out. Indeed, even in times like these, there are numerous business segments and opportunities for customer-centric organisations like your Company.

Let me elaborate by sharing my thoughts in the economy, the real estate industry and your Company's performance and prospects in such an environment.

Let me start with the overall economic scenario. According to the new GDP and gross value added (GVA) series, it seems clear that the country is getting back to a higher growth trajectory. But, in real terms, there is a lack of corresponding increase in corporate investments. This has also had an impact on your Company's Mahindra World City business, where companies are taking longer to decide on setting up new facilities.

The lack of significant growth in corporate investments has an unfortunate fall-out. New job creation has also been slower than the number of young adults joining the work force. But, there is a silver lining. Jobs are still being created in the services sector, that coupled with Government expenditure on core infrastructure and initiatives such as 'Make in India' are giving the required impetus to urbanisation which augurs well for your Company and the real estate industry in the long term.

The real estate industry currently however faces a distinctive set of challenges. Many Companies in the real estate industry are under stress due to high debt on their balance sheets. These loans were contracted for funding acquisition of large land banks and projects which eventually did not take off. Retail investors have been shying from purchasing new properties, but demand

from end consumers has sustained quite well. This is visible in the uptake of home loans and overall absorption of homes, including those from the resale market. These discerning customers are looking at developers with credibility and good track record of delivery, with offerings in the right ticket size.

I am happy to share that your Company's business model has been validated even in these tough times and your Company's performance in 2015-16 is noteworthy from both a financial point of view and some other very critical milestones that it has achieved.

It was an active year for the residential segment, with sales of over 1,000 units aggregating 1.16 mn sqft. Two new launches saw your Company enter the Bengaluru residential market and return to the Mumbai market after a long hiatus. Your Company had a good year on execution too, completing 3.3 mn sqft of construction and handing over around 820 residential units to its customers, making it the best year of execution in its history. The coming year will see this momentum continuing as many projects that were completed in the last quarter of FY16 will commence handovers to customers in FY17.

In the large format developments, your Company's subsidiary Mahindra World City Developers Limited (MWCDL), signed a joint-venture agreement with Sumitomo Corporation, Japan, to develop an industrial park in North Chennai on the NH-5 (Chennai – Kolkata highway). Sumitomo is a respected global conglomerate, and runs similar industrial parks in other parts of Asia. We are confident that a valued partner like Sumitomo will add immensely to our offering and enhance our international marketing efforts significantly.

I am personally very happy with the progress made by your Company in developing Affordable Housing. The two projects that were launched are doing well and the Management has been able to absorb numerous lessons from these two developments. This will certainly help us in our future projects in this segment. A lot more needs to be done in the area of easing the regulatory environment and helping home buyers get access to funds at reasonable costs. Your Management has taken some initiatives in this direction and I am quite hopeful that this segment will play a major role in the future growth of your Company.

Finally, given the initiatives and projects underway, I am hopeful of the continued success of your Company in the coming years. Your Company is also well placed to satisfy the proposed rules under Real Estate (Regulation and Development) Act, 2016 (RERA); it is already compliant with rules relating to prior approval, transparency in information sharing, execution focus, etc. Let us take this opportunity to jointly encourage the management to continue to grow your Company's business in a sustainable and customer-centric manner, and wish it all the best.

With best regards,

Yours sincerely,

**Arun Nanda**  
Chairman

## NOTICE

The Seventeenth Annual General Meeting of **MAHINDRA LIFESPACE DEVELOPERS LIMITED** (CIN: L45200MH1999PLC118949) will be held on Thursday, 28<sup>th</sup> July, 2016 at 3:00 p.m. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, next to Sachivalaya Gymkhana, Mumbai 400 021, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statement of the Company for the year ended on 31<sup>st</sup> March, 2016 (including audited consolidated financial statement) and the Reports of the Directors' and the Auditor's thereon.
2. To declare Dividend on equity shares for the financial year ended on 31<sup>st</sup> March, 2016.
3. To appoint a Director in place of Ms. Anita Arjundas (DIN: 00243215), who retires by rotation and being eligible, offers herself for re-appointment.
4. **Appointment of and fixing of remuneration of Auditors**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (ICAI Registration Number- 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

### SPECIAL BUSINESS:

5. **Appointment of Dr. Anish Shah as a Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of the Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Anish Shah (DIN: 02719429) who was appointed by the Board of Directors pursuant to the provision of Section 161 of the Act and the Articles of Association of the Company as an Additional Director on 28<sup>th</sup> August, 2015 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the Act proposing

his candidature for the office of a Director of the Company, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

6. **Private Placement of Non-Convertible Debentures and / or other Debt Securities**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** in supersession of the Special Resolution passed at the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder, as may be amended / enacted / re-enacted from time to time, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended [“SEBI (ICDR) Regulations”] and subject to other applicable Rules, Regulations, Guidelines, Notifications and Circulars issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), Foreign Exchange Management Act, 1999 (FEMA), the Government of India (“GOI”), Ministry of Corporate Affairs (“MCA”), Registrar of Companies (“ROC”), the Stock Exchanges, Articles of Association of the Company and subject to receipt of necessary approvals as may be applicable and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals which may be agreed to by the Board of Directors of the Company (“the Board”, which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the approval of the Company, be and is hereby accorded to the Board for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures including but not limited to Bonds, and / or other Debt Securities on Private Placement basis, in one or more tranches, to such person(s) / Financial Institution(s) / Bank(s) / Mutual Fund(s) / Body Corporate(s) / Company(ies) / any other entities on such terms and conditions as the Board may deem fit during a period of one year from the date of passing of this resolution upto an aggregate amount of ₹ 7,50,00,00,000 (Rupees Seven Hundred Fifty Crore Only) within the overall borrowing limits of the Company, as approved by the members, from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to arrange or settle or vary / modify the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, premium, repayment, pre-payment, security or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board may in its absolute discretion deems



fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to execute all documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or any regulatory bodies and to delegate all or any of the powers conferred herein to any Committee of Directors, or officers of the Company and / or in such manner as it may deem fit.”

#### 7. Remuneration of Cost Auditor

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 (“the Act”), the Companies (Audit and Auditors) Rules, 2014 and all other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), CMA Vaibhav Prabhakar Joshi, Cost Accountant, Mumbai (Registration No. 101329), appointed by the Board of Directors of the Company as Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ended on 31<sup>st</sup> March, 2016, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

#### 8. Maintenance of the Register of Members and Related Books at a Place other than the Registered Office of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 88, 94 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the Companies (Management and Administration) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in supersession of all the earlier resolutions passed in this regard, consent of the members of the Company be and is hereby accorded that the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, register of renewed and duplicate shares / debentures / Securities certificates, register of sweat equity shares, register of ESOP, and copies of

all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Sections 92 of the Act, and other related books be shifted, kept and maintained at the office of the Company’s Registrar and Share Transfer Agent, Karvy Computershare Private Limited, situated at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 or such other place within Mumbai, where the Registrar and Share Transfer Agent may shift its office from time to time.

**RESOLVED FURTHER THAT** the registers, indexes, returns, documents, etc. as aforesaid be kept open for inspection between the hours of 2:30 p.m. and 5:00 p.m. on any working day at abovementioned office of the Registrar and Share Transfer Agent except when the Registers and Books are closed.”

#### 9. Alteration of Articles of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) thereto or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to alterations to the Articles of Association, as set out under the Explanatory Statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental thereto.”

#### 10. Material Related Party Transactions with Mahindra Homes Private Limited, a Joint Venture company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of the Memorandum and Articles of Association of the Company and all applicable provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder and Regulation 23 of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 [“SEBI LODR”], including any statutory modifications or amendments or re-enactments thereof, for the time being in force, approval of the members of the Company be and is hereby accorded to the Board of Directors (“the Board”, which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), to enter into or to continue performance of the ongoing contracts / arrangements / transactions / commitments / investment



in the ordinary course of business and at arm's length with Mahindra Homes Private Limited ("MHomes"), being a Related Party as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of SEBI LODR, on such terms and conditions as set out under the Explanatory Statement annexed to the notice convening this meeting and as may be mutually agreed upon between the Company and MHomes.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, and to negotiate and finalize the terms and conditions as may be considered necessary, expedient or desirable, from time to time in order to give effect to this Resolution."

**11. Material Related Party Transaction(s) with respect to sale of a property of the Company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of the Memorandum and Articles of Association of the Company and all applicable provisions of the Companies Act, 2013 and Rules made thereunder and Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI LODR"], including any statutory modifications or amendments or re-enactments thereof, for the time being in force, approval of the members of the Company be and is hereby accorded to the Board of Directors ("the Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), to enter into contracts / arrangements / transactions / commitments in the ordinary course of business and at arm's length with a Trust, acting through its trustee/s, whereunder the beneficiaries would be Mr. Anand Mahindra and / or his family members (the said Trust), being a related party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of SEBI LODR, as set out under the Explanatory Statement annexed to the notice convening this meeting and as may be mutually agreed upon between the Company and the said Trust.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, and to negotiate and finalize the terms and conditions as may be considered necessary, expedient or desirable, from time to time in order to give effect to this Resolution."

**NOTES:**

**A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.**

**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT**

**OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

- B.** A form of proxy is enclosed to this notice. No instrument of proxy shall be valid unless:
- i) it is signed by the member or by his / her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his / her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his / her thumb impression is affixed thereto, and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a Nationalised Bank;
  - ii) it is duly stamped and deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting i.e. by 3:00 p.m. on Tuesday, 26<sup>th</sup> July, 2016, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company / Registrar & Share Transfer Agent;
- C.** Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on its behalf at the Meeting;
- D.** Members / proxies are requested to bring duly filled attendance slips sent herewith to attend the Meeting;
- E.** Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company;
- F.** As the number of members as on the date of meeting exceeds five thousand, the quorum for the meeting as provided in Section 103 of the Companies Act, 2013 shall be thirty (30) members personally present;

G. As of 31<sup>st</sup> March, 2016:

Ms. Anita Arjundas, Managing Director & CEO holds 8,000 shares of the Company and Dr. Anish Shah does not hold any shares in the Company.

Brief resume of Ms. Anita Arjundas and Dr. Anish Shah, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Committees of the Board and their shareholding, etc. as stipulated under Regulation 36(3) of SEBI LODR and Secretarial Standards-2 (SS-2) on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Corporate Governance Report forming part of the Annual Report. None of the Directors of the Company are inter-se related to each other;

## H. Explanatory Statement as required under Section 102 of Companies Act, 2013 ("the Act") is annexed hereto;

I. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22<sup>nd</sup> July, 2016 to Thursday, 28<sup>th</sup> July, 2016 (both days inclusive);J. Dividend, if declared, will be credited / dispatched between 29<sup>th</sup> July, 2016 to 2<sup>nd</sup> August, 2016 to those members whose names will appear on the Register of Members of the Company and, in respect of those members who hold shares in the electronic form, as per the list of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) or to their mandate as of the close of business hours on Thursday, 21<sup>st</sup> July, 2016;

## K. A member desirous of getting any information on the accounts or operations of the Company is requested to forward his / her query to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting;

L. Pursuant to the provision of Companies Act, 1956, unpaid / unclaimed dividends for the financial years ended on 31<sup>st</sup> March, 2000, 2001, 2002, 2006, 2007 and 2008 have been transferred to the Investor Education & Protection Fund (IE & PF) on 19<sup>th</sup> September, 2007, 24<sup>th</sup> October, 2008, 20<sup>th</sup> November, 2009, 23<sup>rd</sup> September, 2013, 14<sup>th</sup> November, 2014 and 24<sup>th</sup> September, 2015 respectively. No claim lies against the Company in respect thereof.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2008-09 and thereafter to IE&PF:

Equity Dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed Equity Dividend to IE & PF
2008 -2009	24 <sup>th</sup> July, 2009	26 <sup>th</sup> August, 2016	27 <sup>th</sup> August, 2016 to 25 <sup>th</sup> September, 2016

Equity Dividend for FY	Date of declaration of dividend	Date by which unclaimed dividend can be claimed	Proposed period for transfer of unclaimed Equity Dividend to IE & PF
2009 -2010	21 <sup>st</sup> July, 2010	22 <sup>nd</sup> August, 2017	23 <sup>rd</sup> August, 2017 to 21 <sup>st</sup> September, 2017
2010 -2011	21 <sup>st</sup> July, 2011	22 <sup>nd</sup> August, 2018	23 <sup>rd</sup> August, 2018 to 21 <sup>st</sup> September, 2018
2011-2012	24 <sup>th</sup> July, 2012	28 <sup>th</sup> August, 2019	29 <sup>th</sup> August, 2019 to 27 <sup>th</sup> September, 2019
2012-2013	24 <sup>th</sup> July, 2013	29 <sup>th</sup> August, 2020	30 <sup>th</sup> August, 2020 to 28 <sup>th</sup> September, 2020
2013-2014	7 <sup>th</sup> August, 2014	6 <sup>th</sup> September, 2021	7 <sup>th</sup> September, 2021 to 6 <sup>th</sup> October, 2021
2014-2015	31 <sup>st</sup> July, 2015	31 <sup>st</sup> August, 2022	1 <sup>st</sup> September, 2022 to 30 <sup>th</sup> September, 2022

Members who have not encashed the dividend warrants so far in respect of the aforesaid financial years are requested to make their claim to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited well in advance of the above due dates.

In terms of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years from 2008-09 to 2014-15, as on the date of the 16<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2015, on the website of the Company [www.mahindralifespaces.com](http://www.mahindralifespaces.com) and website of the IE&PF [www.iepf.gov.in](http://www.iepf.gov.in);

## M. Members can avail the facility of nomination in respect of shares held by them in physical form in accordance with the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH - 13 duly filled in to Karvy Computershare Private Limited;

## N. Members are requested to: a) intimate to the Company's Registrar &amp; Share Transfer Agent, Karvy Computershare Private Limited, changes, if any, in their registered addresses at an early date b) quote their folio numbers / client ID / DP ID in all correspondence;

## O. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio;

## P. Members are requested to note that the Company's shares are under compulsory Demat trading for all investors. Members are, therefore, requested to dematerialise their

shareholding to avoid inconvenience and eliminate risks associated with physical shares and for ease of portfolio management;

- Q. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar & Share Transfer Agent, Karvy Computershare Private Limited;
- R. Non-Resident Indian members are requested to inform Registrar & Share Transfer Agent, Karvy Computershare Private Limited, immediately of:
- Change in their residential status on return to India for permanent settlement;
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier;
- S. Payment of Dividends through Electronic mode:

In terms of SEBI LODR, listed companies shall mandatorily make all payments to investors including dividend to shareholders, by using any RBI approved electronic mode of payment viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), direct credit, RTGS, NEFT, etc.

We, therefore, request you to do the following:

- In case of holding of shares in demat form, update your bank account details with your Depository Participant(s) (DP) immediately;
- In case of physical shareholding, submit bank details alongwith photocopy of the cancelled cheque of your account to the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited at any of its following offices: a) Investor Relation Centre: 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 or b) Corporate Office: Karvy Selenium, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032;

This will facilitate the remittance of the dividend amount as directed by SEBI in the Bank Account electronically.

- T. Pursuant to Section 101 and 136 of the Act read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or with the Depository. As per provisions of Section 20 of the Act read with Rules thereunder, a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office

or address, or by such electronic or other mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to his / her Depository Participant / the Company's Registrar & Share Transfer Agent from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. In cases, where any member has not registered his / her e-mail address with the Company, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Act read with the relevant Rules thereunder. Those members, who desire to receive notice / financial statement / documents through e-mail, are requested to communicate their e-mail ID and changes thereto from time to time to his / her Depository Participant / the Company's Registrar & Share Transfer Agent, M/s. Karvy Computershare Private Limited, as the case may be;

- U. Printed copies of the Notice of the 17<sup>th</sup> Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip, Ballot paper and Proxy Form is being sent to all members in the permitted mode. In addition, Notice of the 17<sup>th</sup> Annual General Meeting of the Company in electronic form inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot paper and Proxy Form is also being sent to all the members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes.

Members may also note that the Notice of the 17<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2015 - 2016 will also be available on the Company's website [www.mahindralifespaces.com](http://www.mahindralifespaces.com) for their download and also on the Website of Karvy Computershare Pvt. Limited. Even after registering for e-communication, members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the members may also send requests to the Company's investor email id: [INVESTOR.ML DL@mahindra.com](mailto:INVESTOR.ML DL@mahindra.com)

- V. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days (Monday to Friday), from 10:00 a.m. to 1:00 p.m. up to the date of the Meeting except Public Holidays.

- W. Voting through electronic means / Ballot paper

- In terms of the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 ("the Rules"), (as amended from time to time), Regulation 44 of SEBI LODR and Clause 8 of Secretarial Standards – 2 (SS - 2) of the Institute of Company Secretaries of India, the Company is providing e-voting facility to the members who are the members

as on Thursday, 21<sup>st</sup> July, 2016 (end of Day) being the “cut-off Date” fixed for the purpose, to exercise their right to vote at the 17<sup>th</sup> AGM by electronic means through the e-voting platform provided by Karvy Computershare Private Limited (Karvy). Members may transact the business through voting by electronic means. A person who is not a member as on the cut-off date should treat this Notice for information purposes only;

- ii) The e-voting period commences on Sunday, 24<sup>th</sup> July, 2016 (9:00 a.m.) and ends on Wednesday, 27<sup>th</sup> July, 2016 (5:00 p.m.). During the e-voting period, members' of the Company, holding shares either in physical form or in dematerialised form, may cast their votes electronically. The e-voting module shall be disabled by Karvy for voting thereafter and thus, remote e-voting shall not be allowed beyond Wednesday, 27<sup>th</sup> July, 2016 (5:00 p.m.). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast vote again;
- iii) The facility for voting through electronic voting system shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
- iv) The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again;
- v) In case of any queries and / or grievance, in respect of voting by electronic means members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. I. L. Murthy, Karvy Computershare Private Limited, [Unit: Mahindra Lifespace Developers Limited], Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 or at [evoting@karvy.com](mailto:evoting@karvy.com) or phone no. 040 – 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- vi) If you are already registered with Karvy for e-voting then you can use your existing user ID and password / PIN for casting your vote;
- vii) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

The instructions for e-voting are as under:

**A. In case a member receives an email from Karvy [for members whose email IDs are registered with the Company / Depository Participant(s)]:**

- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.

- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the “EVENT” i.e., ‘Name of the Company”.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR / AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on “Submit”.
- xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format)



of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id: mferraocs@yahoo.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_Event No.”

**B. In case of members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participant(s)]:**

- i. E-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Ballot paper;
- ii. Please follow all steps from Sr. No. (i) to (xii) above to cast your vote by electronic means.

**C. For members who wish to vote using Ballot paper:**

- (i) In terms of Regulation 44 of SEBI LODR, the Company, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot paper along with the Annual Report.
- (ii) A member desiring to exercise voting by using Ballot paper shall complete the enclosed Ballot paper with assent (FOR) or dissent (AGAINST) by placing a tick mark (✓) in the appropriate column and send it to the Scrutinizer, Mr. Martinho Ferrao, Practising Company Secretary, duly appointed by the Board of Directors of the Company, at the address: Mr. Martinho Ferrao, M/s. Martinho Ferrao & Associates, Practising Company Secretaries, Unit: Mahindra Lifespace Developers Limited, Level 3, 301, Dhun Building, Janmabhoomi Marg, Fort, Mumbai 400 001, so as to reach by 5:00 p.m. on Wednesday, 27<sup>th</sup> July, 2016, in the enclosed postage prepaid self-addressed envelope. Ballot paper deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company. The assent / dissent received in any other form / manner will not be considered. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final. The Ballot papers received after the said date shall be strictly treated as if the reply from the member has not been received.
- (iii) A member may request duplicate Ballot paper, if so required, by writing to the Company at its Registered Office or by sending an email on Company’s investor email id - INVESTOR.MLDL@mahindra.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot paper should reach the scrutinizer not later than 5:00 p.m. on Wednesday, 27<sup>th</sup> July, 2016;
- (iv) A member can opt for only single mode of voting i.e. either through e-voting or by Ballot paper. If a member casts votes by both modes then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

**D. Voting at AGM**

The Members, who have not cast their vote through remote e-voting or through ballot paper can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting through electronic voting system (‘Insta Poll’) shall be made available at the Meeting.

**E. General Instructions:**

- (i) Members holding shares as on the cut-off date i.e. Thursday, 21<sup>st</sup> July, 2016 shall be entitled to vote through e-voting / ballot paper or at the venue of the Annual General Meeting. Members may participate in the Annual General Meeting even after exercising right to vote through e-voting / ballot paper as above but shall not be allowed to vote again at the meeting.
- (ii) The notice of Annual General Meeting is being sent (by email where email ID is available and in physical in other cases) to the shareholders holding shares of the Company as on Friday, 24<sup>th</sup> June, 2016. User ID and password for e-voting is sent in the email where notice is sent by email and is printed on the Ballot paper sent along with notice where notice is sent in physical form. Members whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on “Cut-off” date only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting, as the case may be. The voting rights shall be reckoned on the basis of number of equity shares held by the members as on 21<sup>st</sup> July, 2016, being the cut-off date for the purpose. Shareholders who become members of the Company after 24<sup>th</sup> June, 2016 and hold shares as on 21<sup>st</sup> July, 2016 may either vote through Ballot paper to be downloaded from the website of the Company or may obtain the User ID and password for e-voting in the manner as mentioned below:
  - a) If the mobile number of the member is registered against Folio No. / DP ID / Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number + Folio No. or DP ID Client ID to the mobile no. 9212993399  
 Example for NSDL:  
 MYEPWD <SPACE> IN12345612345678  
 Example for CDSL:  
 MYEPWD <SPACE> 1402345612345678  
 Example for Physical:  
 MYEPWD <SPACE> XXXX1234567890
  - b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID / Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “Forgot Password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c) Member may call Karvy’s toll free number 1800-3454-001.

- d) Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- (iii) In case of joint holders, attending the meeting, only such joint holder who is higher in the order of name, will be entitled to vote at the meeting.
- (iv) The Board of Directors has appointed Mr. Martinho Ferrao, Practising Company Secretary (Membership No.: FCS 6221) as the Scrutinizer to scrutinize e-voting process (including voting through ballot paper received from the members) and voting at the venue of the Annual General Meeting in a fair and transparent manner, and to ascertain requisite majority;
- (v) The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman who shall countersign the same.
- (vi) The Scrutinizer shall submit his report to the Chairman on or before Saturday, 30<sup>th</sup> July, 2016, who shall declare the result of the voting. The Result shall be declared on or before Saturday, 30<sup>th</sup> July, 2016. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mahindralifespaces.com](http://www.mahindralifespaces.com) and on the website of Karvy and shall be communicated to the Stock Exchanges. If, as per the report of the scrutinizer, a resolution is passed, then the resolution shall be deemed to have been passed at the Annual General Meeting of the Company scheduled on Thursday, 28<sup>th</sup> July, 2016;
- (vii) The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is 'Next to Sachivalaya Gymkhana'.

For and on behalf of the Board,

**Suhas Kulkarni**

Sr. Vice President - Legal & Company Secretary  
FCS - 2427

**Registered Office**

5<sup>th</sup> Floor, Mahindra Towers,  
Worli, Mumbai 400 018.

Mumbai, 10<sup>th</sup> June, 2016

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

#### Item No. 5

The Board of Directors has appointed Dr. Anish Shah, as an Additional Director of the Company in the category of Non-Executive Non Independent Director on 28<sup>th</sup> August, 2015. He holds office upto the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("the Act") and in respect of him the Company has received a Notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the Act proposing his candidature for the office of Director of the Company.

The Board is of the view that Dr. Anish Shah's knowledge and experience will be of benefit and value to the Company, and therefore, recommends his appointment as a Director of the Company.

Brief resume of Dr. Anish Shah, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Committees of the Board and his shareholding, etc. as stipulated under Regulation 36(3) of SEBI LODR and SS-2 on General Meetings, are provided in the Corporate Governance Report forming part of the Annual Report. Dr. Anish Shah is not related to any Director or Key Managerial Personnel of the Company.

The Directors recommend the passing of the Resolution at Item No. 5 as an Ordinary Resolution.

Except Dr. Anish Shah and his relatives, no other Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

#### Item No. 6

As per Section 42 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and Allotment of Securities) Rules, 2014 a company offering or making an invitation to subscribe to Non-Convertible Debentures ("NCD") on private placement basis, is required to obtain the prior approval of the members by way of a Special Resolution. Such an approval by way of special resolution may be obtained once a year for all the offers and invitations made for such NCDs during the year.

NCDs issued on private placement basis are a significant source of borrowings for the Company. The borrowing of the Company as on the date of notice consists of secured NCDs, Fund & Non Fund based Credit Facilities from Banks by way of Cash Credit / Overdraft / Short Term loan / WC DL / LC / BG, etc. and Commercial Papers and, Short Term Loan from Banks aggregating ₹ 670 crore.

The Company seeks to pass an enabling resolution to borrow funds in addition to the existing borrowing to meet its requirement of funds for acquisition of land parcels for Housing, Townships, Industrial parks, SEZs, commercial complexes and other real estate development activities at various cities / towns, capital expenditure for the Company's Businesses, repayment /

reduction of high cost borrowings, working capital requirement, augment long term resources, to provide financial support to Subsidiaries / Joint Ventures by way of loans / investments for their respective principle businesses, and to meet the general business requirement, in line with the growth strategy of Company and general corporate purposes.

The members at the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015 had approved a similar resolution, the validity of which shall be expiring on 30<sup>th</sup> July, 2016. Therefore, the approval of the members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made there under, to enable the Company to offer or invite subscriptions for NCDs and / or other debt securities on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 6, upto ₹ 750 crore within the overall borrowing limits of the Company, as approved by the members from time to time.

The Directors recommend passing of the Resolution at Item No. 6 of the Notice, as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, financially or otherwise, deemed to be concerned or interested in this item of business.

#### **Item No. 7**

The Board of Directors, at its Meeting held on 31<sup>st</sup> July, 2015, on the recommendation of the Audit Committee and subject to approval of the members on the remuneration to be paid to the cost auditor, approved the appointment of CMA Vaibhav Prabhakar Joshi, Cost Accountant, Mumbai, as Cost Auditor of the Company for conducting the audit of the cost records of the Company, for the financial year ended on 31<sup>st</sup> March, 2016 at a remuneration of ₹ 1,35,000/- (Rupees One Lakh Thirty Five Thousand Only) plus reimbursement of out of pocket expenses incurred during the course of audit and service tax and such other levy(ies), as applicable.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to determine the remuneration to be paid to the cost auditor of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor for conducting the audit of the cost records of the Company, for the financial year ending 31<sup>st</sup> March, 2016.

Your Directors recommend passing of the Resolution at Item No. 7 of the Notice, as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are, in any way, financially or otherwise, deemed to be concerned or interested, in this item of business.

#### **Item No. 8**

The members at the 15<sup>th</sup> Annual General Meeting of the Company held on 7<sup>th</sup> August, 2014 had passed a special resolution approving the keeping of register of members and index of

members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, register of renewed and duplicate shares / debentures / Securities certificates, register of sweat equity shares, register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other related books at the office of the Registrar & Share Transfer Agent, M/s. Sharepro Services (India) Private Limited (Sharepro), Andheri, Mumbai.

In terms of Securities and Exchange Board of India ("SEBI") Ex-Parte Ad Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22<sup>nd</sup> March, 2016, Sharepro is restrained from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner, till further direction is issued by SEBI. Further, SEBI vide its Order has also advised all the companies who are clients of Sharepro to carry out / switchover their activities related to a registrar to an issue and share transfer agent, either in-house or through another registrar to an issue and share transfer agent registered with SEBI.

In view thereof, the Company has on 10<sup>th</sup> June, 2016 terminated the MOU entered between the Company and Sharepro, with effect from close of business hours on 17<sup>th</sup> June, 2016 and appointed Karvy Computershare Private Limited having its Registered office at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 and Investor Relation Centre at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 as its Registrar and Transfer Share Agent of the Company with effect from 18<sup>th</sup> June, 2016.

Under the provisions of the Act, certain documents such as the register of members and index of members - separately for each class of equity and preference shares, register and index of debenture holders, register and index of any other Security holders, Register of Renewed and duplicate shares / debentures / Securities certificates, register of sweat equity shares, register of ESOP, and copies of all annual returns prepared, together with the copies of certificates and documents required to be annexed thereto under Section 92 of the Act, and other related books, are required to be maintained at the registered office of the Company unless a special resolution is passed in a general meeting authorizing the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.

In view of the above and in anticipation of requisite approvals, administrative steps have been taken by the Company to ensure uninterrupted services to the shareholders / investors by shifting of the aforesaid registers, indexes, returns, documents, etc. from the office of Sharepro to the office of newly appointed Registrar and Share Transfer Agent at their office situated at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 from the date of their appointment. The approval of the shareholders by way of special resolution is sought for shifting, keeping and maintaining the aforesaid registers, indexes, returns, documents, etc. at the office of newly appointed Registrar and Share Transfer Agent, Karvy



Computershare Private Limited at their office situated at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023 or such other place within Mumbai, where the Registrar and Share Transfer Agent may shift its office from time to time from the date of their appointment.

Accordingly, your Directors recommend Resolution at Item No. 8 as a Special Resolution for approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is deemed to be concerned or interested, financially or otherwise, in this item of business.

#### **Item No. 9**

The Articles of Association of the Company currently in force was adopted at the 16<sup>th</sup> Annual General Meeting held on 31<sup>st</sup> July, 2015 as replacement of earlier Articles of Association which was in accordance with the Companies Act, 1956.

With a view to remove certain inconsistencies in the Articles vis-à-vis, the provisions of the Companies Act, 2013 ("the Act") including Rules framed thereunder and to align the Articles with the provisions of the Act, following alterations to Articles of Association of the Company are proposed:

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 2 - "The Act"	<b>"1956 Act"</b> means the (Indian) Companies Act, 1956 to the extent not repealed or the provisions of which have not ceased to be effective.	-----	Deleted
Article no. 2 – No marginal heading	"Act" or <b>"2013 Act"</b> means the (Indian) Companies Act, 2013, the rules made thereunder and any amendments thereto or re-enactments thereof from time to time.	Article no. 2 Act	Existing article be substituted with the following new article: "Act" means the Companies Act, 2013, the rules made thereunder and any amendments thereto or re-enactments thereof from time to time <b>and includes those provisions of the Companies Act, 1956 which have not ceased to be effective or which have not been expressly repealed.</b>
-----	-----	Article no. 2 Independent Director	Addition in article of association: <b>"Independent Director"</b> shall have the meaning ascribed to it in the Act.
-----	-----	Article no. 2 Legal Representative	Addition in article of association: <b>'Legal Representative'</b> means a person who in law represents the estate of a deceased or incompetent Member.
Article no. 2 – Office	"Office" means the registered office of the Company for the time being.	Article no. 2 Office	Existing article be substituted with the following new article: "Office" means the registered office of the Company for the time being and with respect to the keeping and inspection of registers <b>and returns and other matters mentioned in the Act and includes any other place or places approved by a special resolution under the provisions of Section 88 and 94 of the Act.</b>
Article no. 2 – Seal	<b>"Seal"</b> means the Common Seal for the time being of the Company.	-----	Deleted
Article no. 2 – Share	"Share" means the share in the Share Capital of the Company and includes stock.	Article no. 2 – Share	Existing article be substituted with the following new article: "Share" means the share in the Share Capital of the Company and includes stock <b>except where a distinction between stock and share is expressed or implied.</b>

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 6 – Capital	The Authorised Share Capital of the Company will be as specified in Clause No. V of the Memorandum of Association of the Company <b>and will be divided in to such shares of Rs.10/- each from time to time as specified therein.</b> <b>The Authorised Share Capital of the Company is Rs. 121,00,00,000 (Rupees One Hundred Twenty-One Crore) divided into 11,50,00,000 (Eleven Crore Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten) each and 60,00,000 (Sixty Lakh) unclassified Shares of Rs.10/-(Rupees Ten) each with the rights, privileges and conditions as are provided by these Articles for the time being, with power to increase or reduce the capital and to divide and subdivide the shares into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with these Articles and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Act or as provided herein.</b>	Article no. 6 – Capital	Existing article be substituted with the following new article: The Authorised Share Capital of the Company will be as specified in Clause V of the Memorandum of Association of the Company.
Article no. 8[1][iii] – Further issue of Capital how disposed of	To any person, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) or clause (c), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.	Article no. 8[1][iii] – Further issue of Capital how disposed of	Existing article be substituted with the following new article: To any person, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) or clause (c), either for cash or for a consideration other than cash, if the price of such shares is determined <b>in accordance with the provisions of the Act and regulations made by SEBI from time to time</b> subject to such conditions as may be prescribed.
Article no. 8[3] – Further issue of Capital how disposed of	<b>Notwithstanding anything contained in sub-clause [1], further shares to be allotted as aforesaid may be offered to any other person, if the Company in General Meeting authorises the same.</b>	-----	Deleted
Article no. 8[4] – Further issue of Capital how disposed of	Nothing in this Article shall apply to the increase of subscribed capital of the Company caused by the exercise of any option attached to debentures issued or loans raised by the company as provided in clause 3 of Section 62 of the Act.	Article no. 8[3] – Further issue of Capital how disposed of	Existing article no 8[4] is renumbered as 8[3]: Nothing in this Article shall apply to the increase of subscribed capital of the Company caused by the exercise of any option attached to debentures issued or loans raised by the company as provided in clause 3 of Section 62 of the Act.
Article no. 9[2][d] – Preference Shares	Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called “the capital redemption reserve account”, a sum equal to the nominal amount of the shares redeemed; and the provision of the Act relating to reduction of the share capital of the Company shall, except as provided <b>in this article</b> , apply as if the capital redemption reserve account were paid-up share capital of the Company.	Article no. 9[2][d] – Preference Shares	Existing article be substituted with the following new article: Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called “the capital redemption reserve account”, a sum equal to the nominal amount of the shares redeemed; and the provision of the Act relating to reduction of the share capital of the Company shall, except as provided, <b>under Section 55 of the Act</b> , apply as if the capital redemption reserve account were paid-up share capital of the Company.
Article no. 9[3] – Preference Shares	Subject to the provisions of <b>this Article</b> , the redemption of preference shares thereunder may be effected <b>on such terms and in such manner as may be provided by these Articles, or the terms of issue thereof.</b>	Article no. 9[3] – Preference Shares	Existing article be substituted with the following new article: Subject to the provisions of <b>Section 55 of the Act</b> , the redemption of preference shares thereunder may be effected <b>in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.</b>

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 14 – <b>Affixing of seal on share certificates</b>	<p>Subject to the applicable provisions of Section 56 of the Act, and in case of fresh issue of shares subject to applicable provisions of Section 29 of the Act, the Company shall, within two months after the allotment of any of its shares, six months after allotment of debentures or debenture stock, and within one month after the application for the registration of the transfer or transmission of any such shares, debentures or debenture stock, complete and have ready for delivery, the Certificates of all shares, the debentures and the Certificates of all debenture stock allotted or transferred.</p> <p>The certificates of title to shares shall be issued <b>under the Seal of the Company which shall be affixed in the presence of</b> and signed by [i] two directors duly authorized by the Board of Directors of the company for the purpose or the committee of the Board, if so authorized by the Board; and [ii] the secretary or any person authorised by the Board for the purpose. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.</p> <p>Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares shall be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.</p>	Article no. 14 - Share certificates	<p>Existing article be substituted with the following new article:  Subject to the applicable provisions of Section 56 of the Act, and in case of fresh issue of shares subject to applicable provisions of Section 29 of the Act, the Company shall, within two months after the allotment of any of its shares, six months after allotment of debentures or debenture stock, and within one month after the application for the registration of the transfer or transmission of any such shares, debentures or debenture stock, complete and have ready for delivery, the Certificates of all shares, the debentures and the Certificates of all debenture stock allotted or transferred.</p> <p>The certificates of title to shares shall be issued and signed by [i] two directors duly authorized by the Board of Directors of the company for the purpose or the committee of the Board, if so authorized by the Board; and [ii] the secretary or any person authorised by the Board for the purpose. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of rubber stamp and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon.</p> <p>Provided always that, notwithstanding anything contained in this Article, the certificates of title to shares shall be executed and issued in accordance with such other provisions of the Act or the Rules made thereunder, as may be in force for the time being and from time to time.</p>
-----	Heading: COMMISSION, BROKERAGE <b>AND DISCOUNT</b>	-----	Substituted Heading: COMMISSION <b>AND</b> BROKERAGE
Article no. 25 – Commission, Brokerage <b>and Discount</b>	-----	Article no. 25 – Commission <b>and</b> Brokerage	-----
-----	-----	Article no. 25 [3]– Purchase by the Company of its own shares	Addition in article of association: <b>Subject to the provisions of the Act, and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell any of its own fully / partly paid or redeemable shares and may make payment out of funds at its disposal for and in respect of such acquisition / purchases, on such terms and conditions and at such times as the Board may in its discretion decide and deem fit.</b>

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 70 – Reduction of Capital	The Company may, from time to time, subject to provisions of <b>applicable law</b> , by special resolution, reduce its capital and any share capital redemption account in any manner including extinguishments or reduction of liability in respect of share capital not paid up on any of its subscribed shares or cancel any paid up share capital which is lost and in particular, paid up capital in excess of the needs of the Company may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power of the Company would have if it were omitted. <b>The provisions of Section 66 of the Act shall apply to reduction.</b> Nothing in this Article shall apply to Buy-Back of its own securities by the Company under Section 68 of the Act.	Article no. 70 – Reduction of Capital	Existing article be substituted with the following new article: The Company may, from time to time, subject to provisions of <b>Section 52, 55, and 66 and other applicable provisions of the Act, from time to time</b> by special resolution, reduce its capital and any share capital redemption account in any manner including extinguishments or reduction of liability in respect of share capital not paid up on any of its subscribed shares or cancel any paid up share capital which is lost and in particular, paid up capital in excess of the needs of the Company may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power of the Company, it would have, if the same were omitted. Nothing in this Article shall apply to Buy-Back of its own securities by the Company under Section 68 of the Act.
Article no. 76 – Issue of share warrants to bearer	Subject to the provisions of the Act, the Company may, with respect to any fully paid-up shares, issue <b>under its Common Seal</b> , a warrant stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares specified in the warrant, and the Board may in its discretion and in accordance with the law prescribe regulations as to the issue and the rights of a bearer of a share warrant.	Article no. 76 – Issue of share warrants to bearer	Existing article be substituted with the following new article: Subject to the provisions of the Act the Company may, with respect to any fully paid-up shares, issue a warrant stating that the bearer of the warrant is entitled to the shares therein specified, and may provide by coupons or otherwise, for the payment of the future dividends on the shares specified in the warrant, and the Board may in its discretion and in accordance with the law prescribe regulations as to the issue and the rights of a bearer of a share warrant.
Article no. 80[1] – Annual General Meeting	The Company shall, in each year, hold, in addition to any other meetings, a General Meeting of its members as its Annual General Meeting and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.	Article no. 80[1] – Annual General Meeting	Existing article be substituted with the following new article: <b>Subject to Section 96 of the Act</b> , the Company shall, in each year, hold, in addition to any other meetings, a General Meeting of its members as its Annual General Meeting and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.
Article no. 138 – Inspection of Registers, etc.	The Registers, Books and other Documents of the Company required to be maintained by the Company and kept open for under the provisions of the Act, shall be available for inspection by the persons entitled thereto under the aforesaid provisions, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the <b>Registered</b> Office of the Company, between the hours of 2.30 P.M. and 5 P.M. on any working day except when the Registers and Books are closed under the provisions of the Act, or these Articles.	Article no. 138 – Inspection of Registers, etc.	Existing article be substituted with the following new article: The Registers, Books and other Documents of the Company required to be maintained by the Company and kept open for under the provisions of the Act, shall be available for inspection by the persons entitled thereto under the aforesaid provisions, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid provisions, at the Office of the Company, between the hours of 2.30 P.M. and 5 P.M. on any working day except when the Registers and Books are closed under the provisions of the Act, or these Articles.
Article no. 150 – Circular Resolution of the Board	Except in cases provided in Section 175 of the Act, a resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, provided the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee at their addresses registered with the Company in India, by hand delivery or by post or by courier, or by such electronic means as may be prescribed under the Rules framed under the Act and has been approved by a majority of the directors, as are entitled to vote on the resolution.	Article no. 150 – Circular Resolution of the Board and / or the Committees	Existing article be substituted with the following new article: Except in cases provided in Section 175 of the Act a resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, provided the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the Committee at their addresses registered with the Company in India, by hand delivery or by post or by courier, or by such electronic means as may be prescribed under the Rules framed under the Act and has been approved by a majority of the directors, as are entitled to vote on the resolution. <b>A resolution passed by circular without a meeting of the Board or of a Committee of the Board shall subject to the provision of sub-clause (1) hereof be as valid and effectual as a resolution duly passed at a meeting of the Board or of the committee duly called and held.</b>

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 154 [2][a]– Disclosure of interest by a Director	For the purposes of Sub-clause [1] a general notice given to the Board by a Director, <b>to the effect that he is a Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned, or interested in any contract or arrangement which may, after the day of notice be entered into with that body corporate or the firm,</b> shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.	Article no. 154 [2]– Disclosure of interest by a Director	Existing article be substituted with the following new article: For the purposes of Sub-clause [1] a general notice given to the Board by a Director, <b>in accordance with provisions of Section 184(1) of the Act,</b> shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.
Article no. 154 [2][b]– Disclosure of interest by a Director	<b>Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month of the financial year in which it would otherwise expire.</b>	-----	Deleted
Article no. 154 [2][c]– Disclosure of interest by a Director	<b>No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given</b>	-----	Deleted
Article no. 157 [25]– Express Powers of the Board	At any time and from time to time, by Power of Attorney <b>under the Seal of the Company,</b> to appoint any person or persons to be the Attorneys for the Company, for such purposes and with such powers, authorities and discretions [not exceeding those vested or exercisable by the Directors under these presents] and for such period and subject to such conditions as the board may from time to time think fit, and any such appointment may [if the Board think fit] be made in favour of the members of the Local Board, established as aforesaid or in favour of any Company, or the shareholder, Directors, nominees or managers of any company, or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.	Article no. 157 [25]– Express Powers of the Board	Existing article be substituted with the following new article: At any time and from time to time, by Power of Attorney, to appoint any person or persons to be the Attorneys for the Company, for such purposes and with such powers, authorities and discretions [not exceeding those vested or exercisable by the Directors under these presents] and for such period and subject to such conditions as the board may from time to time think fit, and any such appointment may [if the Board think fit] be made in favour of the members of the Local Board, established as aforesaid or in favour of any Company, or the shareholder, Directors, nominees or managers of any company, or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Directors and any such power of attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
-----	Heading: CONTRACTS AND DEEDS, INVESTMENTS, <b>SEAL</b> ETC.	-----	Substituted Heading: CONTRACTS AND DEEDS, INVESTMENTS, ETC.
Article no. 160– Seal.	<b>The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof. The Board shall provide for the safe custody of the Seal. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or a committee of the Board authorised by it in that behalf and except in the presence of any person(s) authorized by the Board for the purpose; and such authorised person(s) shall sign every instrument to which the seal of the Company is so affixed in their presence.</b>	-----	Deleted.



Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 161– Deed how executed.	Every deed or other instrument <b>except a share certificate to which the Seal of the Company if required to be affixed</b> shall be signed by person[s] authorised by the Board of Directors or a committee thereof by way of a resolution and/or by granting a specific power of attorney. Every share certificate <b>to which the Seal of the Company is required to be affixed</b> shall be signed by two Directors by affixing his signature thereon by means of any machine, equipment other mechanical means such as engraving in metal or lithography, and countersigned by the Secretary or other person[s] appointed by the Board or Committee thereof for the purpose.	Article no. 160– Deed how executed.	Existing article be substituted with the following new article: Every deed or other instrument shall be signed by person[s] authorised by the Board of Directors or a committee thereof by way of a resolution and/or by granting a specific power of attorney. Every share certificate shall be signed by two Directors by affixing his signature thereon by means of any machine, equipment other mechanical means such as engraving in metal or lithography, and countersigned by the Secretary or other person[s] appointed by the Board or Committee thereof for the purpose.
Article no. 162– Execution of deeds by Attorney.	[1] The Company may, by writing <b>under its Common Seal</b> , empower any person, either generally or in respect of any specified matters, as its Attorney, to execute deeds on its behalf in any place either in or outside India. [2] A deed signed by such an Attorney on behalf of the Company and <b>under seal where sealing is required</b> shall bind the Company and <b>have the same effect as if it were under its Common Seal.</b>	Article no. 161– Execution of deeds by Attorney.	Existing article be substituted with the following new article: [1] The Company may, by writing empower any person, either generally or in respect of any specified matters, as its Attorney, to execute deeds on its behalf in any place either in or outside India. [2] A deed signed by such an Attorney on behalf of the Company shall bind the Company.
Article no. 163– Official Seal for use outside India.	[1] <b>The Company, if its objects require or comprise the transaction of business outside India may have for use in any territory, district or place not situated in India an Official Seal which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.</b> [2] <b>The Company may by writing under its Common Seal authorise any person appointed for the purpose in the territory, district or place to affix the Official Seal of the Company to any deed or other document to which the Company is a party in that territory, district or place.</b> [3] <b>The authority of any agent authorised under Sub-clause [2] shall as between the Company and any person, dealing with the agent continue for the period, if any, mentioned in the instrument conferring the authority, or if no period is there mentioned, until notice of the revocation or determination of the agent's authority has been given to the person dealing with him.</b> [4] <b>The person affixing any such Official Seal shall, by writing under his hand, certify on the deed or other document to which it is affixed.</b> [5] <b>A deed or other document to which the Official Seal is duly affixed shall bind the Company as if it has been sealed with the Common Seal of the Company.</b>	-----	Deleted.
Articles nos. 164 to 197	-----	Articles nos. 162 to 195	<b>The existing articles nos. 164 to 197 renumbered as article nos.162 to 195.</b>
-----	Heading: INDEMNITY	-----	Substituted Heading: INDEMNITY AND INSURANCE

Existing Article No. and Marginal Heading	Existing Article (Proposed deletions given in bold)	Revised Article No. and Marginal Heading	Proposed alteration to Article by way of deletion / addition / substitution (additions / substitutions given in bold)
Article no. 198	<b>Subject to the provisions of the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, auditor or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of duty or misfeasance or breach of trust in relation to the affairs of the Company.</b>	Article no. 196 <b>Company may indemnify</b>	Existing article be substituted with the following new article: <b>Subject to the provisions of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company, or as an auditor, or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay out of the funds of the Company all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharges of his duties including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court.</b>
-----	-----	Article no. 197 <b>Liability of officers</b>	Addition in article of association: <b>No director, manager or other officer of the Company shall be liable for the acts, receipts, neglects of any other director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by error of judgement, omission, default or oversight, on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.</b>
-----	-----	Article no. 198 <b>Insurance</b>	Addition in article of association: <b>The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.</b>

The copy of the Articles with proposed alterations will be placed at the meeting for the perusal of the Shareholders.

In accordance with Section 14 of the Act, approval of members by way of special resolution is required for altering articles of association of the Company.

In view of the above, your Directors recommend Resolution at Item No. 9 as a Special Resolution for approval of the members for effecting alteration in articles of association of the Company.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is deemed to be concerned or interested, financially or otherwise, in this item of business.

#### **Item No. 10**

Mahindra Homes Private Limited (MHomes) (earlier known as Watsonia Developers Private Limited and prior to that Watsonia Developers Limited), a 50:50 joint venture between the Company and SCM Real Estate (Singapore) Private Limited (SCM), is developing in collaboration with a developer, and land owning companies, a group housing project at NCR on approximately 6.79 acres and a residential project at Bangalore on approximately 5.85 acres. MHomes is exploring the possibility of undertaking additional projects in residential development segment in India. In terms of definitive agreements executed between the Company, MHomes and SCM, each of the Company and SCM have agreed to invest in MHomes up to ₹ 500 crore for undertaking residential



development projects in India by MHomes. The Company has till date invested ₹ 320.38 crore in MHomes and SCM has till date invested ₹ 322.33 crore. SCM can further invest up to ₹ 177.67 crore and the Company shall make matching investment pursuant to definitive agreements. To enable MHomes to undertake additional projects of residential development in India, each of the Company and SCM will be required to make additional investment so that the existing investment alongwith proposed additional investment in terms of the definitive agreements shall not exceed ₹ 500 crore each.

As the Company is engaged in the business of providing infrastructural facilities as envisaged under the Act, pursuant to the provisions of Section 186(11) of the Act, the provisions of Section 186 except sub-section (1) shall not apply to a loan made by 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.

MHomes is a Joint Venture company of the Company and is a "Related Party" as per definition under Section 2(76) of the Act and the applicable Accounting Standards.

In terms of provisions of Regulation 23 of SEBI LODR, a transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year, will exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

The proposed investment by the Company in MHomes during the financial year 2016-17 up to ₹ 177.67 crore, in one or more tranches, as may be needed, will exceed 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company for the year 2015-16. Thus, in terms of Regulation 23 of SEBI LODR and Company's 'Policy on Materiality of and dealing with Related Party Transactions', the proposed investment would require the approval of members by way of an Ordinary Resolution.

The particulars of the contracts / arrangements / transactions w.r.t. aforesaid proposal of investment, are as under:

Particulars	Information
Name of Related Party	Mahindra Homes Private Limited (MHomes)
Name of Director(s) or Key Managerial Personnel who is related, if any, and nature of relationship	MHomes is a joint venture company of the Company and is accordingly a related party. Ms. Anita Arjundas, Managing Director & CEO of the Company is a common Director on the Board of the Company and on the board of MHomes. No other Director or Key Managerial Personnel of the Company is directly or indirectly concerned or interested in the proposed transaction with MHomes.

Particulars	Information
Nature, material terms, monetary value and particulars of contracts or arrangements	Further investment by the Company in the joint venture company, Mahindra Homes Private Limited (MHomes) in terms of the financial commitments undertaken pursuant to the definitive documents dated 25 <sup>th</sup> July, 2013 executed / to be amended with SCM Real Estate (Singapore) Private Limited (SCM) and Mahindra Homes Private Limited (MHomes) up to ₹ 177.67 crore, in one or more tranches, to enable MHomes to undertake additional residential development projects in India. Such investment may be made by means of subscribing to its equity, convertible instruments, quasi - equity, Inter Corporate Deposits, debt or any combination thereof to enable MHomes to arrange funding for its proposed residential development projects in India, including acquisition of land parcels / development rights and preliminary development expenditure.
Whether the transactions have been approved by the Audit Committee	Yes. The proposed RPT is in accordance with the Related Party Transaction Policy of the Company and has been approved by the Audit Committee and the Board of Directors of the Company at their respective meetings held on 26 <sup>th</sup> April, 2016.
Any other information relevant or important for the Members to make a decision on the proposed transaction	None

As per Regulation 23 of SEBI LODR, all entities falling under the definition of related parties shall abstain from voting on such resolution whether the entity is a related party to the particular transaction or not wherein approval of material Related Party Transactions is sought from the shareholders.

The Directors recommend passing of the Resolution at Item No. 10 of the Notice, as an Ordinary Resolution by the unrelated shareholders.

Except Ms. Anita Arjundas being a common Director on the Board of the Company and Mahindra Homes Private Limited, no other Director or any of the Key Managerial Personnel of the Company and their relatives are, in any way, financially or otherwise, deemed to be concerned or interested, in this item of business.

#### Item No. 11

The Company has been considering various proposals for residential development in Mumbai in the re-development space. One such proposal, received in the year 2010-11, was pertaining

to a cessed property having tenants, and being a freehold land situated at Napean Sea Road, Mumbai admeasuring 1091.24 square meters, together with dwelling house on such freehold land now known as 'Om Arc' (formerly known as 'Goolistan') (the said Property). One of the tenants on the said Property, who is residing there with his family for nearly 60 years, is Mr. Anand Mahindra with whom the land owners had executed a Permanent Alternate Accommodation Agreement on 30<sup>th</sup> April, 2009. The Company was of the opinion that the said Property could be redeveloped under Development Control Regulation 33(7) ["DCR 33(7)"]. Considering the fact that the said Property is located at a premium location suitable for luxury housing and also that Mr. Anand Mahindra being one of the tenants, the process for obtaining consent from tenants for redevelopment would be simplified, the Company decided to pursue the proposal. Therefore, the Company, after negotiations with the land owners ("the Vendors"), decided in August, 2011 to acquire the said Property for the purpose of undertaking residential development under DCR 33(7). Towards this, the Company paid a substantial part of the agreed consideration amounting to ₹ 100 crore to the Vendors and the balance amount was to be paid upon fulfillment of certain conditions by the Vendors so as to enable the Company to commence the re-development of the said Property. However, the Vendors could not complete all their obligations and therefore the Company initiated arbitration proceedings for specific performance of the agreement with the Vendors. The dispute between the Company and the Vendors was finally settled in March, 2016. Pursuant to the settlement, the Company in March, 2016 acquired the said Property having four tenants, for an aggregate consideration of ₹ 153.70 crore. Under the terms of settlement, the Vendors are required to perform certain obligations related to obtaining DCR 33(7) development related approvals within a defined time frame in order to receive an amount of ₹ 60.50 crore from the Company.

In view of the considerable lapse of time from the Company's initial intent to develop the land and the actual acquisition date and the ensuing change in market conditions for luxury housing during this period, the Company appointed Jones Lang LaSalle ("JLL"), a reputed International Property Consultant (IPC) to recommend the best use of the said Property and also to provide the Company with an estimation on the valuation for each of the possible land uses. Accordingly, JLL conducted its research for land use strategy and submitted its recommendations and the valuation report for the said Property. JLL has indicated that the current market conditions for luxury housing are very subdued and are likely to remain so for a while. Also, given the fact that the Vendors still needed to perform certain conditions to enable the development under DCR 33(7), the risk of further delays and realisable development potential existed. JLL therefore recommended, in its opinion, that the best use for the said Property by the Company would be for it to dispose the said Property to a buyer who is willing to pay the right price for the same on 'as is where is basis'. JLL also recommended that for the sale, a high net worth individual, for self-use, rather than a developer, would be a better prospective buyer to achieve the right price and speedy closure, given the current market conditions and the pending obligations of the Vendors. JLL also

recommended that a potential prospect for the said Property could be an existing tenant viz., the Mahindra family, given the fact that they are occupants of the said Property.

The Company also requested HDFC Realty Limited ("HDFC Realty") to provide its independent assessment of the best possible valuation for the said Property for sale by the Company together with all obligations, rights, interest and benefits attached thereto, on an 'as is where is basis'.

As per the valuation reports of the said Property from JLL and HDFC Realty, the said Property was valued at ₹176.71 crore and ₹ 176.25 crore, respectively, after considering the further obligation of the prospective buyer to take over the obligations to the existing tenants and to pay the erstwhile land owners ₹ 60.50 crore upon the completion of certain obligations by them. The prospective buyer shall bear and pay the stamp duty and registration charges on the transaction value.

Based on the valuation reports received, the Company entered into a discussion with Mr. Anand Mahindra for the sale of the said Property along with all obligations, rights, title, interest and benefits attached thereto on an 'as is where is basis'.

The proposed transaction will be with a trust, acting through its trustee/s, whereunder the beneficiaries would be Mr. Anand Mahindra and / or his family members, as the case may be (the said Trust). The Company is in discussion with Mr. Anand Mahindra to finalize the modalities, documentation and the terms and conditions of the proposed transaction. Mr. Anand Mahindra is the Chairman and Managing Director of the holding company, Mahindra & Mahindra Limited.

In terms of Regulation 23 of SEBI LODR and the Company's 'Policy on materiality of and dealing with Related Party Transactions', approval of members is required if the transaction is a material related party transaction. A transaction with a Related Party is considered 'material', if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company. Considering the annual consolidated turnover of the Company as on 31<sup>st</sup> March, 2016, the value of the proposed transaction will exceed the materiality threshold.

Based on above, the Audit Committee and the Board was of the view that the proposed transaction would be a material related party transaction and accordingly decided to follow the process of approval of material related party transactions. At their respective meetings held on 10<sup>th</sup> June, 2016, the Audit Committee and Board of Directors have, subject to requisite approvals, approved the sale of the said Property together with all obligations, rights, title, interest and benefits attached thereto as also obligations to the existing tenants and obligations under the terms of settlement with the Vendors, on 'as is where is basis' in the ordinary course of business and at the arm's length sale price which will be higher of the two valuations viz., ₹ 176.71 crore to the said Trust. In view thereof, all related parties with respect to the Company shall abstain from voting on such resolution whether the related party is a party to the transaction or not.

The requisite particulars of the contracts / arrangements / transactions / commitments w.r.t. aforesaid proposal are as under:

Particulars	Information
Name of Related Party	The said Trust, acting through its trustee/s, settled where the beneficiaries would be Mr. Anand Mahindra and /or his family members, as the case may be.
Name of Director(s) or Key Managerial Personnel who is related, if any	None of the Director or Key Managerial Personnel of the Company is directly or indirectly concerned or interested in the proposed transaction.
Nature of relationship	Mr. Anand Mahindra being the Key Managerial Personnel of the holding company, Mahindra & Mahindra Limited, he along with his relatives and entities / Trust would be construed as a related party with respect to the Company.
Nature, material terms, monetary value and particulars of contracts or arrangements	Sale / transfer / convey on 'as is where is basis' a freehold land parcel owned by the Company and situated at Cadestral Survey No. 358 of Malabar and Khamballa Road division at Napean Sea Road, admeasuring 1091.24 sq. mtrs, together with dwelling house on such freehold land now known as 'Om Arc' (formerly known as 'Goolistan') together with all the existing tenancies on the said Property, in the ordinary course of business and at the arm's length sale price of ₹176.71 crore along with all obligations, rights, title, interest and benefits attached thereto as also obligations to the existing tenants and obligations under the terms of settlement with the Vendors. Stamp duty and registration charges on the transaction will be payable by the buyer. The proposed transaction will be in the ordinary course of business and on arm's length basis.

Particulars	Information
Whether the transactions have been approved by the Audit Committee	Yes. The proposed transaction is in accordance with the Related Party Transactions Policy of the Company and approved by the Audit Committee and the Board of Directors of the Company at their respective meetings held on 10 <sup>th</sup> June, 2016.
Any other information relevant or important for the Members to make a decision on the proposed transaction	None

The Directors recommend passing of the Resolution at Item No. 11 of the Notice, as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives is deemed to be concerned or interested, financially or otherwise, in this item of business.

**For and on behalf of Board,**

**Suhas Kulkarni**

Sr. Vice President - Legal & Company Secretary  
FCS - 2427

**Registered Office**

5<sup>th</sup> Floor, Mahindra Towers,  
Worli, Mumbai 400 018

Mumbai, 10<sup>th</sup> June, 2016



**Route Map for 17<sup>th</sup> AGM Venue of Mahindra Lifespaces:**

**Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400 021**



Source: Google Maps

## DIRECTORS' REPORT

### Directors' Report to the Members

Your Directors present their seventeenth report together with the audited financial statement of your Company for the year ended on 31<sup>st</sup> March, 2016.

### FINANCIAL HIGHLIGHTS (STAND-ALONE)

	(₹ in lakh)	
	2016	2015
Income from Operations .....	50,297	62,401
Other Income .....	9,718	13,602
Total Income .....	60,015	76,003
Profit Before Depreciation, Finance cost and Taxation .....	16,847	36,227
Less : Depreciation .....	414	274
Profit Before Finance cost and Taxation .....	16,433	35,953
Less : Finance Cost .....	2,259	2,182
Profit Before Taxation .....	14,174	33,771
Less : Provision for Taxation .....		
Current Tax .....	3,674	10,134
Deferred Tax (including MAT Credit) .....	51	307
Profit After Tax .....	10,449	23,330
Add : Balance of Profit for earlier years .....	48,900	36,519
Amount available for appropriation .....	59,349	59,849
Proposed Dividend on Equity Shares (including tax on distributed profits) .....	2,799	2,972
Interim Dividend on Equity Shares (including tax on distributed profits) .....	-	2,503
Depreciation adjustment (Net of Deferred Tax Adj.) .....	-	6
Less : Transfer to General Reserve .....	-	2,333
Less: Transfer to Debenture Redemption Reserve .....	3,135	3,135
Balance carried forward .....	53,415	48,900

### DIVIDEND

For the Financial Year 2015-16, your Directors have recommended a Dividend of ₹ 6 per equity share of the face value of ₹10 each of the Company, i.e. 60 per cent.

The equity dividend (including tax on distributed profits) aggregates ₹ 2,799 lakh (previous year ₹ 5,475 lakh, aggregate of Special Dividend by way of an Interim Dividend and Final Dividend). The Dividend shall be paid out of the profits of the current year.

### RESERVES

Out of the profits available for appropriation, an amount of ₹ 3,135 lakh has been transferred to the Debenture Redemption Reserve and the balance has been carried forward to the Profit & Loss Account.

### OPERATIONS / STATE OF THE COMPANY'S AFFAIRS

In a subdued global economic environment, and the ongoing slowdown in China, India's macroeconomic performance remained stable during financial year 2015-16. According to the advance estimates released by the Central Statistical Organisation (CSO), India's GDP growth is expected to be 7.6 per cent in financial year 2015-16, marginally higher than 7.2 per cent recorded in the previous year.

An equally important aspect was the stability in retail inflation around 5 per cent mark, which allowed the RBI to continue with its accommodative policy stance. However, the rate cuts to the tune of 100 basis points during the year did not translate into desired reduction in lending rates. Consequently, the improvements in business and consumer confidence during the year were weak. As far as the real estate industry is concerned, the overall performance continued to be subdued — housing prices, rents and offtake of housing loans continued to be sluggish during the year.

The Company's performance needs to be evaluated in the context of this Industry Environment.

In the residential segment, the Company sold over 1,000 residential units aggregating to 1.16 million square feet of saleable area in 2015-16 across its ongoing and newly launched projects, including projects of its subsidiary companies. The Company launched two new projects — 'Vivante' and 'Windchimes', marking its entry in the Bangalore market with the latter. In addition, fresh inventory in four of its existing projects was also launched during the year.

In the large format developments, the Company's subsidiary Mahindra World City Developers Limited (MWCDL) signed a JV Agreement with Sumitomo Corporation, Japan to develop an industrial park in North Chennai on the NH-5 (Chennai – Kolkata



highway). The first phase of the project of approximately 300 acres will be implemented by Mahindra Industrial Park Chennai Limited (MIPCL), a 60:40 JV between MWCDL and Sumitomo Corporation, respectively.

The consolidated total income of your Company decreased from ₹ 114,757 lakhs in 2014-15 to ₹ 87,743 in 2015-16. The consolidated Profit before tax (PBT) stood at ₹14,745 lakh in 2015-16 as compared to ₹42,102 lakhs in 2014-15, whereas the consolidated profit after tax and minority interest (PAT) was ₹ 9,309 lakhs in 2015-16 as compared to ₹26,620 lakhs during 2014-15. This Performance of the Company over the previous year needs to be looked in the context of the land sale transaction in respect of a delayed project in Mumbai, which contributed ₹268 crore to the total income and ₹245 crore to the profit before tax (PBT) during 2014-15.

Total income of your Company as a standalone entity was ₹ 60,015 Lakh as compared to ₹76,003 lakh in 2014-15. PBT was ₹14,174 as compared to ₹33,771 lakhs in 2014-15, whereas PAT was ₹ 10,449 as compared to ₹ 23,330 lakhs in 2014-15. Total income includes dividend income of ₹629 Lakhs and ₹178 Lakhs received from its subsidiaries Mahindra World City (Jaipur) Limited and Mahindra World City Developers Limited, respectively, as compared to ₹727 lakhs received from its subsidiary Mahindra World City Developers Limited, ₹740 lakhs received from its subsidiary Mahindra World City (Jaipur) Limited and ₹740 lakhs received from its subsidiary Mahindra Integrated Township Limited in 2014-15.

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

### AWARDS AND RECOGNITION

The Company and its subsidiaries received several awards and recognitions during 2015-16. Some of the prestigious awards are:

- Mahindra Lifespaces rated as one of the Top 5 Great Places to Work in the real estate industry by the Great Places to Work Institute;
- Mahindra Lifespaces won the Mint-Institute for Competitiveness – ‘Strategy Award’ in the Construction, Real Estate and Steel Segment ;
- Mahindra Lifespaces has been ranked Regional Sector Leader for Listed –Asia – Industrial category by Global Real Estate Sustainability Benchmark (GRESB) Survey, 2015 for second year in a row;
- Mahindra Lifespaces won the “Investor Relations Society Awards 2015” for Best Environment, Social & Governance (ESG) Disclosures in Small Cap category;
- Mahindra Lifespaces bagged the runner up trophy for Best Safety Practices Competition 2015 in the Construction Category which was jointly organized by National Safety Council –Maharashtra Chapter & Directorate of Industrial Safety and Health, Government of Maharashtra;
- Splendour by Mahindra Lifespaces rated “Platinum” on completion by the Indian Green Building Council (IGBC);

- Mahindra Lifespaces won the “Best Developer – Residential Project” award for Splendour at the ACETECH Alpha Awards 2015;
- Luminare by Mahindra Lifespaces was conferred with the “CIDC Vishwakarma Award” for Construction, Health, Safety and Environment;
- Iris Court by Mahindra Lifespaces received the award for the ‘Best Residential Project’ in Chennai under the Affordable Housing Segment at the 10<sup>th</sup> CNBC AWAAZ Real Estate Awards 2015-16;
- Mahindra World City Jaipur became the first project in Asia to receive Stage 2 Climate Positive Development certification from C40 Cities Climate Leadership Group;
- Mahindra World City Chennai declared “Best Township” (more than 200 acres in size) at NDTV Parryware Property Awards 2015-16.

### SHARE CAPITAL

During the year, the Company allotted 2,500 equity shares of ₹10 each at an exercise price of ₹ 428 per share to the eligible grantees pursuant to exercise of stock options granted under Employee Stock Option Scheme - 2006 (ESOS - 2006).

The Company has also allotted 18,450 equity shares of ₹10 each at an exercise price of ₹ 10 per share to the eligible grantees pursuant to exercise of stock options granted under Employee Stock Option Scheme - 2012 (ESOS - 2012).

Consequently, issued equity share capital has increased from ₹ 41,05,30,510 to ₹ 41,07,40,010 and the subscribed and paid up equity share capital of the Company has increased from ₹ 41,01,22,000 to ₹ 41,03,31,500.

The allotment of 40,851 equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956, till such time the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of offenses relating to transactions in Securities).

During the year, Company has not issued any equity shares with differential rights or any sweat equity shares.

### ISSUE & ALLOTMENT OF NON-CONVERTIBLE DEBENTURES

On 4<sup>th</sup> April, 2013, the Company had issued and allotted 5,000 – Secured Listed Rated Redeemable 10.78 per cent YTM, Non-Convertible Debentures (NCDs) with a face value of ₹ 10,00,000 (Rupees Ten Lakh Only) each for cash at par, aggregating ₹ 500 crore (Rupees Five Hundred Crore Only) vide Series I, Series II, and Series III on Private Placement basis. The proceeds of the NCDs issue have been fully utilised for the purposes of the issue.

Series I of Secured Listed Rated Redeemable 10.78 per cent YTM, 1,250 Non-Convertible Debentures (NCDs) with a face value of ₹ 10,00,000 (Rupees Ten Lakh only) each aggregating ₹ 125 crore (Rupees One Hundred Twenty-Five Crore Only) were redeemed on 4<sup>th</sup> April, 2016 along with redemption premium.

### EMPLOYEE STOCK OPTIONS SCHEME

As of 31<sup>st</sup> March, 2016, 2,500 Stock Options were exercised under Employee Stock Option Scheme – 2006 (ESOS – 2006)

and 18,450 Stock Options were exercised under Employee Stock Option Scheme – 2012 (ESOS – 2012).

In accordance with the Employee Stock Option Scheme (ESOS–2012), the Nomination and Remuneration Committee had on 30<sup>th</sup> April, 2015 and 28<sup>th</sup> January, 2016, approved grant of total 34,000 Stock Options to the eligible employees, at an exercise price of ₹10 each which is equal to the face value of the equity share of the Company.

The Information that the Company is required to disclose in relation to ESOS-2006 and ESOS-2012 under the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, is uploaded on the website of the Company at <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

The Shares arising out of exercise of Employee Stock Options are directly allotted to the eligible employees and therefore, the requirement of disclosure in respect of voting rights not exercised directly by the employees does not apply to the Company.

The Existing Schemes, Employee Stock Option Scheme-2006 (ESOS – 2006) and Employee Stock Option Scheme-2012 (ESOS – 2012) are implemented in compliance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (the “Regulations”) and other applicable Regulations and Circulars in force from time to time.

#### HOLDING COMPANY

The promoters of the Company i.e. Mahindra & Mahindra Limited (M&M) hold 20,846,126 equity shares which represents 50.80 per cent of the paid-up equity share capital of the Company. The Company continues to be a Subsidiary Company of M&M. All subsidiary companies of the Company are consequently subsidiary companies of M&M.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Companies Act, 2013 is provided in Annexure A to the Consolidated Financial Statement and hence not repeated here for sake of brevity. The policy, as modified on 28<sup>th</sup> January, 2016, for determining material subsidiaries is available on the Company’s website at the link: [http://www.mahindralifespaces.com/media/newsevents\\_file/policyford-4d82fc3b9f7733c.pdf](http://www.mahindralifespaces.com/media/newsevents_file/policyford-4d82fc3b9f7733c.pdf)

#### SUBSIDIARY COMPANIES

Mahindra World City (MWC), Chennai, is implemented by Mahindra World City Developers Limited (MWCDL), currently an 89:11 joint venture between the Company and the Tamil Nadu Industrial Development Corporation Limited (TIDCO), respectively. It is the first township in India to receive Green Township Certification (Stage I Gold certification) from IGBC. Mahindra World City, Chennai, was launched in September 2002, and currently has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories, and Auto Ancillaries, and a Domestic Tariff Area (DTA) for businesses catering to the Indian market. Integrated to the business zone is a Residential and Social Infrastructure zone. At the end of 2015-16, the project had a total area of 1,524

acres. With greater stabilisation in the business zone, the focus is now on developing the residential and social infrastructure. Mahindra World City, Chennai, has allocated 289 acres for the development of residential and social infrastructure.

Mahindra World City, Jaipur, is being implemented by Mahindra World City (Jaipur) Limited (MWCJL), a 74:26 joint venture between the Company and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a Government of Rajasthan enterprise, respectively. Mahindra World City, Jaipur is being developed as a Multi-Product Special Economic Zone and a Domestic Tariff Area across 3,000 acres, of which 2,949 acres have already been acquired. Currently, the project has five zones, IT/ITES SEZ, Handicrafts SEZ, Engineering & Related Industries SEZ, Gems & Jewellery SEZ and a Domestic Tariff Area. Going forward, the near term focus will continue to be on sale of industrial land in the project.

Mahindra Integrated Township Limited (“MITL”) is engaged as a co-developer in developing residential township area at Mahindra World City, New Chennai. Its current developments include ‘Iris Court’ and ‘Nova’. MITL has a balance of approximately 140 acres to be developed in phases for offering products in different formats and segments. MITL is 96.30 per cent owned by the Company.

Mahindra Residential Developers Limited (MRDL), which is a wholly owned subsidiary of Mahindra Integrated Township Limited (MITL), and a co-developer in developing residential township area in MWC is developing a gated residential community in approximately 55 acres within Mahindra World City, New Chennai, under the name ‘Aqualily’.

Mahindra Bebanco Developers Limited (MBDL) is a 70:30 joint venture between the Company and B.E. Billimoria & Co. Limited, one of the leading construction companies in India, respectively. This company is developing a residential complex across approximately 25 acres at Multi-modal International Hub Airport at Nagpur (MIHAN).

The details of the current developments in each of these companies are given in the Management Discussion and Analysis Report.

Mahindra Infrastructure Developers Limited (“MIDL”), a wholly owned subsidiary of the Company, is an equity participant in the project company namely, New Tirupur Area Development Corporation Limited (NTADCL) implementing the Tirupur Water Supply and Sewerage project. During the period 2003 to 2009, the company was engaged in operating a solid waste treatment plant at Tirupati. For more details about the investment of the Company into MIDL, please refer Note no. 12(a) to the standalone financial statement.

Mahindra World City (Maharashtra) Limited (“MWCML”), is a wholly owned subsidiary of the Company, which was set up to undertake large format development. The Company is looking out for an appropriate business opportunity to take up projects in real estate development.

Knowledge Township Limited (“KTL”), a wholly owned subsidiary of the Company will be developing an industrial park in



Maharashtra. The company is in the process of procuring the targeted land area.

Industrial Township (Maharashtra) Limited ("ITML"), a wholly owned subsidiary of the Company is exploring the possibility of taking up real estate development.

Raigad Industrial & Business Park Limited ("RIBPL"), a wholly owned subsidiary of the Company is exploring the possibility of taking up real estate development.

Anthurium Developers Limited ("ADL") a wholly owned subsidiary of the Company is exploring the possibility of taking up real estate development projects.

Industrial Cluster Private Limited ("ICPL") (formerly known as Mahindra Housing Private Limited) a wholly owned subsidiary of the Company is exploring the possibility of taking up the development of an industrial park in Gujarat.

Mahindra Industrial Park Chennai Limited was a wholly owned subsidiary of Mahindra World City Developers Limited. During the financial year 2015-16, Mahindra World City Developers Limited entered into a Joint Venture Agreement with Sumitomo Corporation, Japan to set up an Industrial Park in North Chennai (the NH-5 corridor) on approximately 300 acres. In terms of the Joint Venture Agreement, Mahindra Industrial Park Chennai Limited which was a wholly owned subsidiary of Mahindra World City Developers Limited is now a joint venture between Mahindra World City Developers Limited and Sumitomo Corporation in the ratio of 60:40 respectively. Accordingly, Mahindra Industrial Park Chennai Limited is a subsidiary of Mahindra World City Developers Limited and consequently, a subsidiary of the Company.

Mahindra Water Utilities Limited (MWUL) is engaged in the business of operation and maintenance service for water and sewerage facilities at Tirupur, India. During the year under review, Mahindra Infrastructure Developers Limited, a wholly owned subsidiary of the Company acquired additional 48,999 equity shares in MWUL, as a result MWUL has become a 98.99% subsidiary of Mahindra Infrastructure Developers Limited and consequently a subsidiary of the Company. Total consideration paid for 48,999 equity shares was Rs 48,999. The difference between proportionate Net asset of MWUL as on the date of acquisition (27<sup>th</sup> July, 2015) and purchase consideration so paid, of ₹ 2,364.10 lakhs, has been transferred to Capital Reserve in consolidated financial statement.

### JOINT VENTURE COMPANIES

Mahindra Homes Private Limited (MHPL) (earlier known as Watsonia Developers Private Limited and prior to that Watsonia Developers Limited), a 50:50 joint venture between the Company and SCM Real Estate (Singapore) Private Limited, is developing in collaboration with a developer, and land owning companies, a group housing project "Luminare" at NCR on approximately 6.79 acres and a residential project "Windchimes" at Bangalore on approximately 5.85 acres. The company is exploring the possibility of undertaking additional projects in residential development segment in India.

Mahindra Inframan Water Utilities Private Limited (MIWUPL) is a

50 percent joint venture company and is exploring the possibility of undertaking suitable business propositions.

### ASSOCIATE COMPANIES

Topical Developers Private Limited and Kismat Developers Private Limited, the associate companies of the Company are looking out for appropriate business opportunities in the space of real estate development.

During the year, Mahindra Water Utilities Limited, which was a Joint Venture company, became a subsidiary of the Company. No other company has become or ceased to be a Subsidiary / Associate/ Joint Venture company of the Company.

### CONSOLIDATED FINANCIAL STATEMENT

The audited consolidated financial statement of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21 on consolidated financial statement read with AS 23 on accounting for investments in Associates and AS 27 on financial reporting of interest in joint ventures issued by the Institute of Chartered Accountants of India form part of this Annual Report.

The financial statements of Subsidiaries, Associates and Joint Venture companies are not attached along with the financial statements of the Company. Separate audited financial statement of each of the subsidiaries is placed on the website of the Company at weblink: <http://www.mahindralifespaces.com/investors/financial-information>. The Company Secretary will make these documents available upon receipt of a request from any member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company during working hours up to the date of the Annual General Meeting.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the Company's operations forms a part of this Annual Report.

### CORPORATE GOVERNANCE

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Para E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") forms a part of this Annual Report.

### SUSTAINABLE DEVELOPMENT

Your Company has been at the forefront of the real estate industry in India to achieve the mission of 'Transforming urban landscapes by creating sustainable communities'. The Company has done this by putting sustainability as a core agenda for the Company. The details of Company's approach to sustainability are covered in the Sustainability Report at page 169 of the Annual Report.

The Business Responsibility Reporting (BRR) as part of the Annual Report as required by Regulation 34 (2) (f) of SEBI LODR is not applicable to your Company for the financial year ended on 31<sup>st</sup> March, 2016.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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, in line with the new 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 Mr. Arun Nanda — Non Executive Non-Independent Director, Mr. Shailesh Haribhakti — Non Executive Independent Director and Ms. Anita Arjundas — Managing Director & CEO. 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 web link at <http://www.mahindralifespaces.com/pdf/mdl%20csr%20policy-final-cln.pdf>. 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's commitment to CSR will be manifested by investing resources in any of the areas stipulated in Schedule VII to the Companies Act, 2013. The Company gives preference to the local area and area around it where it operates for spending the amounts earmarked for CSR activities.

Of the total budget of ₹ 377.26 lakh for FY 2015-16, the Company had earmarked an amount of ₹ 132.73 lakh towards contribution as corpus by the Company to support the establishment of a Centre of Excellence (CoE) for Sustainable Habitats by TERI with the objective of improving energy efficiency in India's residential buildings sector. The discussion and requisite documentation with TERI, although was at an advanced stage, could not be completed by 31<sup>st</sup> March, 2016. As a result, the amount of ₹ 132.73 lakh which was earmarked for aforesaid contribution remained unspent as on 31<sup>st</sup> March, 2016. The Board has approved that any unspent amount, out of the minimum required CSR expenditure of the FY 2015-16 be carried forward to the

next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

The annual report on the CSR activities in the prescribed format is at **Annexure 1** to this Report.

Details of the Company's approach towards CSR including overview of projects or programmes undertaken / proposed to be undertaken are covered in the Sustainability Report at page 169 of this Annual Report.

## DIRECTORS

Pursuant to Section 152 of the Companies Act, 2013 and Article 116 read with 118 of the Article of Association of the Company, Ms. Anita Arjundas (DIN: 00243215) a Executive Non-Independent Director retires by rotation at the 17<sup>th</sup> Annual General Meeting of the Company and being eligible has offered herself for re-appointment.

Pursuant to Section 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 and Article 128 of the Articles of Association of the Company, Dr. Anish Shah (DIN : 02719429), a Non-executive and Non-independent Director who was appointed as an Additional Director on 28<sup>th</sup> August, 2015, ceases to hold office as per the provisions of Section 161 of the Companies Act, 2013, at the ensuing Annual General Meeting. The Company has received a notice as per the provisions of Section 160 (1) of the Companies Act, 2013 from a Member in writing proposing his candidature for the office of Director alongwith requisite deposit.

Brief resume of Ms. Anita Arjundas and Dr. Anish Shah, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees and shareholding as stipulated under Regulation 36(3) of SEBI LODR, are provided in the Corporate Governance Report forming part of the Annual Report. None of the Directors of the Company are inter-se related to each other.

Both the above Directors i.e. Ms. Anita Arjundas and Dr. Anish Shah are not disqualified from being re-appointed as Directors by virtue of the provisions of Section 164 of the Companies Act, 2013.

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

The Company has received declarations from each of the Independent Directors confirming that they meet the criteria of Independence as provided in sub-section 6 of Section 149 of the Companies Act, 2013 and in Regulation 16(1) (b) of SEBI LODR.

The details of familiarisation programme for Independent Directors have been disclosed on website of the Company and is available at the link: [http://www.mahindralifespaces.com/media/newsevents\\_file/detailsofd-0f2f1bb18e3bb62.pdf](http://www.mahindralifespaces.com/media/newsevents_file/detailsofd-0f2f1bb18e3bb62.pdf)

The following policies of the Company are attached herewith and marked as **Annexure 2**, **Annexure 3** and **Annexure 4**;

1. Policy on appointment of Directors and Senior Management (**Annexure 2**)
2. Policy, as modified on 10<sup>th</sup> June, 2016, on Remuneration of Directors (**Annexure 3**) and
3. Policy, as modified on 10<sup>th</sup> June, 2016, on Remuneration of Key Managerial Personnel and Employees (**Annexure 4**)

The Managing Director & CEO draws remuneration only from the Company and does not receive any remuneration or commission from any of its subsidiary companies / holding company.

#### KEY MANAGERIAL PERSONNEL (KMP)

The Company has following persons as Key Managerial Personnel under the Companies Act, 2013:

Sr. No.	Name of the person	Designation
1	Ms. Anita Arjundas	Managing Director & CEO
2	Mr. Suhas Kulkarni	Company Secretary
3	Mr. Jayant Manmadkar	Chief Financial Officer

During the year under review, there was no change in the KMP of the Company.

#### MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, eight Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standards – 1 (SS-1) issued by ICSI and SEBI LODR.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards 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 31<sup>st</sup> March, 2016 and of the profit of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) 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, Internal Auditors and Statutory Auditors and the adequacy of internal audit function and significant internal audit findings.

#### COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company as on 31<sup>st</sup> March, 2016 comprised of three independent Directors, namely Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti, Dr. Prakash Hebalkar and one Non-Executive Non-Independent Director, Dr. Anish Shah. Mr. Sanjiv Kapoor is the Chairman of the Committee.

During the year, Mr. Anil Harish, Non-executive Independent Director resigned from the Board of the Company and consequently ceased to be a member of the Audit Committee effective 16<sup>th</sup> June, 2015. Mr. Uday Phadke, Non-executive Non-Independent Director retired by rotation at the 16<sup>th</sup> Annual General Meeting and consequently ceased to be a member of the Audit Committee effective 31<sup>st</sup> July, 2015. The Board at its Meeting held on 28<sup>th</sup> August, 2015 appointed Dr. Prakash Hebalkar Non-executive Independent Director and Dr. Anish Shah Non-executive Non-Independent Director, as members of the Audit Committee.

All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chairman of the Company, the Managing Director & Chief Executive Officer, Chief Financial Officer, the Internal Auditors and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective actions as may be required and taken by the management are presented to the Audit Committee. The Board has accepted all recommendations made by the Audit Committee from time to time.

#### VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

In terms of provisions of Regulation 22 read with Regulation 4(2)(d)(iv) of SEBI LODR and sub-section 9 of section 177 of Companies Act, 2013, the Company has modified its Whistle Blower Policy w.e.f. 28<sup>th</sup> January, 2016. The Policy is for stakeholders including directors and employees of the Company and their representative bodies to freely communicate their concerns / grievances about illegal or unethical practices in the Company, actual or suspected, fraud or violation of the Company's Code or Policies. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimisation of employees and Directors. It provides a mechanism for stakeholders to approach the Chairman of Audit Committee or Chairman of the Company or the Corporate Governance Cell



consisting of Head - Legal & Secretarial, Chief Financial Officer and Chief Ethics Officer (Head-Human Resources). During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee or to the Chairman of the Company or to the Corporate Governance Cell. The modified Whistle Blower Policy of the Company is available at web link: [http://www.mahindralifespaces.com/media/newsevents\\_file/whistleblo-9e83538439d221f.pdf](http://www.mahindralifespaces.com/media/newsevents_file/whistleblo-9e83538439d221f.pdf)

### RISK MANAGEMENT

The Company already has in place the process to inform the Board about the risk assessment and minimisation procedures. The Company has an appropriate risk management system in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. Presently, Regulation 21 of the SEBI LODR w.r.t. Risk Management Committee is not applicable to your Company. However, the Company has constituted a "Risk Management Committee" consisting of Mr. Shailesh Haribhakti, Non-Executive Independent Director and Ms. Anita Arjundas, MD & CEO of the Company and the Chief Financial Officer, for monitoring and reviewing of the risk assessment, mitigation and risk management plan from time to time. The Board reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

### AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai (Registration Number- 105102W), retire as Auditors at the 17<sup>th</sup> Annual General Meeting. As required under the provisions of Section 139 and 141 of the Companies Act, 2013, the Company has received a written consent and certificate from M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, proposed to be re-appointed as Auditors for one year i.e. from the conclusion of the ensuing Annual General Meeting upto the conclusion of the 18<sup>th</sup> Annual General Meeting of the Company, to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section and that they are not disqualified to be appointed as Auditors of the Company. The Board has recommended to the shareholders for approval re-appointment of M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, as the Statutory Auditors to hold office from the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

The notes of the financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, disclaimer or adverse remark.

### COST AUDITOR

The Board of Directors, on recommendation of the Audit Committee and subject to approval of the members on the remuneration to be paid to the Cost Auditor, has appointed CMA Vaibhav Prabhakar Joshi, Practising Cost Accountant, Mumbai, as Cost Auditor of the Company, for the Financial Year 2015-16, for conducting the audit of the cost records maintained by the Company for the various products as mandated by the Central Government, pursuant to its order dated 30<sup>th</sup> June, 2014 and any amendments thereof.

### SECRETARIAL AUDITOR

The Board has appointed M/s. Martinho Ferrao & Associates, practising Company Secretaries, to conduct the secretarial audit of the Company for the financial year(s) commencing on and from 1<sup>st</sup> April, 2014. The Secretarial Audit report for the financial year ended on 31<sup>st</sup> March, 2016 is annexed herewith and marked as **Annexure 5** to this Report. The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

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

As the Company is engaged in the business of providing Infrastructural facilities, the provisions of Section 186 of the Companies Act, 2013 related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the standalone financial statement at Note no.13 and 19

Particulars of investment made under Section 186 of the Companies Act, 2013 are provided in the standalone financial statement at it's Note no. 12.

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. In view of the above, the requirement of giving particulars of contracts / arrangements / transactions made with related parties, in Form AOC-2 are not applicable for the year under review.

The Policy on materiality of related party transactions and also on dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link:[http://www.mahindralifespaces.com/media/newsevents\\_file/policyonma-20883dd2bb48c0f.pdf](http://www.mahindralifespaces.com/media/newsevents_file/policyonma-20883dd2bb48c0f.pdf)

The Directors draw attention of the members to Note 39 to the standalone financial statement which sets out related party disclosures.

### DEPOSITS, LOANS AND ADVANCES

The Company has not accepted any deposits from the public or its employees during the year under review. The details of loans and advances, 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 LODR with the Company, are furnished separately at **Annexure 6**.

### 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 are given in the **Annexure 7** to this report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The Company had 15 employees who were in receipt of remuneration of not less than ₹ 60,00,000 during the year ended 31<sup>st</sup> March, 2016 or not less than ₹ 5,00,000 per month during any part of the year. Disclosures with respect to the remuneration of Directors, KMPs and employees as required under section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure 8** to this Report.

Details of employee remuneration as required under provisions of section 197 of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company 21 days before the Annual General Meeting, during the working hours and shall be made available to any Shareholder on request. Such details are also available on the Company's website at: <http://www.mahindralifespaces.com/investors/disclosures-sebi>. None of the employees listed in the aforesaid details is a relative of any Director of the Company. None of the employees of the Company, employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director and holds by himself / herself or along with his/her spouse and dependent children, 2 % or more of the equity shares of the Company.

### EXTRACT OF ANNUAL RETURN

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

### REGISTRAR AND SHARE TRANSFER AGENT

The Securities Exchange Board of India (SEBI) had vide its Ex-Parte Ad Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22<sup>nd</sup> March, 2016 (SEBI Order) directed clients of Sharepro Services (India) Private Limited (Sharepro) to audit the records and systems of Sharepro with respect to dividend paid and transfer of securities to determine whether dividends have been paid to actual / beneficial holders and whether securities have been transferred as per provisions of law during last least 10 years. SEBI had also advised all the companies who are / were clients of Sharepro to carry out / switchover their activities related to a registrar to an issue and share transfer agent, either in-house or through another registrar to an issue and share transfer agent registered with SEBI.

Pursuant to the above order and pursuant to Regulation 30 of SEBI LODR, the Company on 10<sup>th</sup> June, 2016 has:

1. The Company has appointed Ernst & Young LLP to conduct audit as required in the SEBI order;
2. Issued a notice to Sharepro Services (India) Private Limited (Sharepro), Registrar & Share Transfer Agent (R&T Agent) of the Company, to terminate the Memorandum of Understanding, effective from close of business hours on 17<sup>th</sup> June, 2016;
3. Decided to appoint Karvy Computershare Private Limited (Karvy) having its Corporate office at Karvy Selenium,

Tower- B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 and Investor Relation Centre at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 023, as the new Registrar and Share Transfer Agent of the Company in place of Sharepro with effect from 18<sup>th</sup> June, 2016.

Sharepro will however continue to provide its support till such time the database is transferred to Karvy and the electronic connectivity is established between Karvy and the Depositories. The Company is in process of making necessary arrangements in order to ensure smooth transition from Sharepro to Karvy.

### GENERAL

No fraud has been reported during the audit conducted by the Statutory Auditors, Internal Auditors, Secretarial Auditors and Cost Auditors of the Company.

During the year under review, no revision was made in the previous financial statement of the Company.

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

No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the listing of the Company's equity shares. 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.

### 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 the 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

<b>Anita Arjundas</b>	<b>Shailesh Haribhakti</b>
Managing Director & CEO	Non-Executive Independent Director
DIN: 00243215	DIN: 00007347
Mumbai, 10 <sup>th</sup> June, 2016	Mumbai, 10 <sup>th</sup> June, 2016



## ANNEXURE 1

### 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) Mahindra Lifespaces is driven by its mission of 'Transforming urban landscapes by creating sustainable communities'. The path towards transformation calls for building on our strengths to embrace and drive change. Our current focus areas for our CSR efforts include education, environment, skill development and preventive healthcare. This is in alignment with Mahindra Group's core purpose of challenging conventional thinking and innovatively using all resources to drive positive change in the lives of our stakeholders and communities, thus, enabling them to Rise. Inclusive development at all our project locations ensures that we grow with the communities surrounding us, thereby enabling truly sustainable living.
  - b) The company has adopted CSR policy which is available on : <http://www.mahindralifespaces.com/pdf/mldl%20csr%20policy-final-cln.pdf>
2. The composition of the CSR Committee of the Board of Directors as on 31<sup>st</sup> March, 2016:
 

Mr Arun Nanda	Chairman
Ms Anita Arjundas	Member
Mr Shailesh Haribhakti	Member
3. Average net profit of the company for last three financial years: ₹ 18,863 lakh
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 377.26 lakh
5. Details of CSR spent during the financial year.
  - a) Total amount to be spent for the financial year : ₹ 377.26 lakh
  - b) Amount unspent, if any : ₹ 132.73 lakh
  - c) Manner in which the amount spent during the financial year is detailed below :

(1) Sr. no.	(2) CSR project of activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where project or program was undertaken	(5) Amount outlay (budget) project or program wise (₹ in lakh)	(6) Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakh)	(7) Cumulative expenditure upto the reporting period (₹ in lakh)	(8) Amount spent: Direct or through implementing agency*
1	Nanhi Kali – sponsored 5286 girl child education	Education	Pan India where the Company has existing projects	188.63	Direct expenditure: 188.63	188.63	Through : KC Mahindra Education Trust
2	Gyandeeep – Construction of new school and supporting child education of nearby community and construction site	Education	Delhi, Pune, Bengaluru and Boisar	15.87	Direct expenditure: 15.95	15.95	Through NGOs: Doorstep, Samarathanam, Shree Amrut vahini, We for You Society

(1) Sr. no.	(2) CSR project of activity identified	(3) Sector in which the project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where project or program was undertaken	(5) Amount outlay (budget) project or program wise (₹ in lakh)	(6) Amount spent on the projects or programs Sub heads : (1) Direct expenditure on projects or programs (2) Overhead (₹ in lakh)	(7) Cumulative expenditure upto the reporting period (₹ in lakh)	(8) Amount spent: Direct or through implementing agency*
3	Project Haryali – Tree Plantation of 7300 nos	Environment	Mumbai, Delhi, and Pune	15.00	Direct expenditure: 10.62	10.62	Through various regional NGOs
4	Green Army - School activation project covered 8000 school children from 40 schools to inculcate sustainable living habits	Environment & Education	Mumbai and Pune	15.00	Direct expenditure: 12.17	12.17	Through NGO: Parishar Asha
5	Gram Vikas – Local infrastructure in nearby village	Rural development projects	Boisar	17.16	Direct expenditure: 17.16	17.16	Through NGO: Shree Amrut vahini
6	Centre of Excellence on of Sustainable Habitats	Environment	Delhi	125.60	Nil	Nil	-
	<b>Total</b>			<b>377.26</b>	<b>244.53</b>	<b>244.53</b>	

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 :

Of the total budget of ₹ 377.26 lakh for FY 2015-16, the Company has an unspent amount of ₹ 132.73 lakh which was earmarked for contribution as corpus by the Company to establish a Centre of Excellence (CoE) for Sustainable Habitats with the support of TERI with the objective of developing and applying various innovative solutions so as to reduce the cost of green construction in the country. The discussion and requisite documentation with TERI, although was at an advanced stage, could not be completed by 31<sup>st</sup> March, 2016. As a result, the amount of ₹ 132.73 lakh which was earmarked for aforesaid contribution remained unspent as on 31<sup>st</sup> March, 2016. The Board has approved that any unspent amount, out of the minimum required CSR expenditure of the FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

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

**Anita Arjundas**

(Managing Director & CEO)

DIN: 00243215

Mumbai, 26<sup>th</sup> April, 2016

**Arun Nanda**

(Chairman – CSR Committee)

DIN: 00010029

Mumbai, 26<sup>th</sup> April, 2016

## ANNEXURE 2

### POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT

#### DEFINITIONS

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

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

“**Company**” means Mahindra Lifespace 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.

#### 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 Independent Director (ID) is to be appointed :
  1. All Board appointments will be based on merit, in the context of the skills, experience, diversity, and knowledge, for the Board as a whole to be effective;
  2. Ability of the candidates to devote sufficient time and attention to his / her professional obligations as Director for informed and balanced decision making;
  3. Adherence to the applicable Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Directors.
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman or the Managing Director & CEO 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 the Director subject to the compliance of the applicable statutory provisions.

#### SENIOR MANAGEMENT PERSONNEL

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

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

**For and on behalf of the Board**

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016

Mumbai, 10<sup>th</sup> June, 2016

## ANNEXURE 3 POLICY FOR REMUNERATION OF THE DIRECTORS

(Modified w.e.f. 1<sup>st</sup> April, 2015)

### Purpose

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

### Policy Statement

We have a well-defined Compensation policy for Directors, including the Chairman of the Company. The overall compensation philosophy guides us to focus on enhancing the value of the Company by attracting and retaining Directors for achieving objectives of the Company.

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 Part D of Schedule II of the SEBI LODR with Stock Exchanges 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.

### MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER (MD & CEO) AND EXECUTIVE DIRECTORS

Remuneration of the MD & CEO and Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director and Executive Directors, 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 MD & CEO 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 MD & CEO.

The term of office and remuneration of MD & CEO 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 MD & CEO in accordance with the provisions of Schedule V of the Companies Act, 2013.

If a MD & CEO draws or receives, directly or indirectly by way of remuneration any such sum 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 sum 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 MD & CEO is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him / her fairly and responsibly. The remuneration to the MD & CEO 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 Nomination and Remuneration Committee / Board. The MD & CEO is entitled for grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

## Directors

The Managing Director & Chief Executive Officer is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board and the Committees thereof, and meetings of Independent Directors, 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, Managing Director and Executive Directors and KMP/senior management personnel may be disclosed in the Board's report and the Company's annual report / website as per statutory requirements in this regard.

### For and on behalf of the Board

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

Mumbai, 10<sup>th</sup> June, 2016

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016



## ANNEXURE 4

### POLICY ON REMUNERATION OF KEY MANAGERIAL PERSONNEL AND EMPLOYEES

(Modified w.e.f. 1<sup>st</sup> April, 2015)

#### 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 is payable quarterly / annually.
- 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 BSC and KRA are evaluated at the end of the fiscal to arrive at the BSC rating of the business and Performance Pay Scheme (PPS) rating of the individual.
- An annual compensation survey is carried out to ensure that the Company's compensation is externally competitive. Based on the findings of the survey and the business performance, the Sector Talent Council decides:
  - a) The increment that needs to be paid for different performance ratings as well as grades;
  - b) The increment for promotions and the total maximum increment;
  - c) The maximum increase in compensation cost in % and absolute;
- Compensation corrections are made, if required, in a few cases based on the inputs from the Survey, so as to address significant gaps, if any.

**For and on behalf of the Board**

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016

Mumbai, 10<sup>th</sup> June, 2016

## ANNEXURE 5

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Mahindra Lifespace Developers Limited**

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra Lifespace Developers Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon;
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended / re-enacted thereof;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; -Not applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review; and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable as the Company has not bought back any of its securities during the financial year under review;
  - (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
    - a) The Building & Other Construction Workers (Regulation of employment and conditions of service) Act, 1996;
    - b) Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable at various locations;
    - c) The Special Economic Zone Act, 2005 and Rules thereunder;

- d) The Ownership Flats & Apartment Ownership Act as applicable at various locations;
  - e) The Co-operative Societies Act, as applicable at various locations;
  - f) The Environment Protection Act, 1986;
  - g) The Child Labour (Prohibition & Regulation) Act, 1986;
4. We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
  - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and its authorised representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
6. We further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Following are the changes in the composition of the Board of Directors that took place during the period under review:
- a) Mr. Anil Harish, an Independent Director resigned from the Board effective 16<sup>th</sup> June, 2015;
  - b) Mr. Shailesh Haribhakti, existing Independent Director, who met the criteria of Independence, was appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from 31<sup>st</sup> July, 2015;
  - c) Mr. Sanjiv Kapoor and Dr. Prakash Hebalkar, the existing Independent Directors, who met the criteria of Independence were appointed as Independent Directors of the Company, not liable to retire by rotation, to hold office for a term of 2 (two) consecutive years commencing from 31<sup>st</sup> July, 2015.
  - d) Mr. Uday Phadke, Non-independent non- executive Director retired by rotation at the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015;
  - e) Dr. Anish Shah was appointed by the Board on 28<sup>th</sup> August, 2015 as an Additional Director in the category of Non-executive Non-independent Director.
7. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
8. Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes;
9. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;
10. We further report that during the audit period, the Company has taken approval of shareholders in the AGM held on 31<sup>st</sup> July, 2015:
- i. for Private Placement of Non-Convertible Debentures and / or other Debt Securities upto an aggregate amount of ₹ 750,00,00,000/- (Rupees Seven Hundred Fifty Crore only).
  - ii. for adoption of new set of Articles of Association as per the provisions of the Companies Act, 2013 in place of the existing Articles of Association of the Company.
  - iii. to enter into material contracts / arrangements / transactions in the normal course of business with Mahindra Homes Private Limited ("MHomes") a 'Related Party' as defined under Section 2(76) of the Companies Act, 2013 and Clause 49 (VII) of the Listing Agreement, upto an aggregate of ₹ 500.05 crore.

**For M/s. Martinho Ferrao & Associates  
Company Secretaries**

**Martinho Ferrao  
Proprietor  
FCS No. 6221  
C P. No. 5676**

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

## ANNEXURE 6

Particulars of loans and advances, and investments in its own shares by listed companies, their subsidiaries, associates etc. required to be disclosed in the annual accounts of the Company pursuant to Para A of Schedule V of SEBI LODR with the Company and its holding company Mahindra & Mahindra Limited.

### Loans and advances in the nature of loans to subsidiaries:

(₹ in lakh)

Name of the company	Balance as on 31 <sup>st</sup> March, 2016	Maximum amount outstanding during the year
Mahindra Integrated Township Limited	-	5,770.00
Mahindra Bebanco Developers Limited	1,764.56	1,764.56
Knowledge Township Limited	1,917.00	1,917.00
Mahindra World City Developers Limited	-	16,200.00

### Loans and advances in the nature of loans to Associates:

(₹ in lakh)

Name of the company	Balance as on 31 <sup>st</sup> March, 2016	Maximum amount outstanding during the year
Topical Builders Private Limited	207.39	262.39
Kismat Developers Private Limited	0.25	0.25

### Loans and advances in the nature of loans to firms/ Companies in which directors are Interested:

Name of the firm/ company	Balance as on 31 <sup>st</sup> March, 2016	Maximum amount outstanding during the year
NIL	-	-

**For and on behalf of the Board**

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016

Mumbai, 10<sup>th</sup> June, 2016

## ANNEXURE 7

## (A) CONSERVATION OF ENERGY:

(i)	the steps taken or impact on conservation of energy	<p>: As a part of sustainable development, adequate measures have been initiated to reduce energy consumption. With an intent to provide an energy efficient final product to its customers, the Company is developing Green buildings.</p> <p>Green buildings increase resource efficiency (energy, water, and materials), while reducing the impact on human health and the environment, through better selection of sites, design, construction, operation, maintenance i.e. the complete building life cycle.</p> <p>Steps taken for energy conservation:</p> <ol style="list-style-type: none"> <li>1. Energy efficient building envelopes for walls and roofs including Low E glass in selective projects</li> <li>2. Heat Reflective paints/ reflective surfaces for the roofs</li> <li>3. Artificial lighting control via daylight sensor in selective projects</li> <li>4. Adoption of high efficiency pumps, and motors</li> <li>5. Group control mechanism for lifts</li> <li>6. LED lamps for common areas &amp; pathways and solar street lights for the landscape areas</li> <li>7. Solar thermal water heaters for hot water generation in selective projects.</li> </ol> <p>Under Climate Positive Development Program (C40 program) for Mahindra World City Jaipur:</p> <ol style="list-style-type: none"> <li>a. Energy efficient lighting project completed at Evolve. All common area lightings converted to LED.</li> <li>b. The work for community lighting LED project has been initiated.</li> </ol>
(ii)	the steps taken by the company for utilising alternate sources of energy;	<p>: a. Renewable Energy Project- Mahindra World City (MWC), WRI &amp; IFC (Part of World Bank Group) conducted a workshop in the month of January' 2016 on Group Captive Renewable project. The objective is to provide clean, uninterrupted and cheaper power to occupants of MWC in Chennai</p> <p>Bio-CNG Plant of 10 Tonnes/ day capacity has been commissioned. It will be used in Gas engines and to run shuttles and tractors within Mahindra World City Chennai.</p> <p>b. Under Climate Positive Development Program (C40 program) for Mahindra World City Jaipur - a Power Purchase Agreement is signed with Cleanmax of approx 210 kWp which is commissioned and operational.</p>
(iii)	the capital investment on energy conservation equipments	<p>: Mahindra Lifespaces develops all its projects as green building projects. The Company does not capture these expenses separately under environmental protection expenditures/ green investments. During the feasibility study of the project for green building rating, these expenses are considered in the project budget itself.</p> <p>These expenditures are mainly for</p> <ol style="list-style-type: none"> <li>1. use of energy efficient building envelopes (walls and roofs)</li> <li>2. fenestration like low E glass,</li> <li>3. heat reflective paints,</li> <li>4. low flow fixtures,</li> <li>5. sewage treatment plants,</li> <li>6. rain water harvesting system,</li> <li>7. solar street lights or LED lights,</li> <li>8. organic waste converter,</li> <li>9. energy efficient equipments such as pumps and motors, etc.</li> <li>10. Solar Water heating systems</li> <li>11. Solar PV system for selective projects</li> </ol>



**B. TECHNOLOGY ABSORPTION:**

(i)	the efforts made towards technology absorption	:	Technologies like Precast Concrete & Aluminium formwork, use of Cellular Lightweight Concrete & Autoclaved Aerated Concrete Blocks, latest tile work methodologies using Adhesives, Pre-packed Ready mix plasters, FRP Composite door frames, Integrated Pre-hung door systems, Multi point lock safe main door systems, Tilt and turn uPVC windows, DGUs, Stack car parking systems have been adopted during the year in different projects
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:	Increase in work speed, improved finish quality & reducing the dependence on manpower
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	:	(a) The details of technology imported – Pre-cast Technology (b) The year of import – FY 14-15 (c) Whether the technology has been fully absorbed – Yes (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NA
(iv)	the expenditure incurred on Research and Development	:	N.A.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Details of Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows are furnished in Note no. 27, 28 and 30 to the standalone financial statement.

**For and on behalf of the Board**

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016

Mumbai, 10<sup>th</sup> June, 2016

## ANNEXURE 8

### The Details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16:

Name	Designation	Ratio
Mr. Arun Nanda	Non-executive Non-Independent Chairman	9.32
Mr. Sanjiv Kapoor	Non-executive Independent Director	1.10
Mr. Shailesh Haribhakti	Non-executive Independent Director	1.10
Dr. Prakash Hebalkar	Non-executive Independent Director	1.10
Dr. Anish Shah <sup>1</sup>	Non-executive Non-Independent Director	-
Ms. Anita Arjundas	Managing Director & Chief Executive Officer	30.85
Mr. Anil Harish <sup>2</sup>	Non-executive Independent Director	0.27
Mr. Uday Y. Phadke <sup>3</sup>	Non-executive Non-Independent Director	-

<sup>1</sup> Dr. Anish Shah was appointed as an Additional Director effective 28<sup>th</sup> August, 2015;

<sup>2</sup> Mr. Anil Harish resigned from the Board of the Company effective 16<sup>th</sup> June, 2015;

<sup>3</sup> Mr. Uday Y. Phadke retired by rotation at the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015

For this purpose, sitting fees and reimbursement of out of pocket expenses incurred in attending the Board and Committees Meetings and meetings of Independent Directors, paid to the Directors have not been considered as remuneration. In respect of Non-executive Chairman and Independent Directors only remuneration paid by way of Commission was considered.

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

The percentage increase in remuneration is as follows:

Name of the Person	Designation	% increase / (decrease) over the FY 2014-15 (annualised basis)
Mr. Arun Nanda	Non-Executive Non-Independent Chairman	(15)
Mr. Sanjiv Kapoor	Non-Executive Independent Director	Nil
Mr. Shailesh Haribhakti	Non-Executive Independent Director	Nil
Dr. Prakash Hebalkar	Non-Executive Independent Director	Nil
Dr. Anish Shah <sup>1</sup>	Non-Executive Non-Independent Director	Not Applicable
Mr. Anil Harish <sup>2</sup>	Non-Executive Independent Director	Nil
Mr. Uday Y. Phadke <sup>3</sup>	Non-Executive Non-Independent Director	Not Applicable
Ms. Anita Arjundas	Managing Director & CEO	29.74
Mr. Jayant Manmadkar	Chief Financial Officer	11
Mr. Suhas Kulkarni	Company Secretary	15

<sup>1</sup> Dr. Anish Shah was appointed as an Additional Director effective 28<sup>th</sup> August, 2015;

<sup>2</sup> Mr. Anil Harish resigned from the Board of the Company effective 16<sup>th</sup> June, 2015;

<sup>3</sup> Mr. Uday Y. Phadke retired by rotation at the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015

3. The Percentage increase in the median remuneration of employees in the financial year:

The percentage increase in the median remuneration of the employees in the financial year was around 14%. The calculation of percentage increase in median remuneration is done based on comparable employees. Employees who were not eligible for any increment have been excluded for this purpose of this calculation.

4. The Number of permanent employees on the rolls of the Company:

The number of on-rolls permanent employees is 350.

5. The explanation on the relationship between average increase in remuneration and the Company performance:

The criteria for increase in the remuneration, amongst other things, is also related to the Individual performance, the Company's performance and such other factors more particularly described in the Policy for Remuneration of the Directors and the Policy on remuneration of Key Managerial Personnel and Employees which are at Annexure 3 and 4 of this Report.

The average increase in the remuneration of the employee during the year 2015-16 was around 14 %.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

For FY 2015-2016, the key managerial personnel were paid around 4.41 % of the profit after tax.

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Market capitalization of the Company (taking standalone results and closing price of NSE\*) has decreased from ₹ 1,924.91 Crore as of March 31, 2015 to ₹ 1729.14 Crore as of March 31, 2016. Over the same period, the price to earnings ratio moved from 8.24 to 16.54. The Company's stock price on BSE as at March 31, 2016 has increased by 153.83 % to ₹ 420.35 compared to the listing of Company's Shares (pursuant to the scheme of arrangement approved by the High Court at Bombay) for the first time on BSE in April, 2000 at the price of ₹ 165.60 per share (face value ₹ 10 per share). Since the listing of the Company's share in April, 2000, the Company has not made any Public Offer.

\*The Shares of the Company are frequently traded on NSE.

**Variation in the Net worth**

The Net worth of the Company as at the close of the financial year 2015-16, was ₹ 1,400.94 Crore as compared to ₹ 1,323.13 Crore as at the close of the financial year 2014-15.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any:

The average percentage increase made in the salaries of total employees other than the Key Managerial Personnel for FY 2016 is around 14 %, while the average increase in the remuneration of the Key Managerial Personnel is 14 %. This increment is in line with the factors outlined in point (5) above.

9. Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company:

The comparison of remuneration of each of the KMP against the performance of the Company is as under

Designation	% of PAT
Managing Director & Chief Executive Officer	2.69%
Chief Financial Officer	0.74%
Senior Vice President - Legal & Company Secretary	0.99%

9. The key parameters for any variable component of remuneration availed by the directors:

While no variable component of remuneration was availed by the Directors during the year under review, the following are the broad factors and guidelines considered for the Performance (Variable) Pay in respect of Managing Director & CEO:

- Financial outcome and profitability of the Company;
- Annual Performance Review based on the Company Balanced Scorecard.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Not Applicable

12. Affirmation that the remuneration is as per the remuneration policy of the Company:

Yes

**For and on behalf of the Board**

**Anita Arjundas**  
Managing Director & CEO  
DIN: 00243215

**Shailesh Haribhakti**  
Non-Executive Independent Director  
DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016

Mumbai, 10<sup>th</sup> June, 2016

**ANNEXURE 9****FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**

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

**1. REGISTRATION AND OTHER DETAILS:**

1.	<b>CIN</b>	L45200MH1999PLC118949
2.	<b>Registration Date</b>	16/03/1999
3.	<b>Name of the Company</b>	Mahindra Lifespace Developers Limited
4.	<b>Category/Sub-Category of the Company</b>	Company limited by shares/ Indian Non-Government Company
5.	<b>Address of the Registered office and contact details</b>	Mahindra Towers, 5 <sup>th</sup> Floor, Worli, Mumbai 400 018
6.	<b>Whether listed Company (Yes/No)</b>	Yes
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<p><b>As on 31<sup>st</sup> March, 2016 and till 17<sup>th</sup> June, 2016:</b>  <b>Sharepro Service (India) Pvt. Limited</b>            13/AB, Samhita Warehousing Complex, Near Sakinaka Tel. Exchange,            Andheri Kurla Road, Sakinaka, Andheri (E) Mumbai 400072.            Telephone: 67720300, 67720400            Fax Number: 28591568, 28508927            Email id: sharepro@shareproservices.com</p> <p><b>With effect from 18<sup>th</sup> June, 2016:</b>  <b>Karvy Computershare Private Limited,</b>  <b>Corporate Office:</b>            Karvy Selenium, Tower B, Plot Nos. 31-32,            Gachibowli, Financial District,            Nanakramguda, Hyderabad – 500032.            Tel: 91 40-67162222            Fax: 91 40-23420814            Email Id: einward.ris@karvy.com            Website: www.karvycomputershare.com</p> <p><b>Investor Relation Centre:</b>            24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 023</p>

**2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No	Name and Description of Main Product/ Services	NIC Code of the Product*	% to total turnover of the Company#
1.	Construction of Buildings	410	76.80

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

# on the basis of Gross Turnover (Total Income)

### 3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate / Joint venture	% of shares held	Applicable Section
1.	Mahindra and Mahindra Limited Add: Gateway Building, Apollo Bunder, Mumbai 400 001	L65990MH1945PLC004558	Holding	50.80	2(46)
2.	Mahindra Infrastructure Developers Limited <sup>@</sup>	U45201MH2001PLC131942	Subsidiary	100.00	2(87)(ii)
3	Mahindra World City Developers Limited Add: Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai 600 002 Tamil Nadu	U92490TN1997PLC037551	Subsidiary	89.00	2(87)(ii)
4.	Mahindra World City (Jaipur) Limited Add: 4 <sup>th</sup> Floor, 411, Neelkanth Tower, Bhawani Singh Road, C-Scheme Jaipur 302 001. Rajasthan	U45209RJ2005PLC021207	Subsidiary	74.00	2(87)(ii)
5	Mahindra World City (Maharashtra) Limited <sup>@</sup>	U45309MH2005PLC156225	Subsidiary	100.00	2(87)(ii)
6	Mahindra Integrated Township Limited Add: Administrative Block, Central Avenue, Mahindra World City, Natham Sub (PO); Chengelpet Taluk, Kancheepuram 603 002 Tamil Nadu	U74140TN1996PLC068288	Subsidiary	96.30*	2(87)(ii)
7	Knowledge Township Limited <sup>@</sup>	U72900MH2007PLC173137	Subsidiary	100.00	2(87)(ii)
8	Mahindra Residential Developers Limited Add: Mahindra World City, Administrative Block, Chegalpattu 603 002 Tamil Nadu	U45200TN2008PLC066292	Subsidiary	96.30*	2(87)(ii)
9	Mahindra Bebanco Developers Limited <sup>@</sup>	U45203MH2008PLC183107	Subsidiary	70.00	2(87)(ii)
10	Industrial Township (Maharashtra) Limited <sup>@</sup>	U45203MH2008PLC184190	Subsidiary	100.00	2(87)(ii)
11	Raigad Industrial & Business Park Ltd. <sup>@</sup>	U70102MH2009PLC193399	Subsidiary	100.00	2(87)(ii)
12	Anthurium Developers Limited <sup>@</sup>	U70109MH2010PLC203619	Subsidiary	100.00	2(87)(ii)
13	Industrial Cluster Private Limited ( Earlier known as Mahindra Housing Private Limited) <sup>@</sup>	U70102MH2013PTC241512	Subsidiary	100.00	2(87)(ii)



Sr. No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary / Associate / Joint venture	% of shares held	Applicable Section
14	Mahindra Industrial Park Chennai Limited Add: Ground Floor, Mahindra Towers, 17/18, Patulous Road, Chennai 600 002 Tamil Nadu	U45209TN2014PLC098543	Subsidiary	53.40*	2(87)(ii)
15	Mahindra Water Utilities Limited # Add: Gateway Building, Apollo Bunder, Mumbai 400 001	U45205MH1999PLC121235	Subsidiary	98.99*	2(87)(ii)
16	Kismat Developers Private Limited@	U45200MH1994PTC079544	Associate	42.86	2(6)
17	Topical Builders Private Limited@	U45200MH1997PTC108695	Associate	50.00	2(6)
18	Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and prior to that Watsonia Developers Limited)@	U70102MH2010PTC203618	Joint Venture	50.00	2(6)
19	Mahindra Inframan Water Utilities Private Limited@	U90000MH2004PTC144079	Joint Venture	50.00	2(6)

\*Includes direct and indirect holding

#Subsidiary w.e.f. 27<sup>th</sup> July, 2015

@Add: Mahindra Towers, 5<sup>th</sup> floor, Worli, Mumbai - 400 018

#### 4. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding.

Category of Shareholder	No. of Shares held at the beginning of the year 2015-16				No. of Shares held at the end of the year 2015-16				% Change during the year
	Demat	Physical	Total	% of total subscribed and paid up share capital	Demat	Physical	Total	% of total subscribed and paid up share capital	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,08,46,126	-	2,08,46,126	50.83	2,08,46,126	-	2,08,46,126	50.80	-0.03
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>2,08,46,126</b>	<b>-</b>	<b>2,08,46,126</b>	<b>50.83</b>	<b>2,08,46,126</b>	<b>-</b>	<b>2,08,46,126</b>	<b>50.80</b>	<b>-0.03</b>
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year 2015-16				No. of Shares held at the end of the year 2015-16				% Change during the year
	Demat	Physical	Total	% of total subscribed and paid up share capital	Demat	Physical	Total	% of total subscribed and paid up share capital	
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>2,08,46,126</b>	-	<b>2,08,46,126</b>	<b>50.83</b>	<b>2,08,46,126</b>	-	<b>2,08,46,126</b>	<b>50.80</b>	<b>-0.03</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	5,32,153	1,968	5,34,121	1.30	4,83,118	1,968	4,85,086	1.18	-0.12
b) Banks / FI	10,441	5,436	15,877	0.04	11,520	5,436	16,956	0.04	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	194	56	250	0.00	194	56	250	0.00	0.00
g) FIs	1,18,19,607	2,757	1,18,22,364	28.83	1,06,11,052	2,757	1,06,13,809	25.87	-2.96
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>1,23,62,395</b>	<b>10,217</b>	<b>1,23,72,612</b>	<b>30.17</b>	<b>1,11,05,884</b>	<b>10,217</b>	<b>1,11,16,101</b>	<b>27.09</b>	<b>-3.08</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	22,17,259	9,838	22,27,097	5.43	26,18,723	9,630	26,28,353	6.41	0.98
ii) Overseas	11	276	287	0.00	11	276	287	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	31,03,931	5,85,106	36,89,037	8.99	32,97,866	5,68,851	38,66,717	9.42	0.43
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,49,709	-	13,49,709	3.29	18,54,503	-	18,54,503	4.52	1.23
c) Others(Non Resident Individuals)	4,64,921	4,462	4,69,383	1.14	5,18,018	2,236	5,20,254	1.27	0.13
d) Others Trust	13,139	-	13,139	0.03	11,975	-	11,975	0.03	0.00
<b>Sub-total (B)(2):-</b>	<b>71,48,970</b>	<b>5,99,682</b>	<b>77,48,652</b>	<b>18.89</b>	<b>84,45,160</b>	<b>5,80,993</b>	<b>90,26,153</b>	<b>22.00</b>	<b>3.11</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,95,11,365	6,09,899	2,01,21,264	49.06	1,95,51,044	5,91,210	2,01,42,254	49.09	0.03
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>44,540</b>	<b>270</b>	<b>44,810</b>	<b>0.11</b>	<b>44,540</b>	<b>230</b>	<b>44,770</b>	<b>0.11</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4,04,02,031</b>	<b>6,10,169</b>	<b>4,10,12,200</b>	<b>100.00</b>	<b>4,04,41,710</b>	<b>5,91,440</b>	<b>4,10,33,150</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoter**

Name of Shareholder	No. of Shares held at the beginning of the year 2015-16			No. of Shares held at the end of the year 2015-16			% 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 & Mahindra Limited	2,08,46,126	50.83	0.00	2,08,46,126	50.80	0.00	-0.03

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

The shareholding in percentage terms of the promoter has decreased because of issue of shares to eligible employees upon exercise of options granted under the Employee Stock Option schemes.

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

Sr. No	Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding		Date of transaction	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning 01.04.2015 / end of the year 31.03.2016	% of total shares of the Company				No. of shares	% of total shares of the Company
1	AMANSA HOLDINGS PRIVATE LIMITED	25,05,170	6.13	01.04.2015				
				25.03.2016	(1,64,000)	Transfer	23,41,170	5.71
		23,41,170	5.71	31.03.2016				
2	SMALLCAP WORLD FUND, INC	21,57,380	5.28	01.04.2015	No change		21,57,380	5.26
		21,57,380	5.26	31.03.2016				
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	12,89,221	3.21	01.04.2015				
				10.07.2015	(4,899)	Transfer	12,84,322	3.13
				07.08.2015	(9,281)	Transfer	12,75,041	3.11
				09.10.2015	(1,478)	Transfer	12,73,563	3.10
				06.11.2015	(116)	Transfer	12,73,447	3.10
				11.12.2015	(2,144)	Transfer	12,71,303	3.10
				25.12.2015	(1,116)	Transfer	12,70,187	3.10
				08.01.2016	(411)	Transfer	12,69,776	3.10
				15.01.2016	411	Transfer	12,70,187	3.10
				19.02.2016	(215)	Transfer	12,69,972	3.10
				26.02.2016	5,30,924	Transfer	18,00,896	4.39
				11.03.2016	(543)	Transfer	18,00,353	4.39
				18.03.2016	543	Transfer	18,00,896	4.39
		18,00,896	4.39	31.03.2016				
4	THE SCOTTISH ORIENTAL SMALLER COMPANIES	10,94,955	2.68	01.04.2015				
				29.01.2016	(1,23,160)	Transfer	9,71,795	2.37
				26.02.2016	(5,09,747)	Transfer	4,62,048	1.13
				04.03.2016	(24,683)	Transfer	4,37,365	1.07
		4,37,365	1.07	31.03.2016				

Sr. No	Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding		Date of transaction	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning 01.04.2015 / end of the year 31.03.2016	% of total shares of the Company				No. of shares	% of total shares of the Company
5	FIL INVESTMENTS(MAURITIUS) LTD	10,37,867	2.54	01.04.2015				
				10.04.2015	(76,650)	Transfer	9,61,217	2.34
				17.04.2015	(35,621)	Transfer	9,25,596	2.26
				24.04.2015	(15,924)	Transfer	9,09,672	2.22
				01.05.2015	(26,636)	Transfer	8,83,036	2.15
				08.05.2015	(12,886)	Transfer	8,70,150	2.12
				15.05.2015	(1,01,424)	Transfer	7,68,726	1.87
				22.05.2015	(6,907)	Transfer	7,61,819	1.86
				29.05.2015	(46,332)	Transfer	7,15,487	1.74
				05.06.2015	(8,262)	Transfer	7,07,225	1.72
				12.06.2015	(6,577)	Transfer	7,00,648	1.71
				19.06.2015	(28,951)	Transfer	6,71,697	1.64
				26.06.2015	(6,71,697)	Transfer	0	0.00
				<b>0</b>	<b>0.00</b>	<b>31.03.2016*</b>		
* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above, since the shareholder was one of the Top 10 shareholders as on 01.04.2015.								
6	AMERICAN FUNDS INSURANCE SERIES GLOBAL SMALL CAPITALIZATION FUND	6,81,356	1.67	01.04.2015	No change		6,81,356	1.67
		<b>6,81,356</b>	<b>1.67</b>	<b>31.03.2016</b>				
7	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF FIRST STATE INDIAN SUBCONTINENT FUND A SUB FUND OF FI	6,17,334	1.51	01.04.2015				
				31.07.2015	685	Transfer	6,18,019	1.51
				07.08.2015	91	Transfer	6,18,110	1.51
				21.08.2015	688	Transfer	6,18,798	1.51
				28.08.2015	543	Transfer	6,19,341	1.51
				11.09.2015	2,050	Transfer	6,21,391	1.51
				18.09.2015	444	Transfer	6,21,835	1.51
				18.12.2015	124	Transfer	6,21,959	1.52
				15.01.2016	254	Transfer	6,22,213	1.52
				22.01.2016	908	Transfer	6,23,121	1.52
				29.01.2016	2,414	Transfer	6,25,535	1.52
				05.02.2016	379	Transfer	6,25,914	1.53
				19.02.2016	133	Transfer	6,26,047	1.53
				26.02.2016	12	Transfer	6,26,059	1.53
		04.03.2016	10,326	Transfer	6,36,385	1.55		
		<b>6,36,385</b>	<b>1.55</b>	<b>31.03.2016</b>				

Sr. No	Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding		Date of transaction	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning 01.04.2015 / end of the year 31.03.2016	% of total shares of the Company				No. of shares	% of total shares of the Company
8	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF FIRST STATE ASIA PACIFIC FUND A SUB FUND OF FIRST STA	5,53,183	1.35	01.04.2015				
				10.07.2015	2,400	Transfer	5,55,583	1.35
				31.07.2015	10,124	Transfer	5,65,707	1.38
				07.08.2015	2,893	Transfer	5,68,600	1.39
				21.08.2015	10,123	Transfer	5,78,723	1.41
				28.08.2015	7,989	Transfer	5,86,712	1.43
				11.09.2015	30,138	Transfer	6,16,850	1.50
				18.09.2015	6,524	Transfer	6,23,374	1.50
				18.03.2016	33,475	Transfer	6,56,849	1.60
				25.03.2016	1,66,411	Transfer	8,23,260	2.01
				<b>823260</b>	<b>2.01</b>	<b>31.03.2016</b>		
9	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF FIRST STATE GLOBAL EMERGING MARKETS FUND A SUB FUND O	3,86,971	0.94	01.04.2015				
				31.07.2015	12,110	Transfer	3,99,081	0.97
				07.08.2015	3,461	Transfer	4,02,542	0.98
				21.08.2015	12,109	Transfer	4,14,651	1.01
				28.08.2015	9,557	Transfer	4,24,208	1.03
				11.09.2015	36,051	Transfer	4,60,259	1.12
				18.09.2015	7,803	Transfer	4,68,062	1.12
				18.12.2015	2,401	Transfer	4,70,463	1.15
				15.01.2016	4,466	Transfer	4,74,929	1.16
				22.01.2016	15,972	Transfer	4,90,901	1.20
				29.01.2016	45,954	Transfer	5,36,855	1.31
				05.02.2016	6,535	Transfer	5,43,390	1.32
				19.02.2016	2,300	Transfer	5,45,690	1.33
				26.02.2016	213	Transfer	5,45,903	1.33
				04.03.2016	1,78,029	Transfer	7,23,932	1.76
		11.03.2016	41,510	Transfer	7,65,442	1.87		
		<b>7,65,442</b>	<b>1.87</b>	<b>31.03.2016</b>				
10	AMUNDI FUNDS A/C AMUNDI FUNDS - EQUITY INDIA	3,00,000	0.73	01.04.2015				
				10.07.2015	(2,25,100)	Transfer	74,900	0.18
				17.07.2015	(74,900)	Transfer	0	0.00
		<b>0</b>	<b>0.00</b>	<b>31.03.2016*</b>				

\*Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.



Sr. No	Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	Shareholding		Date of transaction	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares at the beginning 01.04.2015 / end of the year 31.03.2016	% of total shares of the Company				No. of shares	% of total shares of the Company
11	Hitesh Satish Chandra Doshi	2,68,028	0.65	01.04.2015				
				24.04.2015	2,000	Transfer	2,70,028	0.66
				01.05.2015	1,684	Transfer	2,71,712	0.66
				08.05.2015	21,535	Transfer	2,93,247	0.71
				15.05.2015	53,737	Transfer	3,46,984	0.85
				22.05.2015	42,000	Transfer	3,88,984	0.95
				05.06.2015	718	Transfer	3,89,702	0.95
				12.06.2015	40,000	Transfer	4,29,702	0.95
				26.06.2015	25,000	Transfer	4,54,702	1.05
				30.06.2015	(50,000)	Transfer	4,04,702	1.11
				<b>4,04,702</b>	<b>0.99</b>	<b>30.03.2016*</b>		
* The shareholder was not in the list of Top 10 shareholders as on 01.04.15. The same is reflected above, since, the shareholder is one of Top 10 shareholders as on 31.03.2016.								
12	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF FIRST STATE ASIA PACIFIC SUSTAINABILITY FUND A SUB FU	2,12,125	0.52	01.04.2015				
				31.07.2015	4,553	Transfer	2,16,678	0.53
				07.08.2015	1,301	Transfer	2,17,979	0.53
				21.08.2015	4,553	Transfer	2,22,532	0.54
				28.08.2015	3,593	Transfer	2,26,125	0.55
				11.09.2015	13,554	Transfer	2,39,679	0.59
				18.09.2015	2,934	Transfer	2,42,613	0.59
				18.12.2015	820	Transfer	2,43,433	0.59
				15.01.2016	1,680	Transfer	2,45,113	0.60
				22.01.2016	6,011	Transfer	2,51,124	0.61
				29.01.2016	17,293	Transfer	2,68,417	0.65
				05.02.2016	2,459	Transfer	2,70,876	0.66
				19.02.2016	866	Transfer	2,71,742	0.66
				26.02.2016	80	Transfer	2,71,822	0.66
				04.03.2016	66,994	Transfer	3,38,816	0.83
		<b>3,38,816</b>	<b>0.83</b>	<b>31.03.2016*</b>				
* The shareholder was not in the list of Top 10 shareholders as on 01.04.15. The same is reflected above since the shareholder is one of Top 10 shareholders as on 31.03.2016.								

**(vi) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	Name of the Directors and Key Managerial Personnel	Shareholding at the beginning 01.04.2015 & end of the year 31.03.2016		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of shares	% of total shares of the Company	Date of transaction	Increase / Decrease in shareholding	Reason	No. of shares	% of total shares of the Company
1	ARUN KUMAR NANDA	1,31,064	0.32	01.04.2015	No Change	-	1,31,064	0.32
		1,31,064	0.32	31.03.2016		-		
Note: Out of the total 131064 shares, 600 shares are jointly held by Ms. Neerja Nanda (Wife), first holder and Mr. Arun Nanda, second holder and 350 shares are jointly held by Mr. Uday Nanda (Son), first holder, Ms. Neerja Nanda (Wife), second holder and Mr. Arun Nanda, third holder. There is no change in the joint shareholding as aforesaid during the year.								
2	Dr. ANISH SHAH	0	0.00	01.04.2015	No Change	-	0	0.00
		0	0.00	31.03.2016		-		
3	ANITA ARJUNDAS	3,000	0.01	01.04.2015			8,000	0.02
				30.10.2015	5,000	ESOP allotment		
		8,000	0.02	31.03.2016		-		
4	PRAKASH GURUNATH HEBALKAR	5,000	0.01	01.04.2015	No Change	-	5,000	0.01
		5,000	0.01	31.03.2016		-		
5	SHAILESH V HARIBHAKTI	5,000	0.01	01.04.2015	No Change	-	5,000	0.01
		5,000	0.01	31.03.2016		-		
6	ANIL HARISH (Resigned as Director w.e.f. 16 <sup>th</sup> June, 2015)	7,000	0.02	01.04.2015	No Change	-	7,000	0.02
		7,000	0.02	31.03.2016		-		
Note: Out of the total 7,000 shares, 3,500 shares are jointly held by Mr. Adhiraj Harish (Son), first holder and Mr. Anil Harish, second holder and the balance 3,500 shares are jointly held by Ms. Rishika Harish (Daughter), first holder and Mr. Anil Harish, second holder. There is no change in these shareholding during the year.								
7	UDAY Y PHADKE (retired by rotation at the 16 <sup>th</sup> AGM held on 31 <sup>st</sup> July, 2015)	0	0.00	01.04.2015	No Change	-	0	0.00
		0	0.00	31.03.2016		-		
8	SANJIV KAPOOR	0	0.00	01.04.2015	No Change	-	0.00	0
		0	0.00	31.03.2016		-		
9	SUHAS GHANSHYAM KULKARNI	1,600	0.00	01.04.2015			2,800	0.00
				28.01.2016	1,200	ESOP allotment		
		2,800	0.00	31.03.2016		-		
10	JAYANTT BHALCHANDRA MANMADKAR	1,600	0.00	01.04.2015	No Change	-	1,600	0.00
		1,600	0.00	31.03.2016		-		

**I) INDEBTNESS**

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

(₹ in crore)

PARTICULARS	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	500.00	-	-	500.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.75	-	-	29.75
<b>Total (i+ii+iii)</b>	<b>529.75</b>	<b>-</b>	<b>-</b>	<b>529.75</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	166.22	70.52	-	236.74
• Reduction	44.56	0.52	-	45.08
<b>Net Change</b>	<b>121.66</b>	<b>70.00</b>	<b>-</b>	<b>191.66</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	621.47	70.00	-	691.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29.94	-	-	29.94
<b>Total (i+ii+iii)</b>	<b>651.41</b>	<b>70.00</b>	<b>-</b>	<b>721.41</b>

**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 Amt
		Anita Arjundas	
1.	Gross salary	281.42	281.42
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	244.85	244.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	14.39	14.39
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
	Stock Option related perquisites	22.18	22.18
	Sweat Equity	-	-
	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
	Others, please specify	-	-
	<b>Total (A)</b>	<b>281.42</b>	<b>281.42</b>
	<b>Ceiling as per the Act</b>	<b>727.06</b>	<b>727.06</b>

**B. Remuneration of other directors:**

(₹ in lakh)

Sr. no	Particulars of Remuneration	Name of Directors				Total Amt
		Mr. Sanjiv Kapoor	Mr. Shailesh Haribhakti	Mr. Anil Harish	Dr. Prakash Hebalkar	
1.	Independent Directors					
	• Fee for attending board / committee meetings / meetings of Independent Directors	11.90	13.50	2.60	8.10	36.10
	• Commission	10.00	10.00	2.50	10.00	32.50
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>21.90</b>	<b>23.50</b>	<b>5.10</b>	<b>18.10</b>	<b>68.60</b>
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	10.00	-	-	-	10.00
	• Commission	85.00	-	-	-	85.00
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>95.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95.00</b>
	Total (B)=(1+2)	-	-	-	-	163.60
	Total (A)	-	-	-	-	281.42
	Total Managerial Remuneration	-	-	-	-	445.02
	Overall Ceiling as per the Act	-	-	-	-	2052.94

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

(₹ in lakh)

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	103.76	77.14	180.90
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	93.10	76.74	169.84
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	5.16	0.40	5.56
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option related perquisites	-	5.50	-	5.50
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	-	103.76	77.14	180.90

**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)
<b>A. Company</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty			NONE		
Punishment					
Compounding					

**For and on behalf of the Board**

**Anita Arjundas**  
 Managing Director & CEO  
 DIN: 00243215

**Shailesh Haribhakti**  
 Non-Executive Independent Director  
 DIN: 00007347

Mumbai, 10<sup>th</sup> June, 2016Mumbai, 10<sup>th</sup> June, 2016



## MANAGEMENT DISCUSSION AND ANALYSIS

Mahindra Lifespace Developers Limited ('Mahindra Lifespaces' or 'the Company') is one of the leading real estate development companies in India. Over the years, the Company has created a reputation for itself by delivering an array of highly successful projects and establishing industry benchmarks in environment friendly and sustainable developments.

Mahindra Lifespaces, along with its subsidiary companies, is engaged in the development of residential projects and large format developments such as integrated cities and industrial clusters. This chapter presents an overview of the operational and financial performance of the Company during 2015-16 and its strategy for future growth.

### INTRODUCTION AND PERFORMANCE HIGHLIGHTS

Mahindra Lifespaces is one of the few real estate companies in India serving both consumer households and businesses through its two segments of operations — residential developments and large format integrated cities and industrial clusters. This continued to be the strategic direction in which the Company moved in 2015-16. Here are the key highlights of the Company's performance:

- In the residential segment, the Company sold over 1,000 residential units aggregating to 1.16 million square feet of saleable area in 2015-16 across its ongoing and newly launched projects, including projects of its subsidiary companies. The Company launched two new projects — 'Vivante' and 'Windchimes', marking its entry in the Bangalore market with the latter. In addition, fresh inventory in four of its existing projects was also launched during the year.
- Another important aspect of the Company's performance in the residential segment was the success it achieved on the execution front — in reducing the project life cycle i.e. time taken from procuring land to delivery of the projects. During 2015-16, the Company completed construction of 3.3 million square feet which is more than twice of what it had achieved in 2014-15. Equally important, it handed over around 820 residential units to its customers as compared to around 540 units in the previous year. This has been a direct result of building capability and scalable systems: improving pace of project execution with renewed focus on quality and safety, augmenting the customer relationship function and deployment of IT solutions. These have been discussed in greater detail in subsequent sections of the report.
- In the large format developments, the Company's subsidiary Mahindra World City Developers Limited (MWCDL) signed a Joint Venture (JV) agreement with Sumitomo Corporation, Japan to develop an industrial park in North Chennai on the NH-5 (Chennai – Kolkata highway). The first phase of the project of approximately 300 acres will be implemented by Mahindra Industrial Park Chennai Limited (MIPCL), a 60:40 JV between MWCDL and Sumitomo Corporation, respectively. The Company is in the process of considering similar opportunities to create a network of industrial clusters in other upcoming industrial destinations.

- In its existing projects in the large format developments, there was a moderation in leasing activity — 28.66 acres in 2015-16 as compared to 68 acres in 2014-15 — partly because of the increase in the decision making cycle of customers. Within the segment, demand was better for businesses servicing the domestic market as compared to exports. Given this scenario, focus during the year was to unlock leasing potential in the domestic tariff area (DTA), where considerable progress was made during the year. Progress was also made to secure multi-product SEZ status at Mahindra World City, Jaipur, which is expected to improve the demand by broad-basing the target industries. These developments have been discussed in greater detail in the section on 'Operations'.

Despite the headwinds faced by the Company in its integrated cities business, it registered a creditable performance during 2015-16. Moreover, the financial performance of the Company over the previous year needs to be looked in the context of the land sale transaction, in respect of a delayed project in Mumbai, which contributed ₹ 268 crore to the total income and ₹ 245 crore to the profit before taxes (PBT) during 2014-15. The highlights of Mahindra Lifespaces' financial performance are given below:

- Consolidated Income of the Company in 2015-16 was ₹ 877 crore as compared to ₹ 1148 crore in 2014-15. Excluding the impact of the land sale transaction mentioned above, consolidated total income for the year remained flat whereas the total income of the standalone entity registered an increase of 22 per cent during the year;
- Profit before taxes (PBT) of the consolidated entity stood at ₹ 147 crore in 2015-16 as compared to ₹ 421 crore in 2014-15. Excluding the impact of the land sale transaction, the consolidated PBT for the previous year was ₹ 176 crore;
- Profit after taxes and minority interest, of the consolidated entity was ₹ 93 crore in 2015-16 and diluted earnings per share (EPS) was ₹ 22.61;

In the remainder of the report, we will present the operational and financial performance of the Company, which is followed by a discussion on risks and concerns and the outlook for the future. We begin with an overview of the macroeconomic and industry environment.

### MARKETS AND OPPORTUNITIES

In a subdued global economic environment, India's macroeconomic performance remained stable in 2015-16. According to the advance estimates released by the Central Statistical Organisation (CSO), India's GDP growth is expected to be 7.6 per cent in 2015-16, marginally higher than 7.2 per cent recorded in the previous year.

An equally important aspect was the stability in retail inflation around the 5 per cent mark, which allowed the RBI to continue with its accommodative policy stance. However, the rate cuts to the tune of 100 basis points during the year did not translate into desired reduction in lending rates. Consequently, the improvements in business and consumer confidence during the

year were weak. As far as the real estate industry is concerned, the overall performance continued to be subdued — housing prices, rents and offtake of housing loans continued to be sluggish during the year.

The Government has laid out a comprehensive plan to reinvigorate the rural economy, invest in social and physical infrastructure, and improve the environment for doing business. At the same time, focus on manufacturing sector and programmes such as affordable housing and smart cities are expected to benefit the real estate industry directly. Also, adhering to the path of fiscal consolidation is expected to keep the inflationary expectations in check, enabling the RBI to maintain its accommodative stance. These augur well for the macroeconomic environment in the near term.

### Residential Development

During 2015-16, the demand situation in the residential development space remained muted. Among the markets where the Company operates, Delhi-NCR market was the most affected in terms of both absorption and prices. Demand was also weak in Mumbai and Chennai, but the pricing pressure was less pronounced in these markets. In comparison, the demand situation was better in Bangalore, Pune and Hyderabad. The situation resulted in changes in product-mix on offer in these markets — units with fewer rooms and smaller area — to make it attractive for potential home buyers to enter the market. At the same time, there was a clear premium commanded by branded real estate players in the organised sector, who found it relatively easier to sell in the current environment.

Mahindra Lifespaces, too, benefited in this respect. The 'Mahindra' brand — a name associated with honesty, transparency, fairness and trust — coupled with its track record of executing projects in time as well as its reputation as a professionally managed real estate player helped the Company gained market share in the micro markets that it operates in. At the same time, completion of the first phase of its affordable housing project, 'Happinest' Avadi at Chennai, in just 20 months from launch has vindicated the business model, which relies on faster turnaround as a key element of competitive advantage in the segment.

As far as growth opportunities for the immediate future are concerned, the Company will continue to focus on cities such as Mumbai, Pune, Bangalore, NCR, Chennai and Hyderabad. In terms of market segments, the Company will continue to concentrate on its core strengths, even as it gears up to expand its presence in the affordable housing space.

### Large Format Integrated Cities & Industrial Clusters

The market for industrial land remained subdued during the year. The sluggishness was more pronounced in the Special Economic Zone (SEZ) as compared to demand from businesses servicing the domestic market, which evinced greater interest from potential buyers.

The government's 'Make in India' initiative and focus on smart cities is a favourable development for growth opportunities in this segment. Given the interest from businesses aimed at servicing the domestic market, the Company is in the process of expanding the domestic traffic area (DTA) in its Jaipur project through area re-allocation.

In the near term, this will allow the Company to release additional saleable inventory in the segments where the demand situation is more stable in comparison. At the same time, focus will be on the sales and marketing efforts to benefit from the opportunities presented by the government's manufacturing push as well as gradual turnaround in the macroeconomic situation.

In terms of its long-term strategy, the Company is actively considering upcoming industrial destinations to diversify its portfolio and create a network of smaller industrial clusters. The first such industrial park, spread over 300 acres is being planned in North Chennai on the NH-5 (Chennai – Kolkata highway). This project will be implemented by Mahindra Industrial Park Chennai Limited (MIPCL), a 60:40 JV between the Company's subsidiary Mahindra World City Developers Limited (MWCDL) and Sumitomo Corporation, Japan, respectively.

## OPERATIONS

### Residential Development

Mahindra Lifespaces' residential business has its presence across the value chain of real estate development that covers identifying a suitable piece of land, conducting thorough due-diligence on its title and development potential, acquiring the land, product conceptualisation and design management, obtaining requisite statutory approvals, project management and quality assurance. The Company also undertakes the project's branding, marketing and sales while ensuring timely delivery and upkeep of the property until it is handed over to the society of home owners. During the year, Mahindra Lifespaces won the Mint-Institute for Competitiveness – 'Strategy Award' in the Construction, Real Estate and Steel Segment.

As of 31<sup>st</sup> March 2016, the Company along with its subsidiaries has completed projects covering 12.19 million square feet in the residential segment. It is currently developing 3.94 million square feet (Ongoing). Besides, another 5.51 million square feet are available in the form of new phases of ongoing projects or fresh projects that are at different stages of planning and will be launched in the near future (Forthcoming). A snapshot of the Company and its subsidiaries' project portfolio is presented below.

**Table 1: Projects Snapshot 2015-16 (million square feet estimated saleable area as of 31<sup>st</sup> March, 2016)**

Location	Completed#	Ongoing	Forthcoming
Chennai*	3.19	0.53	1.50
Mumbai	2.81	0.58	1.82
Pune	2.08	0.63	0.87
NCR	3.04	0.78	0.33
Nagpur	0.41	0.56	0.56
Hyderabad	0.66	0.42	-
Bangalore	-	0.44	0.43
<b>TOTAL</b>	<b>12.19</b>	<b>3.94</b>	<b>5.51</b>

# Does not include selected projects that were completed by GESCO

\* Includes residential developments in MWC Chennai

## Completed and Ongoing Projects

During 2015-16, the Company launched two new projects, including its first project in Bengaluru. In addition, fresh inventory in 4 of its existing projects was also launched during the year. Construction activity was also completed in different phases of 8 of its projects. The total completed area during the year was 3.3 million square feet as compared to 1.22 million square feet in 2014-15. The Company also handed over around 820 units to its customers during the year. The project-wise details are provided below.

**'Aquality'** is a premium project within Mahindra World City, Chennai. This project is being implemented by Mahindra Residential Developers Limited, a subsidiary of the Company. Spread across 55 acres of land, the project offers villas and apartments covering an estimated saleable area of 1.57 million square feet, of which 1.39 million square feet has been launched in multiple phases. During 2015-16, construction activity was completed in Phase 2C1 and progressed as per schedule in Phase 2C2. Besides, handing over of units took place in Phase 2B, which was completed in the previous year. 73 per cent of the total units launched in this project have been sold upto March 2016.

**'Iris Court'** located in Mahindra World City, Chennai, is spread over 18 acres with an estimated saleable area of 0.86 million square feet. This project is being implemented by Mahindra Integrated Township Limited, a subsidiary of the Company. During 2015-16, construction activity was completed for the final phase of the project (IIIB). Handing over of units for this phase will take place in 2016-17. Handing over of a large number of units took place in all phases completed in the previous year (II & IIIA). 95 per cent of the total units launched in this project have been sold upto March 2016.

**'Nova'** in Mahindra World City, Chennai is spread over 7.26 acres with an estimated saleable area of 0.54 million square feet. This project is being implemented by Mahindra Integrated Township Limited, a subsidiary of the Company. During the year, construction work was completed in Phase I and is progressing as per schedule in the second and final phase, which was launched towards the end of the previous year. Handing over of units for Phase I will take place in 2016-17. 61 per cent of the total units launched in this project have been sold upto March 2016.

**'Aura'** in Gurgaon, National Capital Region, is spread over 17 acres and has an estimated saleable area of 1.39 million square feet. During 2015-16, construction of the final two phases of the project (IV and V) was completed. Handing over of units to customers was also completed in Phase I and Phase II, and is progressing in the next two phases (III and IV). For the final phase (V), handing over of units is expected to start in 2016-17. 96 per cent of the total units launched in this project have been sold upto March 2016.

**'Luminare'** in Gurgaon, is the Company's first project in the luxury homes segment in the National Capital Region. It is spread across 6.8 acres, with an estimated saleable area of 1.14 million square feet, and has received Gold Rating Pre-certification from IGBC Green Homes. The project is being implemented in collaboration with the developer and the land owners by Mahindra Homes Private Limited which is a 50:50 JV

with SCM Real Estate (Singapore) Private Limited. The second phase of the project comprising 120 units was launched during the year. Construction is progressing as per schedule in the two phases launched so far. 36 per cent of the total units launched in this project have been sold upto March 2016.

**'Bloomdale'** in Nagpur, Maharashtra, is conceived as a gated community spanning over 25.2 acres and has an estimated saleable area of 1.55 million square feet, offering a choice of low-rise apartments, row houses and duplex homes. It is being implemented by Mahindra Bebanco Developers Limited (MBDL), a subsidiary of the Company which is a 70:30 JV with B.E. Billimoria & Co. Ltd. During 2015-16, the Company launched a new phase (IIIA), taking the total saleable area launched to 0.97 million square feet. Construction activity was completed for the first phase of the project (IA, IB and IC), during the year and is progressing well in the remaining phases. Handing over of units in the first phase will take place in 2016-17. 83 per cent of the total units launched in this project have been sold upto March 2016.

**'Antheia'** in Pimpri, Pune, is spread over 16 acres with an estimated saleable area of 1.60 million square feet. During the year, the Company completed construction of Phase I of the project comprising 512 units, which is expected to be handed over to customers in 2016-17. Including Phase II C, which was launched during the year, the total saleable area launched under the project is 1.07 million square feet. Construction of Phase II of the project, where 49 per cent of the total units have been sold upto March 2016, is progressing as per schedule. 75 per cent of the total units launched in this project have been sold upto March 2016.

**'L'Artista'** in Pune is a luxury project located in the heart of the city, which offers spacious three and four bedroom flats with ultra-modern amenities and common spaces amidst green surroundings. It has received Gold Rating Pre-certification from IGBC Green Homes. Out of the total estimated saleable area of around 0.09 million square feet, the Company's share in the project is an estimated saleable area of around 0.06 million square feet. The construction activity is progressing as per schedule.

**'Ashvita'** in Kukatpally, Hyderabad, is spread over 9.28 acres with an estimated saleable area of 1.1 million square feet. The project is being developed in the joint development format with the Company's share at 80 per cent and the land owners' share at 20 per cent. During the year, construction activity was completed for the first three phases of the project (Phase I, II & III). In the final two phases (IV & V), which were launched during the previous year, construction is in progress as per schedule. 74 per cent of the total saleable units in the Company's share of 80 per cent, have been sold as of March 2016.

**'Vivante'** in Andheri, Mumbai, is the Company's premium residential project, which was launched during 2015-16. This centrally located project offers a wide range of amenities, and is built on the Company's philosophy of sustainable urbanisation, for which it has received Platinum Rating Pre-certification from IGBC Green Homes. It is spread across 2.9 acres with an estimated saleable area of 0.37 million square feet. Out of the 104 units launched in the first phase, 66 per cent have been sold as of March 2016.



**'The Serenes'** in Alibaug, Mumbai, is conceived as a weekend home project. Spread across 11.8 acres of land just 0.7 kilometres away from the beach, the project will offer 3 and 4 BHK patio and courtyard villas in a gated community with club and common amenities. It has received Platinum Rating Pre-certification from IGBC Green Homes. The project will offer 47 villas with an estimated saleable area of 0.16 million square feet. Construction is on for the first phase of the project, which comprises 20 villas with a saleable area of 0.06 million square feet. 45 per cent of the total units launched in this project have been sold upto March 2016.

**'Windchimes'**, Bangalore, is the first residential development of the Company in the city. Located on Bannerghata Road, the project is being implemented by Mahindra Homes Private Limited which is a 50:50 JV with SCM Real Estate (Singapore) Private Limited. Spread across 5.8 acres and an estimated saleable area of 0.87 million square feet, the project offers luxurious 3-4 BHK apartments with all modern amenities amidst a green surrounding. During the year, the Company launched the first two phases (I & II) of the project, comprising 229 apartments with a total saleable area of 0.44 million square feet. 54 per cent of the total units launched in this project have been sold upto March 2016. Construction is progressing as per schedule in both phases.

**'Happinest Avadi'** near Chennai is the first pilot project of the Company in the affordable housing segment. Spread across 13.22 acres with an estimated saleable area of 0.73 million square feet, the project has 1BHK and 2BHK apartments, ranging from 396 square feet to 677 square feet. During 2015-16, the Company launched the second phase of the project which has 176 units. The first phase of the project comprising 604 units was also completed during the year, and will be handed over to customers in 2016-17. 61 per cent of the total units launched in this project have been sold upto March 2016.

**'Happinest Boisar'** near Mumbai is the Company's second project in affordable housing segment. Spread across 14.66 acres with an estimated saleable area of 0.52 million square feet, the project will have 1RK, 1BHK and 2BHK apartments ranging from 351 square feet to 675 square feet. Construction is progressing as per schedule in the first two phases of the project comprising 597 units with an estimated saleable area of 0.33 million square feet. 95 per cent of total units in Phase I and 74 per cent of the total units in Phase II have been sold as of March 2016.

### New Projects

The Company is in various stages of planning new residential developments — projects for which design development or approvals are underway:

- **Kandivili, Mumbai:** This will be a premium residential development with an estimated saleable area of 0.10 million square feet.
- **Sakinaka, Mumbai:** This will be a mid segment residential development with an estimated saleable area of 0.34 million square feet.
- **Palghar, Mumbai Metropolitan Region:** This will be the Company's third affordable housing project with an estimated saleable area of 0.89 million square feet.

Besides these, the Company is in early stages of planning for residential projects in its exiting land at Pune (4.5 acres) and Chennai (9.33 acres). It has an additional landbank of around 11.04 million square feet of estimated development potential across locations, 86% of which within Mahindra World City, Chennai

### Large Format Integrated Cities & Industrial Clusters

Mahindra Lifespaces is the first company in the private sector to have successfully developed an integrated business city in India — 'Mahindra World City', Chennai. This is also the first operational Special Economic Zone (SEZ) from the corporate sector. Besides this project, the Company has another operational project in this segment in Rajasthan — 'Mahindra World City', Jaipur — and is planning another 300 acre industrial park in North Chennai in joint venture with Sumitomo Corporation, Japan.

### Mahindra World City, Chennai

Mahindra World City, Chennai, is implemented by Mahindra World City Developers Limited (MWCDL), an 89:11 joint venture between the Company and the Tamil Nadu Industrial Development Corporation Limited (TIDCO), respectively. It is the first township in India to receive Green Township Certification (Stage I Gold certification) from IGBC. During the year, Mahindra World City, Chennai was adjudged winner in the category of Best Township (more than 200 acres in size) at the NDTV Property Awards 2015.

Mahindra World City, Chennai, currently has three sector specific Special Economic Zones (SEZs) — IT (services and manufacturing), Apparel and Fashion Accessories and Auto Ancillaries, and a Domestic Tariff Area (DTA) for businesses catering to the Indian market. Integrated to the business zone is a Residential and Social Infrastructure zone.

At the end of 2015-16, the project had a total area of 1,524 acres. It has 64 Industrial Customers, of which 27 are in the SEZ and 37 are in the DTA. Including one company which started operations during the year, 51 companies operate out of Mahindra World City, Chennai. Direct employment in the business city increased during the year to around 38,000 persons. Exports crossed ₹ 6,875 crore in the 9 months between April to December, 2015 as against ₹ 7,800 during 2014-15.

At the end of 2015-16, the project had a total area of 1,524 acres. It has 64 Industrial Customers — of which 27 are in the SEZ and 37 are in the DTA. Including one company which started operations during the year, 51 companies operate out of Mahindra World City, Chennai. Direct employment in the business city increased during the year to around 38,000 persons. Exports crossed ₹ 6,875 crore in 9 months between April to December, 2015 as against ₹ 7,800 during 2014-15.

Mahindra World City, Chennai, has allocated 289 acres for the development of residential and social infrastructure that will eventually cater to the requirements of over 7,000 families. The city has three operational residential projects. Occupancy during the year increased from around 500 families to 700 families. This is expected to increase significantly, with completion and handover of around 500 units in 2016-17. Further, details of the current residential projects have already been provided in the previous section on Residential developments.

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. The MWC Club, which was inaugurated in March 2015, was well received by the community. The Club also received Gold certification under IGBC LEED India Rating System. JSP Hospitals, which started functioning in the previous year, expanded its range of services during 2015-16 to include 24x7 services. The construction of Phase I of the hostel for working professionals with 200 rooms by a third party developer cum operator, progressed well and is nearly complete. Also, Mahindra World School has taken up plans to expand its operations by an additional section from LKG to Class XII. During the year, the School received Platinum rating from the IGBC.

In another development, the post office at Mahindra World City, Chennai, was upgraded to a delivery post office and exclusively serves the companies and residential communities. It has its own pin code, and has the distinction of being the first all-women delivery post office in the Chennai circle.

On the sustainability front, Mahindra World City, Chennai, has taken initiatives to maximise the use of grey water. During the year, a bio-gas plant was installed to fully utilise food waste and convert the same to CNG for running internal shuttles and tractors. The city continued to build on its community development and engagement initiatives during the year. This included fresh editions of its flagship programmes: the marathon run in aid of 'Nanhi Kali' which had over 1,200 participants, 'Champions Trophy' an inter-company sports tournament with 40 teams, 'Mindquest' — the annual MWC quiz competition with over 70 teams and 'Courtyard Performances', which featured street theatre and other forms of performing arts. These were received well by the participants and residents.

### Mahindra World City, Jaipur

Mahindra World City, Jaipur, which is being implemented by Mahindra World City (Jaipur) Limited (MWCJL), is a 74:26 joint venture between Mahindra Lifespaces and Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), a Government of Rajasthan enterprise, respectively. It is proposed to be developed as a multi-product Special Economic Zone and a Domestic Tariff Area across 3,000 acres, of which 2,949 acres have already been acquired.

During 2015-16, even as the prices remained firm, demand was subdued, especially in the SEZ, the total land leased out during the year was 28.66 acres, which includes companies across diverse industry segments. The company added four new customers, and three existing customers leased additional land. At the end of the year, the Company had 69 customers in its industrial zones — 25 in DTA and 44 in SEZ.

Seven companies started their development activities during the year and are expected to become operational in the near future. Nine new companies became operational in the city during 2015-16, taking the total number of operational companies to 33. These companies have created direct employment for over 8,000 people. Exports by clients during the year stood at ₹ 1,128 crore.

The Company has installed a 210 KW solar power plant in 'Evolve' — the multi-tenanted IT Park which is spread over approximately 25 acres. This plant is generating 20,000 units of power per month since February 2016, which is being utilised by MWC, Jaipur and customers in 'Evolve'. During the year, MWC, Jaipur, reached the prestigious Stage 2 Certification for C40 Climate Positive Development Program, in recognition of plans and commitment to achieve net negative carbon emissions outcome. It is Asia's first and world's largest project to achieve this distinction.

Going forward, the focus will continue to be sale of industrial land in the project. To achieve this, the Company is in the process of expanding its DTA by 500 acres through area re-allocation, for which it has already secured the product-mix approval from the government. Master planning for this phase is currently in progress, after which it will be submitted for final approvals before it is launched. At the same time, it is working on enabling the multi-product SEZ to benefit from emerging opportunities in other industries. Apart from this, the Company has initiated economic land use planning for the residential and social infrastructure area, which will enable development of the same as the project matures.

### Mahindra Industrial Park, Chennai

Mahindra Industrial Park Chennai Limited (MIPCL) was established as a subsidiary of MWCDL in 2014-15. In May 2015, MWCDL signed a JV agreement with Sumitomo Corporation, Japan to develop an industrial park in North Chennai on the NH-5 (Chennai – Kolkata highway). This Project will be implemented by Mahindra Industrial Park Chennai Limited (MIPCL), a 60:40 JV between the Company's subsidiary Mahindra World City Developers Limited (MWCDL) and Sumitomo Corporation, Japan, respectively. A state support agreement was signed with the Government of Tamil Nadu in September, 2015 at the Global Investors Meet (GIM) to provide facilitation support to the project.

The location of the project is in close proximity to Ponneri, one of the cities in Tamil Nadu shortlisted for smart cities. It is situated in the influence zone of the Chennai – Bangalore Industrial Corridor (CBIC) and Chennai – Vizag Industrial Corridor (CVIC). The first phase of the project comprises of approximately 300 acres. MIPCL is currently in the process of planning and securing necessary approvals, which will be followed by infrastructure development and related works.

### CUSTOMER RELATIONS (CR)

The Customer Relations (CR) function at Mahindra Lifespaces endeavours to service the customers through their entire lifecycle — right from the time of booking to the handover of the property. During 2015-16, focus was on implementing processes aimed at achieving differentiation in terms of the Company's core philosophy of customer centricity. Some of these were:

- Stringent service interaction standards with clear audit parameters to measure performance in terms of both turnaround time as well as quality;
- Robust on-boarding templates for training new hires and providing them with knowledge base and support;
- Continuous training to upgrade technical knowledge and enhance service levels;



In our last year's report, we had reported on the plans to improve the handover experience. This is especially important as the Company gears-up for a substantial increase in the number of handovers. Several such initiatives were implemented during the year:

- Defined standards in important areas of pre-handover preparedness such as documentation, minimum readiness, personnel and resource budgeting;
- Improved communication to customers on handover timelines, processes and livability;
- Detailed 'Resident Assist Manual' for customers to enable a smoother transition and enhanced post-handover experience.

Going forward, the focus will be on further streamlining CR processes, increase capabilities and at the same time use best in class technology solutions to upgrade the customer's experience. Towards this end, the Company is in advanced stages of implementing an IT solution which enables a single view of the customer, right from the prospecting stage to post-handover. This is expected to be operational in 2016-17.

### INTEGRATED MANAGEMENT SYSTEM (IMS)

Mahindra Lifespaces has embraced an Integrated Management System covering three International Standards — ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) for both its business segments.

The main thrust of this approach is to build and institutionalise project execution capabilities through scalable systems and processes that aid in timely delivery, quality of product and safety during construction, with the ultimate goal of adding value to our customers.

### QUALITY

Mahindra Lifespaces has adopted the principles of Total Quality Management (TQM) under the banner of 'The Mahindra Way' (TMW) — the Mahindra Group's integrated approach to promote excellence in all spheres of its operations. During 2015-16, the Integrated Cities business moved one step ahead from Level 3 to Level 4, whereas the Residential business maintained its position at Level 4.

The Company's strong quality management system, has been instrumental in improving the quality of its products and processes, and at the same time enhancing the productivity of its operations to make them more competitive. In 2015-16, the focus was on delivering a 'Zero-Snag Product' to customers. Key initiatives included:

- Standardisation of designs, construction technologies, waterproofing methodologies and other critical items in bill of quantities and tender documents;
- Introduction of mock-up for each construction activity to ensure they are performed right the first time, improving the quality as well as the speed of construction;
- Weekly on-site quality reviews by the project and contractors' teams, followed by quality circle meetings for quicker resolution of challenges;
- Implementation of a multi-check handing over process for units across all projects.

To institutionalise a culture of quality and continuous improvement throughout the organisation, the Company has identified business excellence champions, who encourage and guide all employees to undertake improvement projects in their respective areas. The best projects are recognised and awarded.

During the year, the Company tied up with certified training agencies to carry out skill upgradation programs for workers of its contractors with primary focus on improving the quality of product finish. This contractor is scheduled to commence in 2016-17.

### SAFETY

Since 2009, the Company has an established 'Safety Policy' which underscores its commitment to take measures to prevent accidental injuries and occupational ill health of all employees and associates working at its offices and project sites. During the year, the Company implemented several initiatives to sensitise workers on safety and achieve its ultimate goal of "zero tolerance to accidents".

The Company had launched "Safe Methods and Risk Reduction Techniques" (SMARRT) in the previous year, which implements international best practices and aims to eliminate unsafe acts and conditions by proactive and immediate reporting of such incidents. Significant progress was made on this front during 2015-16. Training programs were organised on risk mitigation, roles and responsibility, technical, legal and statutory requirements. SMARRT has evolved to a level where it is crafting great trainers and risk managers at the operatives' level.

In recognition of its efforts, Mahindra Lifespaces received the 'CIDC Vishwakarma Award' for 'Health, Safety & Environment' by Construction Industry Development Council (CIDC) established by Planning Commission, Government of India, and the Construction Industry. The Company also received 'Shreshtha Suraksha Puraskar' (runner-up) for 'Best Safety Practices in the Construction Industries Group' by National Safety Council – Maharashtra Chapter & Directorate Industrial Safety and Health, Government of Maharashtra.

The Company is planning to use a user friendly software for Environment, Health & Safety, which will incorporate all permits and check lists related to safety processes, providing real-time information on their implementation and reducing paperwork by as much as 95 per cent. This software is expected to be rolled-out in 2016-17.

### SUSTAINABLE DEVELOPMENT

Mahindra Lifespaces has been at the forefront of the real estate industry in India to achieve the mission of 'Transforming urban landscapes by creating sustainable communities'. The Company has done this by putting sustainability as a core agenda for the Company.

The Company was awarded the "Investor Relations Society Awards 2015" for the Best Environment, Social & Governance (ESG) Disclosures in Small Cap category.

The details of the Company's approach towards sustainability are covered in the Sustainability Report at Pages 169 to 180 of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Mahindra Lifespaces' 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 1<sup>st</sup> April, 2014, in line with the new 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 formulated a CSR Policy which lays out the vision, objectives and implementation mechanisms. The Board of Directors of the Company has constituted a Committee of Directors on CSR. The Company's CSR activities have traditionally focussed on education, skill development, health, environment and promoting sustainable practices.

Of the total budget of ₹ 377.26 lakh for FY 2015-16, the Company had earmarked an amount of ₹ 132.73 lakh towards contribution as corpus by the Company to support the establishment of a Centre of Excellence (CoE) for Sustainable Habitats by TERI with the objective of improving energy efficiency in India's residential buildings sector. The discussion and requisite documentation with TERI, although was at an advanced stage, could not be completed by 31<sup>st</sup> March, 2016. As a result, the amount of ₹ 132.73 lakh which was earmarked for aforesaid contribution remained unspent as on 31<sup>st</sup> March, 2016. The Board has approved that any unspent amount, out of the minimum required CSR expenditure of the FY 2015-16 be carried forward to the next year provided that the carried forward amount shall be over and above the next year's CSR allocation equivalent to atleast 2% of the average net profit of the Company of the immediately preceding three years.

Details of the Company's approach towards CSR are covered in the Sustainability Report at Pages 169 to 180 of this Annual Report.

## HUMAN RESOURCES

Mahindra Lifespaces recognises that its people are the key to the success of the organisation and in meeting its aspirations. During the year, the Company continued its efforts to strengthen its HR policies and processes to attract and retain the best talent in the industry.

In pursuit of attracting the best talent available both from within and outside the sector, the Company has undertaken various initiatives linked to higher visibility in social media, referral schemes, internal job posting and partnering in excellence programmes where consultants fine tune their approach in talent identification. To achieve this, the Company built relationships with specialised institutions in the construction industry such as National Institute of Construction Management and Research and RICS School of Built Environment for entry level positions in project management and sales.

Catering to the learning and development needs of its employees continues to be a key focus area for the Company. It regularly carries out structured training initiatives in the key functional areas such as sales and marketing, customer service and project management to meet the requirements of its employees. During the year, the Company carried our specialised programme on project management in collaboration with RICS.

As a part of its flagship programme 'My Customer, My Valentine', which aims to make the organisation more customer centric, several initiatives were carried out to engage employees and reward customer centric behaviour. The Company carries out two employee engagement surveys every year namely MCARES for internal benchmarking within the Group and the Great Place to Work survey for external benchmarking. Both surveys showed a significant improvement in employee engagement levels during the year. In particular, the 'Great Place to Work' survey rated Mahindra Lifespaces among the 'Top 5 in the Industry'.

Mahindra Lifespaces endeavours to keep its workplaces safe, transparent and friendly for people to work in. It has a 'Diversity Council' with the objective of creating an inclusive environment to leverage the unique talents of diverse individuals in the workplace. Its gender diversity as of 31<sup>st</sup> March, 2016 was 20 per cent. It also has a policy which is aligned to the Act on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

As of 31<sup>st</sup> March, 2016, the Company had 350 employees and its subsidiary companies had 67 employees on its roll. Employee relations remained cordial during the year.

## INFORMATION TECHNOLOGY (IT)

Mahindra Lifespaces sees IT not just as a tool for increasing efficiency, but also as an important source of competitive advantage. The Company has consistently invested significant resources in developing a strong IT and communication infrastructure which encompasses all key business and administrative functions as well as project sites.

The Company's IT infrastructure includes a SAP ERP for its core and peripheral business functions, primary and disaster recovery data centres, best-in-class communication and productivity tools, and access to specialised industry-specific software.

During 2015-16, the Company implemented several initiatives leveraging its IT infrastructure to improve efficiencies and optimise costs:

- SAP document management system which includes digitisation of physical documents and automatic storage of system generated documents;
- Enabling e-commerce transactions by online blocking of inventory; online payment facility for customers through internet banking, credit and debit cards;
- Strengthening the HR module: online test for talent acquisition, automation of LTA and medical claims, and learning management solution;
- Supplier relationship management portal covering registration, online tendering and contract award and payments;
- Risk management system.

The Company is at advanced stages of implementing two major systems in the areas of Customer Relations, and Environment, Health and Safety. These have already been discussed in the respective sections of the report.

## FINANCIALS

Table 2 presents the abridged profit and loss statement of Mahindra Litespace Developers Limited as a standalone and consolidated entity.

**Table 2: Abridged Profit and Loss Statement**

(₹ in crore)

	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Operating Income	502.97	624.01	826.16	1086.09
Other Income	97.18	136.02	51.24	61.46
<b>Total Income</b>	<b>600.15</b>	<b>760.04</b>	<b>877.43</b>	<b>1147.56</b>
Project and Operating Expenses	345.75	298.94	502.17	501.27
Employee and Other Expenses	85.93	98.82	157.62	160.64
Financial Expenses	22.59	21.82	50.90	51.39
Depreciation	4.14	2.74	19.29	13.23
<b>Total Expenditure</b>	<b>458.41</b>	<b>421.33</b>	<b>729.98</b>	<b>726.54</b>
PBDIT	168.47	362.26	217.64	485.65
PBDT	145.88	340.45	166.74	434.25
PBIT	164.33	359.53	198.35	472.42
PBT	141.74	337.71	147.45	421.02
Tax	37.25	104.41	50.34	137.77
<b>PAT</b>	<b>104.49</b>	<b>233.30</b>	<b>97.11</b>	<b>283.25</b>
Minority Interest			4.02	17.05
<b>PAT (After Minority Interest)</b>	<b>104.49</b>	<b>233.30</b>	<b>93.09</b>	<b>266.20</b>
<b>Diluted EPS (₹ )</b>	<b>25.38</b>	<b>56.70</b>	<b>22.61</b>	<b>64.70</b>

Mahindra Lifespaces registered a creditable financial performance during 2015-16, despite a subdued performance of its integrated cities and industrial clusters segment. Moreover, the financial performance of the Company over the previous year needs to be looked in the context of the land sale transaction, in respect

of a delayed project in Mumbai, which contributed ₹ 268 crore to the total income and ₹ 245 crore to the profit before taxes (PBT) during 2014-15. Key metrics of financial performance ignoring this transaction in 2014-15 is presented in Table 3.

**Table 3: Comparative Performance Ignoring Land Sale Transaction in 2014-15**

(₹ in crore)

	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Total Income	600.15	491.91	877.43	879.42
Total Expenditure	458.41	399.40	729.98	703.61
PBT	141.74	92.51	147.45	175.82

Consolidated Income of the Company was ₹ 877 crore in 2015-16 as compared to ₹ 1,148 crore in 2014-15. Excluding the impact of the land sale transaction, consolidated total income for the year remained practically unchanged whereas the total income of the standalone entity registered an increase of 22 per cent, from ₹ 492 crore in 2014-15 to ₹ 600 crore 2015-16. Most of the increase in expenditure was due to higher project and operating expenses on account of greater project activity during the year. Employee and finance related costs remained stable during the year.

Profit before taxes (PBT) of the consolidated entity stood at ₹ 147 crore in 2015-16 as compared to ₹ 421 crore in 2014-15. Excluding the impact of the land sale transaction, the consolidated PBT for the previous year was ₹ 176 crore. The PBT for the standalone entity (Table 3) increased by 53 per cent from ₹ 92.7 crore in 2014-15 to ₹ 142 crore in 2015-16.

Net profit (PAT) of the standalone entity was ₹ 104.5 crore in 2015-16. After accounting for minority interest, the consolidated PAT of the Company was ₹ 93 crore during the year. As a result, diluted EPS during the year was ₹ 25.38 and ₹ 22.61 for the standalone and consolidated entities respectively.

As of 31<sup>st</sup> March, 2016, Mahindra Lifespaces has standalone debt equity ratio of 0.49:1 and consolidated debt equity ratio of 1.15:1. The liquidity situation of the Company during the year remained comfortable and surplus funds generated during the year have been invested in credit worthy instruments, including money market instruments, mutual funds and deposits with banks.

### THREATS, RISKS AND CONCERNS

Mahindra Lifespaces 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. Mahindra Lifespaces has constituted a “Risk Management Committee” consisting of two Directors and the Chief Financial Officer, for monitoring and reviewing of the risk assessment, mitigation and risk management plan from time to time. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

### Economic Risks

Even as the RBI has reduced the policy rates, this has not resulted in desired reduction in interest rates for home loans. This can have a direct impact on the performance of the real estate sector and the Company. Secondly, even as there are signs of revival in the advanced economies, it is yet to translate into investment outlays in Indian businesses, especially those in export oriented industries.

Mahindra Lifespaces is conscious of these risks and is taking measures to mitigate them. For instance, the Company’s focus on both residential and integrated developments has been a significant source of comfort during periods of subdued economic performance. Besides, the Company’s prudent financial management has also kept it relatively insulated from the economic downturn and the Company is well placed to raise capital at competitive rates.

### Operational Risks

Key operational risks faced by the Company include longer gestation period for procurement of land, time taken for approvals, inability to sell the project as per plan, inability to complete and deliver projects according to the schedule leading to additional cost of construction and maintenance, erosion of brand value, appointment and retention of quality contractors, inability to attract and retain talent, poor customer satisfaction, fraud and unethical practices, failure to comply with laws and regulations leading to fines, penalties and lengthy litigations.

The Company addresses these issues within a well-structured framework which identifies desired controls and assigns ownership to monitor and mitigate risks. The Company has also invested significant resources in an Enterprise Resource Planning (ERP) solution and transparent customer friendly processes, which are expected to go a long way to address some of these risks. The Company also has a Code of Conduct for all its Employees. The Company’s Corporate Governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances, leading to enhanced stakeholder value.

### Policy and Regulatory Risks

The real estate industry is easily affected by changes in government policies and regulations. There are considerable procedural delays with respect to approvals related to acquisition and use of land. This problem is accentuated as this is an industry which has traditionally been quite unorganised.

The Company, with its approach towards acquisition of land based on thorough due diligence and its transparent processes in developing the projects, has effectively mitigated these risks. For instance, the Company is already in compliance with provisions of the Real Estate (Regulation & Development) Act 2016 related to prior approvals before the launch of its projects. Besides, its focus on environment friendly and sustainable practices also help in mitigating risks associated with environmental regulations.

### INTERNAL CONTROLS

The Company has adequate internal control systems, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedures to monitor business and operational performance including an ERP solution, all of which are aimed at ensuring business integrity and promoting operational efficiency.

An independent internal audit firm appointed by the Company conducts periodical audits to ensure adequacy of internal control systems, adherence to management policies and compliance with the applicable laws and regulations. Their scope of work also includes internal controls on accounting, efficiency and economy of operations. The internal auditors also report on the implementation of their recommendations.

Reports of the internal auditors are regularly reviewed at the Audit Committee meetings. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them.

### OUTLOOK

Global economic environment continued to be subdued in 2015-16. While a modest recovery continued in advanced economies, growth in emerging markets and developing economies—which together account for 70 per cent of global growth — has been declining for the last few years. Growth has also decelerated in China, which is gradually rebalancing its economic activity away from investment and manufacturing towards consumption and services.

India is the only large economy that has maintained a steady growth rate. In addition, the fiscal situation has been stable and there has been a broad-based decline in inflation, allowing the RBI to maintain an accommodative monetary policy stance. But, the investment-growth cycle is yet to kick-in, given the weak global outlook and low capacity utilisation levels across industries. Persisting corporate sector stress and risk aversion in the Indian banking system has meant that the rate cuts by the RBI have not translated into the much needed reduction in interest rates for both businesses and consumers, which can spur both demand and confidence.

Given the capital intensive nature of the business, the real estate industry in India has also been affected by this situation. Mahindra Lifespaces believes that it is well positioned to benefit from the opportunities that will emerge as the economic situation improves further. So, the outlook for 2016-17 is cautiously optimistic.

### Cautionary Statement

*Certain statements in the Management Discussion and Analysis 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.*



## Corporate Governance Report

### 1. CORPORATE GOVERNANCE PHILOSOPHY

Mahindra Lifespaces is committed to good corporate governance and endeavours to implement the Code of Corporate Governance in its true spirit. The philosophy of the Company in relation to corporate governance is to ensure transparency in all its operations, make disclosures, and enhance shareholder value without compromising in any way on compliance with the laws and regulations. The Company believes that good governance brings about sustained corporate growth and long-term benefits for all its stakeholders.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and provisions in the Companies Act, 2013 ("the Act"). As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and SEBI LODR and has established procedures and systems to remain compliant with it as on 31<sup>st</sup> March, 2016. This report provides the Company's compliance with these provisions.

### 2. BOARD OF DIRECTORS

The Company has a Non-Executive Chairman and one half of the total number of Directors comprises of Independent Directors. The Management of the Company is entrusted in the hands of the Senior Management Personnel of the Company who are members of the Executive Council of the Company and is headed by the Managing Director & Chief Executive Officer who operates under the overall guidance, supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of the Management to ensure that the long-term objective of enhancing stakeholder's value is met.

The Managing Director & Chief Executive Officer is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors receive sitting fees for attending the meeting of the Board, the Committees (except Corporate Social Responsibility Committee) thereof and meeting of Independent Directors. The Non-Executive Chairman and Independent Directors would be entitled to the commission under the Act. Mr. Arun Nanda, Non-Executive Chairman, who is also on the Board of Mahindra World City Developers Limited (MWCDL), receives sitting fees for attending the meeting of the Board and the Committees (except Corporate Social Responsibility Committee) of MWCDL and would be entitled to the commission under the Act, as may be approved by MWCDL. Mr. Sanjiv Kapoor, Independent Director who is also on the Board of Mahindra World City Developers Limited and Mahindra Residential Developers Limited, receives sitting fees for attending the meeting of the Board and the Committees (except Corporate Social Responsibility Committee) of these companies and would be entitled to the commission under the Act, as may be approved by these companies. Dr. Anish Shah, Non-Executive Non-Independent Director is the Group President Strategy at Mahindra & Mahindra

Limited (M&M) and receives remuneration from M&M. Dr. Anish Shah does not receive any sitting fees and remuneration from the Company. Apart from the above and apart from the reimbursement of expenses incurred in discharge of their duties and the remuneration that the Independent Directors would be entitled to under the Act, none of the Directors have any pecuniary relationships or transactions with the Company, its Holding company, Subsidiaries and Associate companies, their Promoters, Directors, its Senior Management, which in their judgment would affect their independence. Apart from above, none of the Non-Executive Non-Independent Directors has any pecuniary relationship with the Company. The Directors of the Company are not inter-se related to each other.

The Board has adopted a Policy on appointment of Directors and Senior Management and Succession Planning for orderly succession to the Board and the Senior Management.

The Senior Management has made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company, which could have potential conflict of interest with the Company at large.

#### a) Composition, Status, Attendance at the Board Meetings and at the last Annual General Meeting

As on 31<sup>st</sup> March, 2016, the Company's Board comprised of six members. The Chairman of the Board is a Non-Executive Non-Independent Director. The Managing Director & Chief Executive Officer is an Executive of the Company. One member of the Board is a Non-Executive Non-Independent Director and other remaining three members are Independent Directors. The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting are given below:

Name of the Director	DIN	Status	No. of Board Meetings		Attendance at the last AGM
			Held	Attended	
Mr. Arun Nanda, Chairman	00010029	Non-Executive Non-Independent	8	7	Yes
Mr. Sanjiv Kapoor	00004005	Non-Executive Independent	8	7	Yes
Mr. Shailesh Haribhakti	00007347	Non-Executive Independent	8	8	Yes
Dr. Prakash Hebalkar	00370499	Non-Executive Independent	8	5	Yes
Dr. Anish Shah*	02719429	Non-Executive Non-Independent	8	3	NA
Mr. Anil Harish**	00001685	Non-Executive Independent	8	2	NA
Mr. Uday Y Phadke***	00030191	Non-Executive Non-Independent	8	3	Yes
Ms. Anita Arjundas, Managing Director & Chief Executive Officer	00243215	Executive	8	8	Yes

\* Dr. Anish Shah was appointed as an additional Director in the category of Non-Executive Non-Independent Director with effect from 28<sup>th</sup> August, 2015.



\*\* Mr. Anil Harish resigned from the Board of Directors of the Company with effect from 16<sup>th</sup> June, 2015.

\*\*\* Mr. Uday Y. Phadke retired as Director consequent to retirement by rotation with effect from 31<sup>st</sup> July, 2015.

#### b) Details of Directorships / Committee Memberships as of 31<sup>st</sup> March, 2016

As mandated by the Act, none of the Directors are Director in more than ten Public Limited Companies. Pursuant to Regulation 25 of SEBI LODR, neither of the Independent Directors of the Company are serving as an Independent Director in more than seven listed entities nor any Independent Director is serving as a whole time director in any listed entities. Further, none of the Directors is a member of more than ten Committees nor any of them act as a Chairman of more than five Committees across all listed entities in which they are Directors. The number of Directorships and Committee positions held by them in Public companies are given below:

Name of the Director	Status	Director of Public Companies*	Membership in Committee of Public limited companies, whether listed or not**	Chairmanship in Committees of Public limited companies, whether listed or not**
Mr. Arun Nanda, Chairman	Non-Executive Non Independent	6	Nil	2
Mr. Sanjiv Kapoor	Non-Executive Independent	6	2	3
Mr. Shailesh Haribhakti	Non-Executive Independent	10	5	5
Dr. Prakash Hebalkar	Non-Executive Independent	2	4	NIL
Dr. Anish Shah	Non-Executive Non-Independent	4	2	NIL
Ms. Anita Arjundas, Managing Director & Chief Executive Officer	Executive	10	1	NIL

\* Including Directorship in Mahindra Lifespace Developers Limited as of 31<sup>st</sup> March, 2016 and includes Public companies whether listed or not and Private companies which are either holding or subsidiary of Public companies. Listed entity means an entity which has any of its securities listed on a recognized stock exchange(s).

\*\* Committees considered are Audit Committee and Stakeholders Relationship Committee including that of Mahindra Lifespace Developers Limited. Committee Membership(s) and Chairmanship are counted separately.

#### c) Number of Board Meetings

Eight Board meetings were held during the year under review, 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, on the following dates: 21<sup>st</sup> April, 2015; 30<sup>th</sup> April, 2015; 19<sup>th</sup> June, 2015; 31<sup>st</sup> July, 2015; 28<sup>th</sup> August, 2015; 30<sup>th</sup> October, 2015; 28<sup>th</sup> January, 2016 and 23<sup>rd</sup> March, 2016. The maximum gap between any two meetings did not exceed one hundred and twenty days.

#### d) Meeting of Independent Directors

The Independent Directors of your Company meet before the Board Meeting without the presence of the Chairman and Managing Director or Executive Director or other Non-Independent Director(s) or Chief Financial Officer or any other Management Personnel.

These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity, and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

During the year, two Meetings of Independent Directors were held on 23<sup>rd</sup> September, 2015 and 23<sup>rd</sup> March, 2016 and these meeting were well attended.

#### e) Board Procedure

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Managing Director & Chief Executive Officer of the Company briefs the Board at every meeting on the overall performance of the Company. A detailed report on operations is also presented at every Board Meeting.

The Board also reviews strategy and business plans, annual operating and capital expenditure budgets, remuneration of Non-Executive Directors, compliance with Statutory/ Regulatory requirements and review of major legal issues, adoption of quarterly / half-yearly / annual results, risk management policies, investors' grievances, borrowings and investments, issue of securities, use of capital issue proceeds, major accounting provisions and write-offs, corporate restructuring, minutes of meetings of the Audit Committee and other Committees of Directors of the Board, sustainability plan and its performance, and CSR spends, plan and its review, etc.

The Board reviews a compliance certificate issued by the Managing Director & Chief Executive Officer regarding compliance with the requirements of various Statutes, Regulations and Rules as may be applicable to the business of the Company.

### 3. DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Ms. Anita Arjundas was appointed as Managing Director & CEO on the Board of the Company on 23<sup>rd</sup> June, 2009 for a period of 5 years and was re-appointed as Managing Director & CEO, on 23<sup>rd</sup> June, 2014 to 22<sup>nd</sup> June, 2019.

Pursuant to Section 152 of the Act and Article 118 of the Articles of Association of the Company, Ms. Anita Arjundas retires by rotation at the forthcoming Annual General Meeting of the Company and has offered herself for re-appointment for the office of the Director. Ms. Anita Arjundas is not related to any of the Directors or Key Managerial Personnel of the Company.

The Board of Directors in its meeting held on 28<sup>th</sup> August, 2015 had appointed Dr. Anish Shah as an Additional Director of the Company. Pursuant to Section 161 of the Act and Article 128 of the Articles of Association of the Company, he holds office upto the date of forthcoming Annual General Meeting.

The Board is of the view that Dr. Anish Shah's knowledge and experience will be of benefit and value to the Company, and therefore, it is proposed to appoint Dr. Anish Shah as a Director of the Company at the ensuing Annual General Meeting of the Company. Dr. Anish Shah is not related to any of the Directors or Key Managerial Personnel of the Company. Pursuant to Section 160 of the Act, the Company has received notice along with prescribed fees proposing candidature of Dr. Anish Shah as a Director of the Company.

Accordingly, the resolution relating to appointment of Dr. Anish Shah at Item No. 5 of the Notice as an Ordinary Resolution is recommended for approval of the Members.

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

Brief resume of Directors seeking appointment / re-appointment is given below:

### Ms. Anita Arjundas

Ms. Anita Arjundas, aged 49, is the President of the Real Estate Sector of the Mahindra Group; a USD 17.8 billion, diversified, federation of companies. She is responsible for setting the strategic direction that will enable the real estate business to drive sustainable urbanisation in India.

Ms. Anita joined the Mahindra Group in 2002 in one of the subsidiary companies of Mahindra Lifespaces, Mahindra World City, India's first integrated business city in a public-private partnership. After building the Integrated Cities business unit with two world cities at Chennai and Jaipur, Ms. Anita took over as Managing Director & CEO of Mahindra Lifespaces and CEO of the Real Estate sector of the Group, comprising residential and industrial developments. Ms. Anita is a member of the Mahindra Group Executive Board from April, 2010.

Prior to her career with the Mahindra Group, Ms. Anita has spent 3 years in the IT industry and 10 years in the consumer goods space.

An MBA from BIM, India and a Wharton AMP alumnus, Ms. Anita has been named among the 50 "Most Powerful Women in Business" by Fortune India for the past five years.

As on 31<sup>st</sup> March, 2016, Ms. Anita Arjundas holds Directorships and Committee positions in the following companies:

Name of Company / Trust	Designation	Name of Committee	Position held
Mahindra Lifespace Developers Limited	Managing Director & CEO	• Share Transfer and Allotment Committee	Member
		• Committee for Residential Projects in Joint Ventures	Member
		• Committee for Large Format Development	Member
		• Corporate Social Responsibility (CSR) Committee	Member
		• Qualified Institutional Placement (QIP) Committee	Member
		• Risk Management Committee	Member
Mahindra World City Developers Limited	Non-Executive Director	• Nomination and Remuneration Committee	Member
		• Corporate Social Responsibility (CSR) Committee	Member
Mahindra World City (Jaipur) Limited	Non-Executive Director	• Nomination and Remuneration Committee	Member
		• Land Lease Committee	Member
		• Capital Issue Committee	Member
Mahindra World City (Maharashtra) Limited	Non-Executive Director, Chairperson	NIL	NIL
Mahindra Bebanko Developers Limited	Non-Executive Director, Chairperson	• Committee of Directors for borrowings	Member
Mahindra Infrastructure Developers Limited	Non-Executive Director, Chairperson	• Nomination and Remuneration Committee	Member
Mahindra Industrial Park Chennai Limited.	Non-Executive Director, Chairperson	NIL	NIL
		• Corporate Social Responsibility (CSR) Committee	Chairperson
Mahindra Integrated Township Limited	Non-Executive Director, Chairperson	• Audit Committee	Member
		• Nomination and Remuneration Committee	Member
		• Nomination and Remuneration Committee	Member
Knowledge Township Limited	Non-Executive Director, Chairperson	• Nomination and Remuneration Committee	Member
Mahindra Homes Private Limited	Non-Executive Director, Chairperson	Committee of Directors for borrowings	Member
Mahindra Susten Private Limited	Non-Executive Director	NIL	NIL
Mahindra World School Educational Trust	Trustee	-	-

Ms. Anita Arjundas, Director holds 8,000 equity shares of the Company. Details of stock options granted to Ms. Anita Arjundas under Employee Stock Option Scheme 2006 and 2012 are given at point no. 7 of this report.

## Dr. Anish Shah

Dr. Anish Shah, aged 47, is the Group President (Strategy) for the Mahindra Group. His key focus areas are strategy development and implementation, building capabilities such as digitisation and analytics, driving international growth especially in US and Africa. The Group Strategy office also leads Risk Management and Performance Review, plus enables synergies across Group companies.

Prior to joining Mahindra Group in 2014, Dr. Anish was President and CEO of GE Capital India, where he led the transformation of the business, including a turnaround of its SBI Card joint venture. His career at GE spanned 14 years. As Director, Global Mortgage, he worked across more than thirty countries to drive growth and manage risk, and as Senior Vice President (Marketing and Product Development) at GE Mortgage Insurance, he led various growth initiatives and played a key role in preparing the business for an IPO, as a spinoff from GE. Dr. Anish also received GE's prestigious 'Lewis Latimer Award' for outstanding utilization of Six Sigma in developing a "Digital Cockpit." Before GE, Dr. Anish worked at Bank of America, Bain & Company, and Citibank.

Dr. Anish holds a PhD from Carnegie Mellon's Tepper School of Business where his doctoral thesis was in the field of corporate governance. He also received a Master's degree from Carnegie Mellon, and a post-graduate diploma in Management from the Indian Institute of Management, Ahmedabad.

As on 31<sup>st</sup> March, 2016, Dr. Anish Shah holds Directorships and Committee positions in the following companies:

Name of Company	Designation	Name of Committee	Position held
Mahindra Lifespace Developers Limited	Non-Executive Director	• Audit Committee	Member
		• Loans and Investment Committee	Member
		• Share Transfer and Allotment Committee	Member
Mahindra and Mahindra Financial Services Limited	Non-Executive Director	• Audit Committee	Member
		• Corporate Social Responsibility (CSR) Committee	Member
Mahindra Trucks and Buses Limited	Non-Executive Director	NIL	NIL
Orizonte Business Solution Limited	Non-Executive Director	NIL	NIL
Mahindra Ecloe Centrale	Director	NIL	NIL
Confederation of Indian Industry (Western Region)	Chairman	NIL	NIL

Dr. Anish Shah, Director holds nil equity shares of the Company.

## 4. FAMILIARISATION OF INDEPENDENT DIRECTORS

The details of familiarisation programme for Independent Directors have been disclosed on website of the Company and is available at the link: <http://www.mahindralifespaces.com/investors/disclosures-sebi>

## 5. CODES OF CONDUCT AND POLICIES

The Board of Directors of the Company has laid down two separate Codes of Conduct — one for Directors and another for Senior Management and Employees. It has also adopted Code for Independent Directors as per Schedule IV of the Act. These codes are posted on the Company's website: <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

All Board Members including Independent Directors and Senior Management Personnel have affirmed compliance with the respective Codes of Conduct for the year under review. A declaration signed by Managing Director & Chief Executive Officer to this effect is annexed to this report.

In accordance with the requirement of SEBI LODR, the Company has formulated and adopted policy for determining material subsidiaries, policy on materiality of and dealing with related party transactions, policy for determining materiality for disclosures. These policies are posted on the Company's website at: <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

## 6. CEO /CFO CERTIFICATION

As required under Regulation 17(8) read with Part B of Schedule II of SEBI LODR, the Managing Director & Chief Executive Officer and the Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended on 31<sup>st</sup> March, 2016.

## 7. REMUNERATION PAID TO DIRECTORS

### Remuneration Policy

The objective of the Remuneration Policy of the Company for Directors and Senior Management is to focus on enhancing the value of the Company by attracting and retaining Directors for achieving objectives of the Company and to place the Company in leading position. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Act and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

While reviewing the Company's remuneration policies and deciding on the remuneration for Directors, the Board and the Nomination and Remuneration Committee (NRC) considers the performance of the Company, the current trends in the industry, the qualifications of the appointee(s), their experience, past performance, responsibilities shouldered by them, the Statutory provisions and other relevant factors.

The Non-Executive Chairman and Independent Directors are paid sitting fees and reimbursement of expenses

incurred in attending the Board, Committee meetings and meeting of Independent Directors. The Directors have voluntarily waived sitting fees for attending Corporate Social Responsibility Committee meetings. The Board determines the remuneration, if any, of Non-Executive Directors, subject to requisite approvals, if any.

At the 16<sup>th</sup> Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015, the shareholders had approved payment of commission in a manner that commission may be distributed without any sub-limits amongst and paid to such Directors in such proportions as the Directors may decide from time to time from 1<sup>st</sup> April, 2015 onwards. Accordingly, the Board at its meeting held on 26<sup>th</sup> April, 2016 has approved payment of commission for the year ended on 31<sup>st</sup> March, 2016.

### Performance Evaluation

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

### Criteria for making payments to Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board, Committee of the Board (except CSR Committee) and meeting of Independent Directors attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- A Non-Executive Director will also be entitled to receive commission on an annual basis of such sum as may be approved by the Board within the limits approved by the shareholders in accordance with Statutory provisions in this regard. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company calculated in the prescribed manner;

- The Board may approve a higher commission for the Chairman of the Board of Directors taking into consideration his overall responsibility;
- The Board in determining the quantum of commission payable to the Directors, shall take into consideration the remuneration policy of the Company;
- The Commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year; and
- As per provisions of the Act, henceforth, the Independent Directors will not be entitled to fresh grant of any Stock Options.

Detailed information of Directors' remuneration for the year 2015-16 is set forth below:

(₹ in lakh)						
Name of the Director	Status	Sitting Fees (Note a)	Commission (Note f)	Salary, Performance Pay and Perquisites	Aggregate of Company's contributions to Superannuation & Provident Fund	Total
Mr. Arun Nanda, Chairman	Non-Executive Non-Independent	10.00	85.00	Nil	Nil	95.00
Mr. Sanjiv Kapoor	Non-Executive Independent	11.90	10.00	Nil	Nil	21.90
Mr. Shailesh Haribhakti	Non-Executive Independent	13.50	10.00	Nil	Nil	23.50
Dr. Prakash Hebalkar	Non-Executive Independent	8.10	10.00	Nil	Nil	18.10
Dr. Anish Shah	Non-Executive Non-Independent	N.A.	N.A.	Nil	Nil	0.00
Mr. Anil Harish*	Non-Executive Independent	2.60	2.50	Nil	Nil	5.10
Mr. Uday Y. Phadke**	Non-Executive Non-Independent	N.A.	N.A.	Nil	Nil	0.00
Ms. Anita Arjundas (Note b)	Executive (Managing Director & Chief Executive Officer)	N.A.	Nil	254.43	26.99	281.42

\* Mr. Anil Harish resigned from the Board of Directors of the Company w.e.f. 16<sup>th</sup> June, 2015

\*\* Mr. Uday Y. Phadke retired as Director consequent to retirement by rotation with effect from 31<sup>st</sup> July, 2015.

Notes:

- Non-Executive Non-Independent Chairman and Non-Executive Independent Directors were paid sitting fees for attending meeting of Board, various committees and meeting of Independent Directors as under:

Meeting	Sitting Fees (₹)
Board	1,00,000
Independent Directors Meeting effective from 23 <sup>rd</sup> March, 2016	1,00,000
Share Transfer & Allotment Committee	5,000
Corporate Social Responsibility (CSR) Committee*	Nil
All other Committees	30,000



- \* The members of the CSR Committee have voluntarily waived their entitlement for sitting fees for attending meetings of the said Committee.

The Managing Director & CEO and Non-Executive Non-Independent Director (not being the Chairman) do not receive sitting fees for attending meetings of the Board / Committees of the Board of Directors of the Company.

- b. (i) Ms. Anita, prior to her appointment as Managing Director & CEO in the Company, in her capacity as an employee of the Company, is in receipt of 50,000 Stock Options under Employee Stock Options Scheme-2006 (ESOS-2006) granted to her on 25<sup>th</sup> April, 2008 of which she has exercised 1,000 options. In her capacity as Managing Director & CEO, she is in receipt of 10,000 Stock Options under Employee Stock Options Scheme-2012 (ESOS-2012) granted on 4<sup>th</sup> August, 2012 of which she has exercised 7,000 options and will continue to hold balance options in terms of the Grant. She shall be eligible for additional Stock Options/Grants, as and when the event happens.

- (ii) Salary to Ms. Anita, Managing Director & CEO includes:

- Salary and Allowances of ₹ 185.78 lakh
- Perquisites of ₹ 14.39 lakh
- Performance pay of ₹ 54.27 lakh

The nature of employment of Managing Director & CEO with the Company is contractual and can be terminated by giving three months' notice from either party. The contract does not provide for any severance fee.

- c. The Company has not advanced any loan to any Director.
- d. The Company has granted Stock Options under ESOS-2006 to the following Directors during the year 2008-09 and 2012-13:

Name of the Director	No. of Stock Options Granted on 25 <sup>th</sup> April, 2008 which are vested and to be exercised on or before 24 <sup>th</sup> April, 2017. (Exercise Price ₹428/- per Stock Option)	No. of Stock Options Granted on 4 <sup>th</sup> August, 2012. Vesting vest in four equal instalments of 25% each from date of grant. To be exercised on or before 3 <sup>rd</sup> August, 2021. (Exercise Price ₹325/- per Stock Option)	No. of Stock Options Exercised as on 31 <sup>st</sup> March, 2016*
Mr. Arun Nanda, Chairman	2,00,000	-	1,30,000
Mr. Uday Y. Phadke**	10,000	-	2,500
Mr. Sanjiv Kapoor	10,000	-	-
Mr. Shailesh Haribhakti	10,000	-	10,000

Name of the Director	No. of Stock Options Granted on 25 <sup>th</sup> April, 2008 which are vested and to be exercised on or before 24 <sup>th</sup> April, 2017. (Exercise Price ₹428/- per Stock Option)	No. of Stock Options Granted on 4 <sup>th</sup> August, 2012. Vesting vest in four equal instalments of 25% each from date of grant. To be exercised on or before 3 <sup>rd</sup> August, 2021. (Exercise Price ₹325/- per Stock Option)	No. of Stock Options Exercised as on 31 <sup>st</sup> March, 2016*
Mr. Anil Harish**	10,000	-	-
Dr. Prakash Hebbalkar	-	10,000	5,000
Dr. Anish Shah	-	-	-
Ms. Anita Arjundas	50,000	-	1,000
<b>Total</b>	<b>2,90,000</b>	<b>10,000</b>	<b>1,48,500</b>

- \* As of 31<sup>st</sup> March, 2016, a total of 1,75,250 Stock Options have been exercised by the grantees, out of which 1,48,500 Stock Options have been exercised by the above Directors and 26,750 Stock Options have been exercised by other grantees under ESOS-2006.

- \*\* Mr. Anil Harish has resigned from Board of Directors of the Company with effect from 16<sup>th</sup> June, 2015 and Mr. Uday Y. Phadke retired as Director consequent to retirement by rotation with effect from 31<sup>st</sup> July, 2015.

- e. ESOS-2012: As of 31<sup>st</sup> March, 2016, a total of 44,250 Stock Options have been exercised by the grantees at an exercise price of ₹10 per Stock Option, out of which 7,000 Stock Options have been exercised by Ms. Anita Arjundas, Managing Director & CEO and 37,250 Stock Options have been exercised by other grantees under ESOS-2012.

Details of Vesting period are given below:

Year	Entitlement	Vesting Schedule
1	20%	12 months from the date of grant
2	20%	24 months from the date of grant
3	30%	36 months from the date of grant
4	30%	48 months from the date of grant

The Options are to be exercised within a period of five years from the respective date of vesting. Besides Stock Option, in case of Managing Director & CEO, the performance pay in accordance with 'The Policy for Remuneration of the Directors' and in case of other Directors, payment of commission are the only components of Director's remuneration that are variable. All other components are fixed.

- f. Employee Stock Option and Commission are the only components of Director's Remuneration that are performance linked. All other components are fixed.
- g. As per provisions of the Act and SEBI LODR, henceforth, the Independent Directors will not be entitled to fresh grant of any Stock Options.

### Shares and Convertible Instruments held by Non-Executive Directors:

The details of the Stock Options granted to the Directors are given under Note (b)(i), (d) and (e) of the previous section on Remuneration Policy.

As on 31<sup>st</sup> March, 2016:

- Mr. Arun Nanda holds 1,30,114 equity shares and his spouse jointly with Mr. Arun Nanda holds 600 equity shares in the Company. Mr. Uday Nanda, son of Mr. Arun Nanda holds 350 equity shares jointly with Mrs. Neerja Nanda and Mr. Arun Nanda.
- Ms. Anita Arjundas holds 8,000 equity shares in the Company.
- Dr. Prakash Hebalkar holds 5,000 equity shares in the Company.
- Mr. Shailesh Haribhakti holds 5000 equity shares in the Company.
- Dr. Anish Shah does not hold any shares in the Company either on his own or for any other person on a beneficial basis.
- Mr. Sanjiv Kapoor does not hold any shares in the Company either on his own or for any other person on a beneficial basis.
- As of 16<sup>th</sup> June, 2015 i.e. on the date of his resignation, Mr. Anil Harish was holding nil equity shares and his daughter and son were holding 3,500 equity shares each, of the Company jointly with Mr. Anil Harish aggregating 7,000 equity shares.
- As of 31<sup>st</sup> July, 2015, i.e. on the date of his retirement, Mr. Uday Y. Phadke was holding nil equity shares.

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

The terms of reference of the Committee are also in accordance with the requirements of Regulation 18(3) read with Part C of Schedule II of SEBI LODR and inter-alia includes:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of their fees. Approval of payment of fees to statutory auditors for any other services rendered by the Statutory Auditors;
- Evaluation of the internal control systems and risk management system with the management, Internal Auditors and statutory auditors;
- Review with the management, the annual financial statements and auditors report before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Review of Management Discussion and Analysis of financial condition and results of the operations;
- Management letters / letters of internal control weakness issued by Statutory Auditor;
- Review of material Individual Transactions with related parties not in normal course of business or which are not on arm's length basis;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- Review of financial statements and investment of unlisted subsidiary companies.

During the year under review, 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, eight meetings of the committee were held on the following dates: 30<sup>th</sup> April, 2015; 19<sup>th</sup> June, 2015, 31<sup>st</sup> July, 2015; 23<sup>rd</sup> September, 2015; 30<sup>th</sup> October, 2015; 28<sup>th</sup> January, 2016, 2<sup>nd</sup> March, 2016 and 23<sup>rd</sup> March, 2016. The

## 8. COMMITTEES OF THE BOARD

### Audit Committee

As on 31<sup>st</sup> March, 2016, the Audit Committee of the Company comprises of three independent Directors, namely Mr. Sanjiv Kapoor, Mr. Shailesh Haribhakti and Dr. Prakash Hebalkar and one Non-Executive Non-Independent Director, Dr. Anish Shah. Mr. Sanjiv Kapoor is the Chairman of the Committee. Consequent to resignation of Mr. Anil Harish from the Board of Directors with effect from 16<sup>th</sup> June, 2015 and Mr. Uday Y. Phadke retiring by rotation with effect from 31<sup>st</sup> July, 2015, the Board of Directors at its meeting held on 28<sup>th</sup> August, 2015 reconstituted the Audit Committee by appointing Dr. Prakash Hebalkar and Dr. Anish Shah with effect from 28<sup>th</sup> August, 2015.

All members of the Audit Committee possess strong knowledge of accounting and financial management.

The terms of reference of the Committee pursuant to Section 177 of the Act, inter-alia includes:

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;



maximum gap between any two meetings did not exceed one hundred and twenty days. The details of attendance of the Committee Members at the Audit Committee meetings held during the year are as under:

Name of the Director	Status	No. of Audit Committee Meetings	
		Held	Attended
Mr. Sanjiv Kapoor, Chairman	Non-Executive Independent Director	8	8
Mr. Shailesh Haribhakti	Non-Executive Independent Director	8	8
Dr. Prakash Hebalkar *	Non-Executive Independent Director	8	5
Dr. Anish Shah *	Non-Executive Non-Independent Director	8	3
Mr. Anil Harish **	Non-Executive Independent Director	8	1
Mr. Uday Y. Phadke ***	Non-Executive Non-Independent Director	8	2

\* Appointed as a member of the Committee with effect from 28<sup>th</sup> August, 2015.

\*\* Mr. Anil Harish ceased to be a member of the Committee with effect from 16<sup>th</sup> June, 2015.

\*\*\* Mr. Uday Y. Phadke ceased to be a member of the Committee with effect from 31<sup>st</sup> July, 2015.

Mr. Sanjiv Kapoor, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015. The Chairman of the Company, the Managing Director & CEO, Chief Financial Officer, the Internal Auditors and Statutory Auditors are invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Stakeholders including Directors and employees and their representative bodies to report genuine concerns in the prescribed manner. The Audit Committee and the Board at their respective meetings held on 28<sup>th</sup> January, 2016 modified the Whistle Blower Policy to align with the requirement of SEBI LODR. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of stakeholders including employees and Directors and their representative bodies. 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 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 Boards' Report also provides details on the Whistle Blower Policy of the Company and the Policy is available at web link: <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

### Stakeholders Relationship Committee

As on 31<sup>st</sup> March, 2016, the Stakeholders Relationship Committee of the Company comprises of Non-Executive Non-Independent Director, Mr. Arun Nanda and Non-Executive Independent Director, Dr. Prakash Hebalkar. Mr. Arun Nanda is the Chairman of the Committee. Mr. Suhas Kulkarni, Senior Vice President – Legal & Company Secretary, is the Compliance Officer for the Committee.

The Committee's objective is to attend to investors' complaints pertaining to transfers / transmission of shares, non-receipt of dividend / interest, and any other related matter.

During the year under review, the Committee met once on 23<sup>rd</sup> September, 2015. Mr. Arun Nanda and Dr. Prakash Hebalkar attended the meeting and previous year's Annual General Meeting.

### Nomination and Remuneration Committee

As on 31<sup>st</sup> March, 2016, the Nomination and Remuneration Committee of the Company comprises of two Independent Directors, Mr. Sanjiv Kapoor and Mr. Shailesh Haribhakti and a Non-Executive Non-Independent Director, Mr. Arun Nanda. Mr. Anil Harish ceased to be a member of the Committee with effect from 16<sup>th</sup> June, 2015. Mr. Sanjiv Kapoor is the Chairman of the Committee. During the year under review, 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, the Committee met five times on the following dates: 30<sup>th</sup> April, 2015; 31<sup>st</sup> July, 2015; 28<sup>th</sup> August, 2015; 28<sup>th</sup> January, 2016 and 23<sup>rd</sup> March, 2016. All members of the Committee attended the meetings. Mr. Sanjiv Kapoor, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 31<sup>st</sup> July, 2015.

The role of the Nomination and Remuneration Committee inter-alia, includes:

- To consider appointment, re-appointment, determination of the fixation of the remuneration, revision in the remuneration payable to the Managing Director / Whole-Time Director of the Company from time to time;
- To formulate and administer the Employee Stock Option Scheme ("the Scheme");
- Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board, a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To attend to such other matters and functions as may be prescribed from time to time;
- Devising a policy on Board Diversity.

### Corporate Social Responsibility Committee

As on 31<sup>st</sup> March, 2016, the Committee comprises of Non-Executive Non-Independent Director Mr. Arun Nanda, Independent Director, Mr. Shailesh Haribhakti and the Managing Director & CEO, Ms. Anita Arjundas. Mr. Anil Harish resigned from the Board of Directors of the Company with effect from 16<sup>th</sup> June, 2015 and consequent to his resignation, the Board of Directors at its meeting held on 19<sup>th</sup> June, 2015 reconstituted the Committee by appointing Mr. Shailesh Haribhakti, as member of the Corporate Social Responsibility Committee.

During the year under review, the Committee met four times on the following dates: 30<sup>th</sup> April, 2015; 31<sup>st</sup> July, 2015; 30<sup>th</sup> October, 2015 and 28<sup>th</sup> January, 2016. All members attended the meetings.

### Loans & Investment Committee

As on 31<sup>st</sup> March, 2016, the Loans & Investment Committee of the Board of the Company comprises of two Non-Executive Non-Independent Directors, Mr. Arun Nanda and Dr. Anish Shah and Independent Director, Dr. Prakash Hebalkar. Consequent to resignation of Mr. Anil Harish from the Board of Directors with effect from 16<sup>th</sup> June, 2015 and Mr. Uday Y. Phadke retiring by rotation with effect from 31<sup>st</sup> July, 2015, the Board of Directors at its meeting held on 19<sup>th</sup> June, 2015 and 28<sup>th</sup> August, 2015 reconstituted the Committee by appointing Dr. Prakash Hebalkar and Dr. Anish Shah with effect from 19<sup>th</sup> June, 2015 and 28<sup>th</sup> August, 2015, respectively. The Committee's objective is to finalise within the parameters set by the Board, the terms on which the borrowings/investments would be made by the Company from time to time.

Mr. Arun Nanda is the Chairman of the Committee.

### Share Transfer and Allotment Committee (earlier known as Share Allotment Committee)

The Board at its meeting held on 31<sup>st</sup> July, 2014, changed the nomenclature of the existing "Share Allotment Committee" to "Share Transfer and Allotment Committee". The role of the Committee covers the following:

- to issue duplicate share certificates in lieu of original certificates, which are lost or misplaced against an Indemnity Bond;
- to issue duplicate share certificates in lieu of original certificates, which are lost or misplaced against an Indemnity Bond without insisting on an advertisement or notification being published in the newspaper / Maharashtra Government Gazette, if the face value of shares involved is not more than ₹ 10,000 and the market value is not more than ₹ 5,00,000;
- to approve in physical mode transfers in excess of 5,000 equity shares per transfer;
- to approve transmission in physical mode of equity shares of a market value exceeding ₹ 5,00,000;
- to allot equity shares arising out of exercise of Stock Options pursuant to the Employee Stock Option Scheme- 2006 (ESOS- 2006) and Employee

Stock Option Scheme- 2012 (ESOS-2012), or any other Employee Stock Option Scheme that may be in vogue from time to time, and allot equity shares / preference shares / securities / convertible instruments as per the terms of any other issue of shares / securities / convertible instruments as may be approved by the Board / shareholders from time to time.

As on 31<sup>st</sup> March, 2016, the Committee comprises of two Non-Executive Non-Independent Directors, Mr. Arun Nanda and Dr. Anish Shah and the Managing Director & CEO, Ms. Anita Arjundas. Mr. Uday Y. Phadke retired as Director due to retirement by rotation with effect from 31<sup>st</sup> July, 2015 and consequent to his retirement, the Board of Directors at its meeting held on 28<sup>th</sup> January, 2016 reconstituted the Committee by appointing Dr. Anish Shah, as a member of the Share Transfer and Allotment Committee.

During the year, the Committee also approved issue of duplicate share certificates cum transfer / transmission of shares through circular resolutions.

### Committee for Residential Projects in Joint Venture

As on 31<sup>st</sup> March, 2016, the Committee for Residential Projects in Joint Venture comprises of Non-Executive Non-Independent Director, Mr. Arun Nanda, Independent Director, Mr. Shailesh Haribhakti and the Managing Director & CEO, Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in Residential projects to be undertaken in Joint Venture.

During the year under review, the Committee met twice on 27<sup>th</sup> April, 2015 and 31<sup>st</sup> July, 2015. All members attended the meetings.

### Committee for Large Format Developments

As on 31<sup>st</sup> March, 2016, the Committee for Large Format Developments comprises of Non-Executive Non-Independent Director, Mr. Arun Nanda, Independent Director, Dr. Prakash Hebalkar and the Managing Director & CEO, Ms. Anita Arjundas. The objective of the Committee is to evaluate business plans and investments in large format development projects.

During the year under review, the Committee met twice on 27<sup>th</sup> April, 2015 and 9<sup>th</sup> June, 2015. All members attended the meetings, except Dr. Prakash Hebalkar who was granted leave of absence for Committee meeting held on 27<sup>th</sup> April, 2015.

### Qualified Institutional Placement (QIP) Committee

The Committee comprises of Non-Executive Non-Independent Director, Mr. Arun Nanda, Independent Director, Mr. Shailesh Haribhakti and the Managing Director & CEO, Ms. Anita Arjundas. Mr. Uday Y. Phadke ceased to be a member of the Committee with effect from 31<sup>st</sup> July, 2015. The objective of the Committee is to finalise the terms of issue of equity shares to Qualified Institutional Buyers, and to finalise and approve the Preliminary Placement Document / Placement Document, etc.

### Risk Management Committee comprising of Directors and Executives of the Company

The Company already has in place the procedure to inform the Board about the risk assessment and minimization procedures. Presently, in terms of Regulation 21 of the SEBI LODR, the requirement of Risk Management Committee is not applicable to your Company. However, the Board has constituted Risk Management Committee comprising of Directors and Executives of the Company.

The Committee comprises of Mr. Shailesh Haribhakti, Independent Director, Ms. Anita Arjundas, Managing Director & CEO and Mr. Jayant Manmadkar, Chief Financial Officer of the Company. Mr. Shailesh Haribhakti is the Chairman of the Committee.

The role of the Committee is to monitor and review the risk assessment, mitigation and risk management plan for the Company from time to time.

## 9. GENERAL SHAREHOLDER INFORMATION

### Seventeenth Annual General Meeting

Day / Date: Thursday, 28<sup>th</sup> July, 2016  
 Time: 3:00 p.m.  
 Venue: Y.B. Chavan Centre, General Jagannath  
 Bhosle Marg, Next to Sachivalaya  
 Gymkhana, Mumbai 400 021

### Details of Annual / Extra-ordinary General Meetings held during past three years

Year	Date	Time	Venue
2013	24 <sup>th</sup> July, 2013 14 <sup>th</sup> AGM	3:00 p.m.	Y. B. Chavan Centre, Mumbai
2014	7 <sup>th</sup> August, 2014 15 <sup>th</sup> AGM	3:00 p.m.	Y. B. Chavan Centre, Mumbai
2015	31 <sup>st</sup> July, 2015 16 <sup>th</sup> AGM	3:00 p.m.	IMC Marg, Churchgate

### Details of special resolutions passed in Annual / Extra ordinary General Meetings held during past three years

14 <sup>th</sup> AGM, 24 <sup>th</sup> July, 2013	<ul style="list-style-type: none"> <li>Increase in limit for investment by FII's from 30% to 49% of the Company's paid up equity share capital</li> </ul>
15 <sup>th</sup> AGM, 7 <sup>th</sup> August, 2014	<ul style="list-style-type: none"> <li>Appointment and Remuneration of Managing Director &amp; CEO</li> <li>Borrowing Limits under Section 180(1) (c) of Companies Act, 2013</li> <li>Maintenance of the Register of members and related books at a place other than the Registered Office of the Company</li> <li>Private Placement of Non-Convertible Debentures and / or other Debt Securities upto an aggregate amount of ₹750 crore</li> </ul>

16 <sup>th</sup> AGM, 31 <sup>st</sup> July, 2015	<ul style="list-style-type: none"> <li>Appointment of Mr. Shailesh Haribhakti as an Independent Director</li> </ul>
	<ul style="list-style-type: none"> <li>Appointment of Mr. Sanjiv Kapoor as an Independent Director</li> </ul>
	<ul style="list-style-type: none"> <li>Appointment of Dr. Prakash Hebalkar as an Independent Director</li> </ul>
	<ul style="list-style-type: none"> <li>Private placement of Non-Convertible Debentures and / or other Debt Securities upto aggregate of ₹ 750 crore.</li> </ul>
	<ul style="list-style-type: none"> <li>Commission to Non-Executive Directors</li> </ul>
	<ul style="list-style-type: none"> <li>Adoption of new set of Articles of Association</li> </ul>
	<ul style="list-style-type: none"> <li>Material Related Party Transaction</li> </ul>

No Extra-ordinary General Meeting (EGM) was held during last three years and no special resolution was passed in the previous year through Postal Ballot.

### Dates of Book Closure

Friday, 22<sup>nd</sup> July, 2016 to Thursday, 28<sup>th</sup> July, 2016 (both days inclusive)

### Final Dividend Payment Date

Final Dividend, if declared, will be credited / dispatched between 29<sup>th</sup> July, 2016 to 2<sup>nd</sup> August, 2016.

### Financial Year

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

### Financial reporting for 2016-17 (Tentative)

For Quarter ending – 30 <sup>th</sup> June, 2016	By end of July, 2016
For Half Year ending – 30 <sup>th</sup> September, 2016	By end of October, 2016
For Quarter ending – 31 <sup>st</sup> December, 2016	By end of January, 2017
For year ending – 31 <sup>st</sup> March, 2017	By end of April, 2017

### Listing on Stock Exchanges

The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The Secured Listed Rated Redeemable 10.78% YTM, Non-Convertible Debentures (Non-Convertible Debentures) are listed on BSE Limited. Listing fees have been paid to the Stock Exchanges for the period up to 31<sup>st</sup> March, 2017.

### The Company's Stock Exchange Codes and address:

Name and Address of the Stock Exchanges	Type of Security / Scrip Code	International Security Identification Number (ISIN)
BSE Limited Piroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Equity Shares: Scrip Code - 532313	INE813A01018

Name and Address of the Stock Exchanges	Type of Security / Scrip Code	International Security Identification Number (ISIN)
<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Equity Shares: Scrip Code - MAHLIFE	INE813A01018
<b>BSE Limited</b> Piroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	Non-Convertible Debentures*: <b>Series II</b> - Scrip Code: 949079 Scrip ID: 8MLDL2017B <b>Series III</b> - Scrip Code: 949080 Scrip ID: 8MLDL2018C	Non-Convertible Debentures*: <b>Series II</b> - INE813A07056 <b>Series III</b> - INE813A07031

\* Series I Non-Convertible Debentures were redeemed in April, 2016.

### BSE and NSE – Monthly High / Low and Volumes

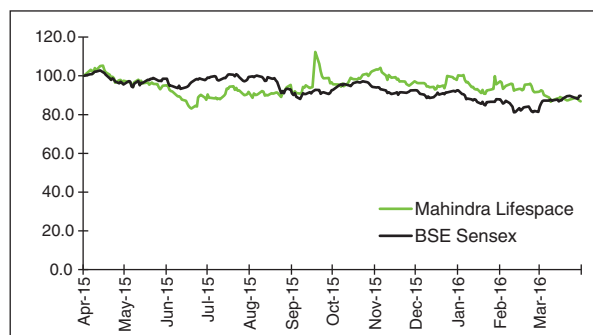
Year	Month	BSE			NSE		
		High (₹)	Low (₹)	Monthly Volume	High (₹)	Low (₹)	Monthly Volume
2015	April	516.90	457.50	73,881	517.00	460.15	4,28,815
2015	May	490.00	448.00	51,029	488.80	450.60	3,17,460
2015	June	467.95	401.30	3,14,716	474.85	401.00	10,81,937
2015	July	464.00	412.30	1,11,484	464.00	410.70	7,19,705
2015	August	465.00	414.85	1,18,285	470.00	414.60	4,25,493
2015	September	558.70	433.75	1,28,649	560.00	435.20	7,90,518
2015	October	513.95	455.00	58,079	516.00	452.00	3,42,977
2015	November	517.90	455.00	73,327	509.90	451.35	2,06,145
2015	December	500.45	445.50	35,659	499.90	444.00	1,49,485
2016	January	497.00	432.85	2,00,598	491.00	435.00	3,59,925
2016	February	475.85	440.10	5,66,214	475.00	437.05	6,60,511
2016	March	455.00	415.30	57,457	462.85	414.90	4,17,997

### Performance in comparison to BSE – Sensex, NSE Nifty, BSE 500 Index and BSE Realty Index

Year	Month	Closing Price on Last Trading Day of the Month				
		MLDL at BSE	BSE Sensex	NSE Nifty	BSE 500	BSE Realty
2015	April	472.05	27,011.31	8,181.50	10,696.83	1,573.06
2015	May	459.75	27,828.44	8,433.65	11,023.76	1,537.68
2015	June	424.50	27,780.83	8,368.50	10,903.53	1,413.26
2015	July	444.20	28,114.56	8,532.85	11,233.42	1,387.35
2015	August	461.30	26,283.09	7,971.30	10,536.38	1,260.66
2015	September	468.05	26,154.83	7,948.90	10,498.27	1,396.60
2015	October	495.95	26,656.83	8,065.80	10,671.58	1,371.63
2015	November	470.50	26,145.67	7,935.25	10,580.88	1,343.89
2015	December	474.00	26,117.54	7,946.35	10,634.22	1,344.33
2016	January	463.10	24,870.69	7,563.55	10,014.03	1,208.95

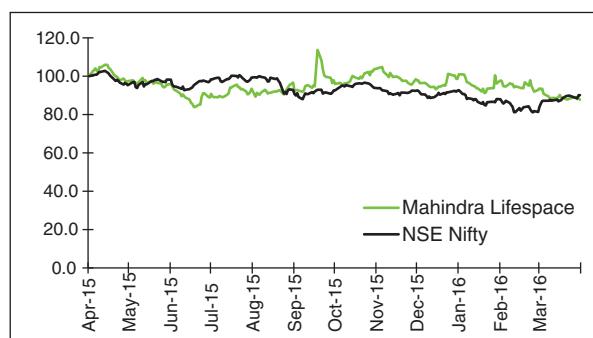
Year	Month	Closing Price on Last Trading Day of the Month				
		MLDL at BSE	BSE Sensex	NSE Nifty	BSE 500	BSE Realty
2016	February	444.00	23,002.00	6,987.05	9,206.02	1,051.08
2016	March	420.35	25,341.86	7,738.4	10,185.12	1,228.35

**Chart A: Mahindra Lifespaces' Share Performance versus BSE Sensex**



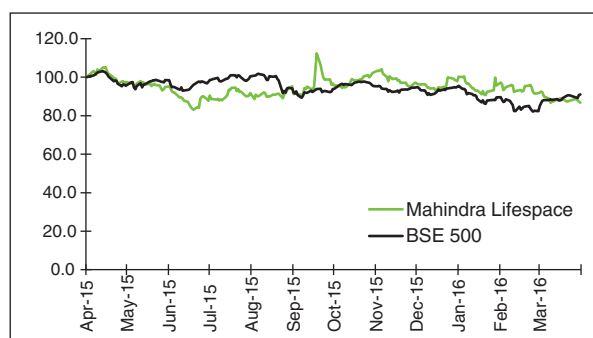
Note: Share price of Mahindra Lifespaces and BSE Sensex have been indexed to 100 on 1<sup>st</sup> April, 2015

**Chart B: Mahindra Lifespaces' Share Performance versus NSE NIFTY**



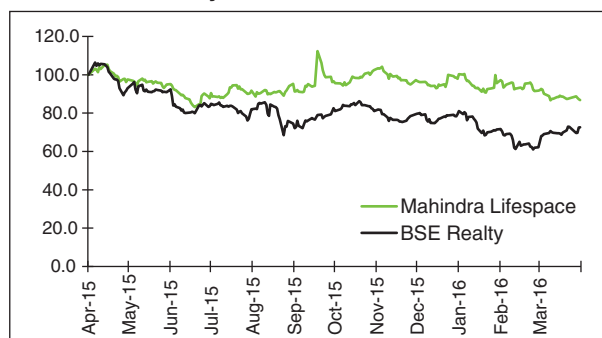
Note: Share price of Mahindra Lifespaces and NSE NIFTY have been indexed to 100 on 1<sup>st</sup> April, 2015

**Chart C: Mahindra Lifespaces' Share Performance versus BSE 500**



Note: Share price of Mahindra Lifespaces and BSE 500 have been indexed to 100 on 1<sup>st</sup> April, 2015



**Chart D: Mahindra Lifespaces' Share Performance versus BSE Realty**

Note: Share price of Mahindra Lifespaces and BSE Realty have been indexed to 100 on 1<sup>st</sup> April, 2015

### Registrar and Share Transfer Agents

**As on 31<sup>st</sup> March, 2016 and till 17<sup>th</sup> June, 2016:**

**Sharepro Services (India) Private Limited**

**Registered Office**

13 AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off. Andheri - Kurla Road, Sakinaka, Andheri (E), Mumbai-400 072  
Tel: 022-67720300, 67720400  
Fax: 022-28591568, 28508927  
E-mail: sharepro@shareproservices.com  
Website: www.shareproservices.com

**Investor Relation Centre Sharepro Services (India) Pvt. Limited**

912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021  
Tel: 022-66134700

**With effect from 18<sup>th</sup> June, 2016:**

**Karvy Computershare Private Limited**

**Corporate Office:**

Karvy Selenium, Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.  
Tel: 91 40-67162222  
Email Id: einward.ris@karvy.com Website: www.karvycomputershare.com

**Investor Relation Centre: Karvy Computershare Private Limited**

24 B, Rajabhadur Mansion Ground Floor, Ambalal Doshi Marg Fort, Mumbai – 400 023  
Tel: 022-66235454 / 412 / 427

### Debenture Trustees:

Axis Trustees Services Limited  
Axis House, 2<sup>nd</sup> Floor Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli, Mumbai 400 025  
Phone: 022 -24252525

### Share Transfer System

Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of documents, provided that, documents are valid and complete in all respects. With a view to expedite the process of share transfers, Ms. Anita Arjundas, Managing Director & CEO, Mr. Suhas Kulkarni, Senior Vice President - Legal & Company Secretary and Ms. Arti Shinde, Deputy General Manager - Secretarial & Legal have been severally authorised by the Board to approve the transfer

of shares in physical form, not exceeding 5,000 equity shares per transfer, provided that, the transferee does not hold 1,00,000 or more equity shares. As of date, there are no pending share transfers pertaining to the year under review.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2016

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 – 100	56,476	89.75	12,52,285	3.05
101 – 200	2,853	4.53	4,25,728	1.04
201 – 300	1,065	1.69	2,72,410	0.66
301 – 400	626	1.00	2,21,887	0.54
401 – 500	456	0.73	2,15,849	0.53
501 - 1,000	748	1.19	5,49,962	1.34
1,001 - 2,000	338	0.54	4,73,252	1.15
2,001 - 3,000	111	0.18	2,77,004	0.68
3,001 - 4,000	57	0.09	2,00,235	0.49
4,001 - 5,000	30	0.04	1,39,559	0.34
5,001 - 10,000	64	0.10	4,61,070	1.12
10,001 & above	101	0.16	3,65,43,909	89.06
<b>Total</b>	<b>62,925</b>	<b>100.00</b>	<b>4,10,33,150</b>	<b>100.00</b>

### Shareholding Pattern

Category	As on 31 <sup>st</sup> March, 2016		As on 31 <sup>st</sup> March, 2015	
	No. of Equity Shares Held	% of Shareholding	No. of Equity Shares Held	% of Shareholding
Promoter's and Promoter Group	2,08,46,126	50.80	2,08,46,126	50.83
Insurance Companies, Banks and Financial Institutions	21,746	0.05	16,127	0.04
UTI and Mutual Funds	4,85,086	1.17	5,34,121	1.30
FIs	1,06,13,809	25.87	1,18,22,364	28.83
NRIs / OCB	5,20,541	1.27	4,69,670	1.15
Bank of New York Mellon (for GDR Holders)	44,770	0.11	44,810	0.11
Domestic Companies	26,23,813	6.4	22,27,097	5.43
Trust	11,975	0.03	13,139	0.03
Resident Individuals	58,65,284	14.3	50,38,746	12.28
<b>Total</b>	<b>4,10,33,150</b>	<b>100.00</b>	<b>4,10,12,200</b>	<b>100.00</b>

### Dematerialisation of Shares

As of 31<sup>st</sup> March, 2016, 4,04,41,710 shares (98.56%) of total paid-up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are traded in the electronic form. Requests for dematerialisation of shares are generally processed and confirmed within 7 days.

### Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

As of 31<sup>st</sup> March, 2016, outstanding GDR's represent 44,770 equity shares. Since the underlying equity shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the equity share capital of the Company.

### Mahindra Lifespace Developers Limited - Unclaimed Suspense Account

The unclaimed / undelivered shares lying in the possession of the Company are required to be dematerialized and transferred into a "Unclaimed Suspense Account" held by the Company. The Company had sent three reminder letters to such shareholders whose share certificates are returned undelivered and hence remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details, etc. registered with the Company in order to avoid transfer of such unclaimed shares to the "Unclaimed Suspense Account." The Company has in March, 2014 transferred 49,854 such unclaimed shares to the "Mahindra Lifespace Developers Limited - Unclaimed Suspense Account". These shares are being credited to the aforesaid Suspense Account. Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split, etc., shall also be credited to such Demat Suspense Account. The Suspense Account shall be held by the Company on behalf of the allottees who are entitled for the shares and the shares held in such Suspense Account shall not be transferred in any manner whatsoever except for the purpose of allotting / delivering the shares as and when the shareholders approach the Company. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. As and when the allottee approaches the Company, the Company shall credit the shares lying in the Suspense Account to the demat account of the allottee to the extent of the allottee's entitlement, after proper verification of the identity of the allottee.

#### Details as of 31<sup>st</sup> March, 2016:

1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year (Shares being credited to the Suspense Account);	Number of shareholders: 3,158 Outstanding shares: 49,683
2	Number of shareholders who approached the issuer for transfer of shares from suspense account during the year;	No. of requests:18 No. of shares: 479
3	Number of shareholders to whom shares were transferred from suspense account during the year;	No. of requests: 18 No. of shares: 479

4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year (shares being credited to the Suspense Account);	Number of shareholders: 3,140 Outstanding shares: 49,204
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### Offices of the Company

#### Registered Office & Corporate Office

Mahindra Lifespace Developers Limited  
CIN: L45200MH1999PLC118949  
5<sup>th</sup> Floor, Mahindra Towers, Worli, Mumbai 400 018  
Tel: 022- 67478600 / 67478601

#### Mumbai Offices

- Chemtex House, Ground Floor, Main Street Road, Hiranandani Gardens, Powai, Mumbai 400 076  
Tel: 022- 66793191 / 66793190
- 301, 3<sup>rd</sup> floor, Building 1, Nirmal Galaxy Avior, LBS Marg, Mulund (W), Mumbai 400 080  
Tel: 022-65301520

#### NCR Offices

- Mahindra Towers, 2A, Bhikaiji Cama Place, New Delhi 110 066 Tel: 011-26173787 / 26194977
- Gurgaon office: Khasra No. 12/19/2, 21/2 22/2 18/6 At Village Behrampur, Sector 59 Gurgaon, Haryana 122 001

#### Chennai Offices

- Administrative Block, Central Avenue, Mahindra World City, Natham Sub P.O., Chengalpet, Kancheepuram 603002, Tamil Nadu  
Tel: 044-4940 0000
- The Canopy, I Floor, Unit.No-II, Mahindra World City, Special Economic Zone, Natham Sub P.O., Near Paranur Rly Station, Chengalpet 603002, Tamil Nadu  
Tel: 044 4940 0050

#### Pune Office

- CTS 6017, Pimpri-Nehru Nagar Road, Next to Dr. Beck Company, Pimpri, Pune 411 018, Maharashtra  
Tel: 020-65103374

#### Hyderabad Office

- Survey No. 78/2 & 78/3 Next to Indu Fortune Fields, Kukatpally, Hyderabad 500 072 Tel: 040 - 64600944

#### Bangalore Office

- 37/2A, Opp. to BPL Software Bannerghatta Road, Arakere Village, Bangalore 560 076



### Dubai Representative Office

- M-1C, Mezzanine Floor, Sultan Business Centre, Next to Lamcy Plaza, P.O. Box 119373, Oud Metha, Dubai.

Shareholders may correspond with the Company at its Registered Office and/or with the Registrars and Share Transfer Agent, Karvy Computershare Private Limited at 24 B, Rajabhadur Mansion, Ground Floor, Ambalal Doshi Marg, Fort, Mumbai 400 023. Tel: 022-66235454 / 412 / 427 Email Id: einward.ris@karvy.com.

### Compliance Officer

Mr. Suhas Kulkarni, Company Secretary  
Mahindra Lifespace Developers Limited  
5<sup>th</sup> Floor, Mahindra Towers,  
Worli, Mumbai 400 018  
Tel: 022-67478600 / 67478601  
Fax: 022-24975084  
E-mail: [kulkarni.suhas2@mahindra.com](mailto:kulkarni.suhas2@mahindra.com)

### Company's investor email ID

[investor.mldl@mahindra.com](mailto:investor.mldl@mahindra.com)

### Company's website

[www.mahindralifespaces.com](http://www.mahindralifespaces.com)

### Status of Investors Complaints received during the period 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016

1	Number of complaints received from the investors comprising non-receipt of dividend, non-receipt of shares lodged for transfer, non-receipt of Annual Report, etc.	5
2	Number of complaints resolved	4
3	Complaints pending as at 31 <sup>st</sup> March, 2016	1*
4	Number of share transfers pending for approval as at 31 <sup>st</sup> March, 2016	Nil

\* The pending complaint was resolved on 13<sup>th</sup> April, 2016.

## 10. DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013 and the Rules framed thereunder.

## 11. RELATED PARTY TRANSACTIONS

The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The policy has been uploaded on the website of the Company and is available at the link: <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

All related party transactions are entered into with prior approval of the Audit Committee.

During the financial year 2015-16, there were no materially significant related party transactions entered

into between the Company and its Promoters, Directors or Key Managerial Personnel, Senior Management, or their relatives, subsidiaries, etc. that may have potential conflict with the interests of the Company at large. Details of Related Party transactions are presented in Note No. 39 to Annual Accounts.

## 12. COMPLIANCE WITH MANDATORY REQUIREMENTS

As of 31<sup>st</sup> March, 2016, the Company was fully compliant with all applicable mandatory requirements of the provisions of SEBI LODR

## 13. NON-MANDATORY REQUIREMENTS

The status of compliance with non-mandatory recommendations of Part E of Schedule II of SEBI LODR is provided below:

- Non-Executive Chairman's Office: The Company at its expense partially maintains office of the Non-Executive Chairman of the Company and reimburses expenses incurred in performance of his duties.
- Shareholders' Rights: As the quarterly, half yearly financial performance and summary of significant events in last six-months are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- Audit Qualifications: The Company's financial statement for the financial year 2016 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director & CEO.
- Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

## 14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report (MDA) has been attached to the Directors' Report and forms part of this Annual Report.

## 15. OTHER DISCLOSURES

### Details of Non-compliance relating to Capital Markets during the past 3 years:

The Company has complied with all requirements of Regulatory Authorities. No penalties / strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market since the listing of the Company's equity shares. The Company has also complied with the requirements of Corporate Governance Report of sub Paras (2) to (10) mentioned in Para C of Schedule V of SEBI LODR and disclosed necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI LODR at the respective places in this report.

### Code for Prevention of Insider Trading Practices

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, on 30<sup>th</sup> April, 2014 approved the “Code for Prohibition of Insider Trading and to regulate, monitor and report trading by Insiders and designated persons” and “Code for Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)” (“these Codes”) which are effective from 15<sup>th</sup> May, 2015. The Code for Prohibition of Insider Trading and to regulate, monitor and report trading by Insiders and designated persons was further modified to align with the amendments / clarifications to the Regulations. These Codes supersede the Code of Conduct for Prevention of Insider Trading in shares of Mahindra Lifespace Developers Limited formulated under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

These Codes lays down guidelines, which advise them on procedures to be followed and disclosures to be made while dealing with shares of the Company and caution them of the consequences of violations. These Codes has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional roles in the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom it is applicable.

### Risk Assessment and Minimization

The Company has appropriate risk management systems in place for identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting. Presently, in terms of Regulation 21 of the SEBI LODR, the requirement of Risk Management Committee is not applicable to your Company. However, the Board has constituted Risk Management Committee comprising of two Directors and the Chief Financial Officer, for monitoring and reviewing of the risk assessment, mitigation and risk management plan from time to time. The Board periodically reviews implementation and monitoring of the risk management plan for the Company.

### Foreign Exchange

In compliance with the Reserve Bank of India guidelines, the Company proactively manages foreign exchange risk

to protect value of exposures, if any, with an objective to manage financial statement volatility. Currently, the Company is only an importer and has in place appropriate risk hedging strategy. Foreign exchange exposures are periodically reviewed and if necessary, hedged while avoiding trading and speculative positions. The Board periodically review foreign exchange exposure, if any and hedges undertaken by the Company.

### Material Non-Listed Subsidiary Company

The Company has formulated a “Policy for determining Material Subsidiaries” and such policy is uploaded on the Company’s website and a web link for the same is: <http://www.mahindralifespaces.com/investors/disclosures-sebi>.

As of 31<sup>st</sup> March, 2016, none of the subsidiary company was a ‘material non-listed subsidiary company’ under Regulation 16(c) of SEBI LODR. However, based on the criteria specified in the ‘Policy for determining material subsidiaries’, Mahindra World City Developers Limited is a material non-listed subsidiary company effective 1<sup>st</sup> April, 2016.

The Audit Committee of the Company periodically reviews the financial statements of subsidiary companies and in particular, the investments made by the unlisted subsidiary company. The management periodically brings to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements, if any, entered into by the unlisted subsidiary company.

### Means of Communication

The quarterly, half-yearly and yearly results are published in daily English and daily Marathi newspapers within prescribed timelines. The Company also informs stock exchanges in a prompt manner, about all price sensitive information or such other matters which in its opinion, are material and relevant to the shareholders and subsequently issues a press release on the said matters. Further, the Company has also been complying with the listing requirement for filing of its financial results with BSE and NSE. The Company’s results, earnings call transcripts, corporate & investor presentations, news and press releases are displayed on the Company’s website [www.mahindralifespaces.com](http://www.mahindralifespaces.com).

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## Declaration on Codes of Conduct

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As required by Regulation 34(3) read with Schedule V(D) of SEBI LODR, the Declaration on Codes of Conduct is given below:

To,

The Members

Mahindra Lifespace Developers Limited

I, Anita Arjundas, Managing Director & CEO of the Company declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Codes of Conduct of Board of Directors and Senior Management.

For and on behalf of the Board,  
For **Mahindra Lifespace Developers Limited**

**Anita Arjundas**  
Managing Director & Chief Executive Officer  
(DIN: 00243215)

Mumbai, 26<sup>th</sup> April, 2016

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## Auditor's Certificate on Corporate Governance

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To

The Members of

Mahindra Lifespace Developers Limited

We have examined the compliance of conditions of Corporate Governance by Mahindra Lifespace Developers Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the listing agreements of the Company with the National Stock Exchange Limited and BSE Limited ("Stock Exchanges"), Regulation 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Chapter IV of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") [collectively referred to as the "Corporate Governance Requirements"].

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above referred Corporate Governance Requirements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration Number 105102W

**Padmini Khare Kaicker**  
Partner  
Membership Number: 044784

Mumbai, 10<sup>th</sup> June, 2016

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Mahindra Lifespace Developers Limited

#### Report on the Financial Statements

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

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

2. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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.
5. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to

the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

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

#### Report on other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A a statement on the matters specified in the paragraphs 3 and 4 of the Order.
10. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) With respect to the other matters 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 financial statements – Refer Note 34 to the financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. The Company did not have any derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm's Registration No. : 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784



## ANNEXURE "A" TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the accounts of Members of Mahindra Lifespace Developers Limited for the year ended 31<sup>st</sup> March, 2016

- 1) i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii) Fixed assets have been physically verified by the management during the year and no material discrepancies were noted on such verification.
- iii) The title deeds of immovable properties are held in the name of the Company.
- 2) i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- ii) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) According to the information and explanations given to us the Company has granted unsecured loans, to 4 companies covered in the register maintained under section 189 of the Companies Act, 2013 aggregating INR 38.89 crore at 31<sup>st</sup> March, 2016.
- i) The terms and conditions of the grant of such loans are not prejudicial to the company's interest
- ii) The above mentioned loans are given for tenure of 5 years repayable on 31<sup>st</sup> March, 2019 with certain repayment options available to the parties. These options have not been exercised by the parties upto 31<sup>st</sup> March, 2016. There are no specific terms mentioned for payment of interest.
- iii) In view of above, there is no overdue of principal and interest in respect of such loans.
- 4) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- 6) As informed to us, the maintenance of cost records has been prescribed by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- 7) i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, and other statutory dues applicable to it. The provisions of Excise Duty are not applicable to the operations of the Company.
- ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year end for a period of more than six months from the date they became payable.
- iii) According to the information and explanations given to us, dues of income-tax, sales tax, service tax, customs duty and work contract tax:

Sr No	Assessment Year	Nature of Dues	Amount ₹ in lakh	Forum where case is pending
1	2005-06	Income Tax - Penalty	28.74	Income Tax Appellate Tribunal
2	2011-12	Income Tax	62.17	Commissioner of Income Tax (Appeals)
3	2006-07	Service Tax	67.70	Chennai III Comm.

- 8) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or repayment of dues to debenture holders.
- 9) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loans were applied for the purposes for which those are raised.
- 10) Based on the audit procedures performed and as per the information and explanations given to us by management, no fraud on or by the Company has been noticed or reported during the year.
- 11) Managerial remuneration paid is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company, not being a Nidhi Company, the para 3(xii) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us all transactions with related parties during the year are in compliance with sections 177 and 188 of Companies Act,

- 2013 and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence provisions of para 3(xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Hence provisions of para 3(xv) are not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence provisions of para 3(xvi) of the Order are not applicable to the Company.

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm's Registration No. : 105102W

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

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

### of Even Date on the Standalone Financial Statements of Mahindra Lifespace Developers Limited

#### Report on the Internal Financial Controls 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 Lifespace Developers Limited (“the Company”) as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors’ 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 I/we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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

#### Opinion

In our opinion, 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 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B. K. Khare and Co.**

Chartered Accountants

Firm’s Registration No. : 105102W

**Padmini Khare Kaicker**

Partner

Membership No. : 44784

Place: Mumbai

Date: 26<sup>th</sup> April, 2016

## Balance Sheet as at 31<sup>st</sup> March, 2016

	Note	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital.....	2	4,103.32	4,101.22
Reserves & Surplus.....	3	1,35,991.17	1,28,212.27
		<b>1,40,094.49</b>	<b>1,32,313.49</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings.....	4	37,500.00	50,000.00
Deferred Tax Liability (Net).....	5	95.51	44.53
Long-Term Provisions.....	6	6,014.44	10,454.18
		<b>43,609.95</b>	<b>60,498.71</b>
<b>Current Liabilities</b>			
Short-Term Borrowings.....	7	19,147.12	-
Trade Payables.....	8	23,980.88	16,312.32
Other Current Liabilities.....	9	26,804.00	10,455.63
Short-Term Provisions.....	10	3,569.51	3,819.33
		<b>73,501.51</b>	<b>30,587.28</b>
<b>TOTAL.....</b>		<b>2,57,205.95</b>	<b>2,23,399.48</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets:	11		
Tangible Assets.....		2,870.73	2,980.20
Capital work-in-progress.....		70.21	-
		<b>2,940.94</b>	<b>2,980.20</b>
Non-Current Investments.....	12	57,339.79	57,339.79
Long-Term Loans & Advances.....	13	5,882.37	27,362.21
Other Non-Current Assets.....	14	75.88	111.44
		<b>66,238.98</b>	<b>87,793.64</b>
<b>Current Assets</b>			
Current Investments.....	15	20,091.64	-
Inventories.....	16	1,07,997.18	78,932.66
Trade Receivables.....	17	5,131.64	1,552.42
Cash & Bank Balances.....	18	14,578.68	4,165.27
Short-term loans and advances.....	19	21,081.45	28,540.05
Other Current Assets.....	20	22,086.37	22,415.44
		<b>1,90,966.96</b>	<b>1,35,605.84</b>
<b>TOTAL.....</b>		<b>2,57,205.95</b>	<b>2,23,399.48</b>
Summary of significant accounting policies	1		
The accompanying notes are integral part of these financial statements.			

As per our Report attached hereto  
For and on behalf of  
**B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No:44784

**Suhas Kulkarni**  
Company Secretary  
FCS: 2427

**Jayant Manmadkar**  
Chief Financial Officer

Mumbai : 26<sup>th</sup> April, 2016

Mumbai : 26<sup>th</sup> April, 2016

For and on behalf of the Board

**Arun Nanda** Chairman - DIN 00010029  
**Anish Shah** Director - DIN 02719429  
**Sanjiv Kapoor** Director - DIN 00004005  
**Shailesh Haribhakti** Director - DIN 00007347  
**Prakash Hebalkar** Director - DIN 00370499  
**Anita Arjundas** Managing Director  
& CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2016

	Note	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>INCOME</b>			
Income from Operations .....	21	50,297.36	62,401.30
Other Income .....	22	9,718.14	13,602.41
Total Income .....		<u>60,015.49</u>	<u>76,003.71</u>
<b>EXPENDITURE</b>			
Operating Expenses .....	23	34,575.23	29,894.15
Employee Benefit Expenses .....	24	5,373.58	4,518.20
Administration & Other Expenses .....	25	3,219.26	5,364.29
Finance Costs .....	26	2,259.12	2,181.66
Depreciation & Amortization Expenses .....	11	414.30	274.40
		<u>45,841.49</u>	<u>42,232.70</u>
Profit before Taxation and Exceptional item .....		14,174.00	33,771.01
Exceptional Item .....		-	-
<b>Profit before tax .....</b>		<b>14,174.00</b>	<b>33,771.01</b>
Less:			
Provision for Current Taxation .....		3,673.90	10,134.38
Provision for Deferred Taxation .....		50.83	307.06
Net tax expense / (benefit) .....		<u>3,724.73</u>	<u>10,441.44</u>
<b>Profit for the year after tax .....</b>		<b><u>10,449.27</u></b>	<b><u>23,329.57</u></b>
Earnings per equity share of face value of ₹ 10 each			
Basic Earnings Per Share (₹) .....	41	25.47	56.94
Diluted Earnings Per Share (₹) .....		25.38	56.70
Summary of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements.

As per our Report attached hereto  
For and on behalf of  
**B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No:44784

**Suhas Kulkarni**  
Company Secretary  
FCS: 2427

**Jayant Manmadkar**  
Chief Financial Officer

Mumbai : 26<sup>th</sup> April, 2016

Mumbai : 26<sup>th</sup> April, 2016

For and on behalf of the Board

**Arun Nanda** Chairman - DIN 00010029  
**Anish Shah** Director - DIN 02719429  
**Sanjiv Kapoor** Director - DIN 00004005  
**Shailesh Haribhakti** Director - DIN 00007347  
**Prakash Hebalkar** Director - DIN 00370499  
**Anita Arjundas** Managing Director  
& CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016



## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>A. Cash flow from operating activities</b>		
<b>Net Profit Before Tax</b> .....	<b>14,174.00</b>	33,771.01
Adjustments for :		
Depreciation .....	<b>414.30</b>	274.40
Provision for diminution in value of investments.....	-	1,850.63
Provision for Doubtful debts .....	-	483.99
Profit on sale of current investments .....	-	33.13
Amortisation of expenses .....	<b>118.71</b>	117.69
Interest Income.....	<b>(8,215.40)</b>	(8,752.09)
Provision for Losses Write Back.....	-	(1,552.04)
Interest Expenses.....	<b>2,259.12</b>	2,181.66
Dividend Income.....	<b>(1,070.83)</b>	(2,638.69)
(Profit)/Loss on sale of Fixed assets (Net) .....	<b>(0.25)</b>	11.39
<b>Operating Profit Before Working Capital Changes</b> .....	<b>7,679.66</b>	25,781.08
Adjustments for :		
Trade and Other Receivables.....	<b>(5.53)</b>	(2,967.46)
Inventories.....	<b>(26,801.99)</b>	(11,727.35)
Trade Payables and Other Liabilities.....	<b>7,196.85</b>	6,825.24
<b>Cash Generated from Operations</b> .....	<b>(11,931.00)</b>	17,911.51
Income taxes (paid) / received .....	<b>(4,144.06)</b>	(9,260.51)
<b>Net Cash from operating activities</b> .....	<b>(16,075.07)</b>	8,651.00
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets.....	<b>(392.80)</b>	(432.03)
Proceeds from sale of Fixed Assets.....	<b>18.01</b>	13.87
Proceeds /(Investments) in others (Net).....	<b>(20,091.64)</b>	9,336.44
Proceeds/ (Investment )in subsidiaries.....	-	8,350.62
Interest received.....	<b>12,244.08</b>	4,243.37
Dividend received.....	<b>1,070.83</b>	2,638.69
Deposits / Advances with Companies .....	<b>21,786.84</b>	(3,935.70)
<b>Net Cash (used in) / from investing activities</b> .....	<b>14,635.32</b>	20,215.27

**C. Cash flow from financing activities**

Increase in borrowings .....	<b>19,147.12</b>	-
Repayment of Loan .....	-	(19,565.63)
Interest paid .....	<b>(4,508.51)</b>	(4,075.36)
Dividend Paid .....	<b>(2,797.59)</b>	(5,380.47)
Issue of share capital .....	<b>2.10</b>	16.38
Share Premium Proceeds .....	<b>10.03</b>	565.86
<b>Net Cash used in financing activities .....</b>	<b>11,853.15</b>	<b>(28,439.22)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents .....</b>	<b>10,413.41</b>	<b>427.05</b>
<b>Cash and Cash Equivalents (Opening) .....</b>	<b>3,494.70</b>	3,067.65
<b>Cash and Cash Equivalents (Closing) .....</b>	<b>13,908.11</b>	3,494.70

As per our Report attached hereto

For and on behalf of

**B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No:44784

Mumbai : 26<sup>th</sup> April, 2016**Suhas Kulkarni**

Company Secretary

FCS: 2427

Mumbai : 26<sup>th</sup> April, 2016**Jayant Manmadkar**

Chief Financial Officer

For and on behalf of the Board

**Arun Nanda**

Chairman - DIN 00010029

**Anish Shah**

Director - DIN 02719429

**Sanjiv Kapoor**

Director - DIN 00004005

**Shailesh Haribhakti**

Director - DIN 00007347

**Prakash Hebalkar**

Director - DIN 00370499

**Anita Arjundas**

Managing Director

&amp; CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## Notes to the Financial Statement as at and for the year ended 31<sup>st</sup> March, 2016

### 1) SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation:

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

#### b) Presentation and Disclosure of Financial Statements

Assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of activity carried out by the company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 5 years for the purpose of Current – Non Current classification of assets & liabilities.

#### c) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates.

#### d) Fixed Assets:

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case where the asset takes a substantial period of time to be ready for its intended use.

The carrying amount of cash generating units / assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

Depreciation on tangible fixed assets has been provided on pro-rata basis, on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:

Lease hold improvements are amortised over the period of lease/estimated period of lease.

Plant & Machinery includes Plant and Machinery used in civil construction – Others and amortised over a period of 5 years.

Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost at site is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

#### e) Intangible Assets:

All Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed.

Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months

#### f) Investments:

Investments are classified into Non-Current and Current Investments.

Non-current investments are carried at cost less diminution other than temporary. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current Investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

**g) Inventories:**

Inventories are stated at lower of cost and net realisable value. The cost of construction material is determined on the basis of weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

**h) Revenue Recognition:**Income from Projects

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Up to 31<sup>st</sup> March, 2012, revenue from real estate projects is recognized only when actual project cost incurred is atleast 25% of the total estimated project costs including land and when atleast 10% of the sales consideration is received.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1<sup>st</sup> April 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1<sup>st</sup> April 2012, revenues will be recognized from these real estate projects only when

- i. the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- ii. when at least 10% of the sales consideration is realised and
- iii. where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Income from sale of land and other rights

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which generally with the firmity of the sale contracts/agreements.

Income from Project Management

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the management fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

Interest and dividend income

Interest income is accounted on an accrual basis at contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

**i) Employee benefits:**

- (i) Defined contribution Plans

Company's contributions paid/payable during the year to Provident Fund and Superannuation Fund are recognised in the Statement of Profit and Loss.

**(ii) Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

- (iii) In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

**j) Borrowing Costs:**

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

**k) Provision for taxation:**

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless, in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax asset arising from unabsorbed depreciation, brought forward tax losses and items relating to capital losses wherein deferred tax asset is only recognized when there is virtual certainty. The carrying amount of deferred tax is reviewed at each balance sheet date.

**l) Segment Information:**

The Company operates in two main segments; namely "Projects, Project Management and Development activities" and "Operating of commercial complexes". The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

**m) Provisions and Contingent Liabilities**

Provisions are recognized in the financial statements in respect of a present obligation arising from a past event, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

**n) Employee stock compensation costs**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.



**2) Share Capital:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Authorised</b>		
11,50,00,000 (Previous year 11,50,00,000) Equity Shares of ₹ 10 each .....	11,500.00	11,500.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of ₹ 10 each.....	600.00	600.00
	<u>12,100.00</u>	<u>12,100.00</u>
<b>Issued</b>		
4,10,74,001 (Previous year 4,10,53,051) Equity Shares of ₹ 10 each .....	4,107.40	4,105.31
	<u>4,107.40</u>	<u>4,105.31</u>
<b>Subscribed and Paid-up</b>		
4,10,33,150 (Previous year 4,10,12,200) Equity Shares of ₹ 10 each fully paid up....	4,103.32	4,101.22
	<u>4,103.32</u>	<u>4,101.22</u>

**a) Reconciliation of number of shares**

	Current Year		Previous Year	
	No of Shares	₹ in lakh	No of Shares	₹ in lakh
<b>Equity Shares</b>				
Balance as at the beginning of the year	4,10,12,200	4,101.22	4,08,48,350	4,084.84
Add: Shares Issued (earlier kept in abeyance)	-	-	-	-
Add: Stock Options exercised during the year	20,950	2.10	1,63,850	16.38
Balance as at the end of the year	<u>4,10,33,150</u>	<u>4,103.32</u>	<u>4,10,12,200</u>	<u>4,101.22</u>

**b)** Equity Shares: The Company has issued one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share.

**c) Shares held by holding company**

	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares</b>				
Mahindra & Mahindra Limited	2,08,46,126	50.80%	2,08,46,126	50.83%

Other than the above shares, no shares are held by any subsidiaries or associates of the holding company.

**d) Details of shares held by shareholders including Holding Company, holding more than 5% of the aggregate shares in the Company**

	Current Year		Previous Year	
	No of Shares	% holding	No of Shares	% holding
<b>Equity Shares</b>				
Mahindra & Mahindra Limited (Holding Company)	2,08,46,126	50.80%	2,08,46,126	50.83%
Amansa Investments Limited	23,41,170	5.71%	25,05,170	6.11%
Small Cap World Fund, INC	21,57,380	5.26%	21,57,380	5.26%

**e) Shares reserved for issue under options**

The Company has 5,58,380 (Previous Year 5,58,430) equity shares of ₹ 10/- each reserved for issue under options [Refer Note 24(b)].

**f)** The allotment of 40,851 (Previous Year 40,851) equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (Section 126 of the Companies Act 2013), till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

## 3) Reserves &amp; Surplus

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year .....	7,353.58	7,353.58
Add:- Transfer from Profit & Loss Account .....	-	-
Balance as at the end of the year .....	<u>7,353.58</u>	<u>7,353.58</u>
<b>Debenture Redemption Reserve</b>		
Balance as at the beginning of the year .....	6,270.83	3,135.42
Add:- Transfer from Profit & Loss Account .....	3,135.42	3,135.41
Balance as at the end of the year .....	<u>9,406.25</u>	<u>6,270.83</u>
<b>Share Premium Account</b>		
Balance as at the beginning of the year .....	58,112.18	57,428.01
Add: Premium on shares issued during the year.....	74.26	684.17
Balance as at the end of the year .....	<u>58,186.44</u>	<u>58,112.18</u>
<b>General Reserve</b>		
Balance as at the beginning of the year .....	7,299.49	4,966.53
Add:- Transfer from Profit & Loss Account .....	-	2,332.96
Balance as at the end of the year .....	<u>7,299.49</u>	<u>7,299.49</u>
<b>Share options outstanding account</b>		
A) Employee Stock Option Outstanding:		
Balance as at the beginning of the year.....	560.32	541.98
Add: Grant of options during the year .....	150.48	136.65
Less: Amount transferred to Securities premium/Options Lapsed.....	<u>(63.81)</u>	<u>(118.31)</u>
Balance as at the end of the year .....	646.99	560.32
Less:		
B) Deferred Employee Compensation Expenses :		
Balance as at the beginning of the year.....	284.04	298.60
Add: Grant of options during the year .....	150.48	136.65
Less: Transfer to Employee Benefits Expenses / Options Lapsed.....	<u>(118.71)</u>	<u>(151.21)</u>
Balance as at the end of the year .....	315.81	284.04
Balance as at the end of the year .....	<u>331.18</u>	<u>276.28</u>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year .....	48,899.91	36,519.49
Profit for the year .....	10,449.27	23,329.57
Less: Appropriations		
Proposed Dividend on Equity Shares.....	2,462.16	2,469.61
Tax on proposed dividend .....	336.95	502.46
Depreciation adjustment (Net of Deferred Tax Adjustment).....	-	6.05
Interim Dividend On Equity Shares .....	-	2,459.78
Tax on Interim Dividend.....	-	42.88
Transfer to Debenture Redemption Reserve.....	3,135.42	3,135.41
Transfer to General Reserve .....	-	2,332.96
Balance as at the end of the year .....	<u>53,414.65</u>	<u>48,899.91</u>
	<u>1,35,991.17</u>	<u>1,28,212.27</u>

#### 4) Long Term Borrowings

##### Non-Convertible Debentures

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Secured# .....	37,500.00	50,000.00
	<u>37,500.00</u>	<u>50,000.00</u>

##### #Non-Convertible Debentures

The terms and conditions of the Secured Non-Convertible Debentures issued by the Company are summarized below:-

Series	I	II	III
Face Value of Debentures (₹ lakh)	12,500.00	17,500.00	20,000.00
Total Redemption Amount (₹ lakh)	4,498.71	2,290.30	3,455.65
Rate of Interest Payable Annually	0%	8%	8%
Maturity Date	4 <sup>th</sup> April 2016	4 <sup>th</sup> April 2017	4 <sup>th</sup> April 2018

The above debentures are secured by an exclusive charge over all assets, including Land & building as identified by the Company from time to time.

At present the identified assets are land owned by the Company which is accounted as a part of Construction Work in Progress and land owned by its Subsidiary Mahindra Integrated Township Limited.

Series I Debentures of face value ₹ 12,500 lakh are getting matured on 4<sup>th</sup> April 2016 and hence they form part of Other Current Liabilities.

As it stands today on the date of approval of accounts, the same along with its redemption amount has already been repaid on the due date on 4<sup>th</sup> April 2016.

#### 5) Deferred Tax Asset/Liability (Net)

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Deferred Tax Liability		
Relating to :		
Difference between book and tax depreciation .....	604.87	614.15
Less: Transition Adjustment .....	-	(3.12)
	<u>604.87</u>	<u>611.03</u>
Deferred Tax Asset		
Relating to :		
Expenses allowable on actual payment .....	509.36	566.50
	<u>509.36</u>	<u>566.50</u>
Deferred Tax Liability (Net).....	<u>95.51</u>	<u>44.53</u>
Deferred Tax Asset (Net).....	<u>-</u>	<u>-</u>

**6) Long Term Provisions**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee benefits		
Gratuity [Refer note no.24(a)].....	108.44	121.64
Compensated absences.....	160.06	87.89
Provision for Premium on redemption of debentures .....	5,745.94	10,244.65
	<u>6,014.44</u>	<u>10,454.18</u>

**7) Short Term Borrowings**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Secured Loans</b>		
From Bank.....	12,147.12	-
<b>Unsecured Loans</b>		
From Bank.....	7,000.00	-
	<u>19,147.12</u>	<u>-</u>

**Secured Loan****Nature of Security**

Short Term Loan/Working Capital Demand Loan and Cash Credit/Overdraft facility. The Short Term Loan/WCDL is secured by exclusive mortgage charge on immovable properties of the company while Cash Credit/Overdraft is secured by first hypothecation charge on all existing and future current assets of the company.

**Terms of Repayment**

Rate of interest is base rate plus 0.20% (presently 9.70%p.a). Cash Credit/ Overdraft facility is repayable on demand from bank.

**Unsecured Loan**

Includes Short Term Loan from bank for working capital purposes.

**8) Trade Payables**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Trade Payables - Others .....	23,980.88	16,312.32
	<u>23,980.88</u>	<u>16,312.32</u>

Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

**9) Other Current Liabilities**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Maturity of Long Term Borrowings .....	12,500.00	-
Premium on redemption of debentures .....	4,498.71	-
Advances and Deposits.....	5,401.72	5,001.15
Unclaimed Dividends.....	112.62	103.24
Interest accrued but not due.....	2,993.64	2,975.34
Other Liabilities.....	1,297.31	2,375.90
	<u>26,804.00</u>	<u>10,455.63</u>

a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

**10) Short Term Provisions**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee benefits		
- Gratuity [Refer note 24(a)].....	<b>5.59</b>	37.24
- Compensated absences.....	<b>182.48</b>	286.17
Others		
Defect Liabilities / Warranties@ .....	<b>418.23</b>	534.23
Proposed Dividend .....	<b>2,462.00</b>	2,460.73
Provision for tax on Proposed Dividend .....	<b>501.21</b>	500.96
	<b>3,569.51</b>	3,819.33

@The movement in provisions for defect liability is as follows:

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Balance as on 1 <sup>st</sup> April .....	<b>534.23</b>	339.51
Add: Provision made during the year .....	<b>440.48</b>	209.56
Less: Provision reversed .....	<b>525.00</b>	-
Less: Utilisation during the year .....	<b>31.48</b>	14.84
Balance as on 31 <sup>st</sup> March.....	<b>418.23</b>	534.23



## 11) Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 31st March, 2015	Additions	Deductions/ Adjustments	As at 31st March, 2016	Up to 31st March, 2015	Deductions/ Adjustments	Depreciation Adjustment *	For the Year	Up to 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
<b>Tangible Assets:</b>											
Land	44.27	-	-	44.27	-	-	-	-	-	44.27	44.27
Buildings	353.61	-	-	353.61	83.45	-	-	143.26	226.71	126.90	270.16
-Owned	2,955.17	-	-	2,955.17	1,024.35	-	-	-	1,024.35	1,930.82	1,930.82
-Given Under Operating Lease	118.69	146.12	-	264.81	66.00	-	-	15.85	81.85	182.96	52.69
Furniture & Fixtures	186.71	9.44	-	196.15	155.49	-	-	12.25	167.74	28.41	31.22
Plant & Machinery	507.64	56.44	6.51	557.57	374.57	6.50	-	84.05	452.12	105.45	133.07
Computers	374.02	110.59	32.61	452.00	127.62	14.86	-	122.25	235.01	216.99	246.40
Vehicles	452.09	-	-	452.09	180.52	-	-	36.64	217.16	234.93	271.57
Leasehold improvements	4,992.20	322.59	39.12	5,275.67	2,012.00	21.36	-	414.30	2,404.94	2,870.73	2,980.20
<b>SUB TOTAL</b>	4,612.91	432.03	52.74	4,992.20	1,756.14	27.70	9.16	274.40	2,012.00	2,980.20	2,856.77
Previous Year											
<b>Intangible Assets:</b>											
Software	289.52	-	-	289.52	289.52	-	-	-	289.52	-	-
<b>SUB TOTAL</b>	289.52	-	-	289.52	289.52	-	-	-	289.52	-	-
Previous Year											
<b>Total</b>	5,281.72	322.59	39.12	5,565.19	2,301.49	21.36	-	414.30	2,694.46	2,870.73	2,980.20
Previous year total	4,902.43	432.03	52.74	5,281.72	2,045.66	27.70	9.16	274.40	2,301.52	2,980.20	2,856.77
<b>Capital Work In Progress</b>										70.21	-
										2,940.94	2,980.20

\*Depreciation adjustment in previous year was due to change in useful life as prescribed in Schedule II to the Companies Act, 2013.

## Fixed Assets (Previous Year)

₹ in lakh

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As at 31 <sup>st</sup> March, 2014	Additions	Deductions/ Adjustments	As at 31 <sup>st</sup> March, 2015	Up to 31 <sup>st</sup> March, 2014	Deductions/ Adjustments	Depreciation Adjustment *	For the Year	Up to 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
<b>Tangible Assets:</b>											
Land	44.27	-	-	44.27	-	-	-	-	-	44.27	44.27
Buildings	164.06	189.55	-	353.61	24.55	-	-	58.90	83.45	270.16	139.50
- Owned	2,955.17	-	-	2,955.17	1,012.13	-	-	12.22	1,024.35	1,930.82	1,943.04
- Given Under Operating Lease	116.14	2.55	-	118.69	60.21	-	-	5.79	66.00	52.69	55.93
Furniture & Fixtures	176.04	10.67	-	186.71	141.82	-	-	13.67	155.49	31.22	34.59
Plant & Machinery	414.85	96.09	3.30	507.64	268.41	3.55	9.16	100.55	374.57	133.07	145.94
Computers	352.98	70.48	49.44	374.02	96.21	24.16	-	55.57	127.62	246.40	256.91
Vehicles	389.40	62.69	-	452.09	152.81	-	-	27.71	180.52	271.57	236.59
Leasehold improvements	4,612.91	432.03	52.74	4,992.20	1,756.14	27.71	9.16	274.41	2,012.00	2,980.20	2,856.77
<b>SUB TOTAL</b>	4,093.48	634.34	114.91	4,612.91	1,618.81	94.62	-	231.95	1,756.14	2,856.77	2,474.69
Previous Year											
<b>Intangible Assets:</b>											
Software	289.52	-	-	289.52	289.52	-	-	-	289.52	-	-
<b>SUB TOTAL</b>	289.52	-	-	289.52	289.52	-	-	-	289.52	-	-
Previous Year											
<b>Total</b>	4,902.43	432.03	52.74	5,281.72	2,045.66	27.70	9.16	274.41	2,301.52	2,980.20	2,856.77
Previous year total	4,383.00	634.34	114.91	4,902.43	1,908.33	94.62	-	231.95	2,045.66	2,856.77	2,474.69
<b>Capital Work In Progress</b>											
										2,980.20	2,856.77

\*Depreciation adjustment is due to change in useful life as prescribed in Schedule II to the Companies Act, 2013

- a) There is debit to retained earnings of ₹ 6.05 lakh (net of deferred tax) for the asset whose remaining life on 1<sup>st</sup> April, 2014 is reduced to NIL, in accordance with revised life as considered by management.
- b) The depreciation charge for the year ended 31<sup>st</sup> March, 2015 is higher by ₹ 45.45 lakh.

## 12) Non-Current Investments

	Face Value ₹	Number of shares	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Trade, Unquoted (At Cost)</b>				
<b>Equity Shares</b>				
<b>In Subsidiary Companies</b>				
Mahindra Infrastructure Developers Limited	10	1,80,00,000	1,800.00	1,800.00
Mahindra World City Developers Limited	10	1,77,99,999	3,886.54	3,886.54
Mahindra World City (Jaipur) Limited	10	11,10,00,000	11,100.00	11,100.00
Mahindra World City (Maharashtra) Limited	10	11,70,400	117.04	117.04
Mahindra Integrated Township Limited	10	3,70,00,000	3,700.00	3,700.00
Knowledge Township Limited	10	2,10,00,000	2,100.00	2,100.00
Mahindra Bebanco Developers Limited	10	35,000	3.50	3.50
Industrial Township (Maharashtra) Limited	10	50,00,000	500.00	500.00
Industrial Cluster Private Limited (Earlier Known as Mahindra Housing Private Limited)	10	50,000	5.00	5.00
Raigad Business and Industrial Park limited	10	1,10,000	11.00	11.00
Anthurium Developers Limited	10	50,000	5.00	5.00
<b>In Joint Venture</b>				
Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)				
Class A Equity Shares	10	2,05,628	20.56	20.56
Class C Equity Shares	10	389	0.04	0.04
			<b>23,248.68</b>	<b>23,248.68</b>
<b>In Associates</b>				
Topical Builders Private Limited	10	175	0.02	0.02
Kismat Developers Private Limited	10	15	0.00	0.00
			<b>0.02</b>	<b>0.02</b>
<b>In Others</b>				
Deepmangal Developers Private Limited	100	177	284.61	284.61
New Tirupur Area Development Corporation Limited	10	5,00,000	50.63	50.63
Mahindra Knowledge Park (Mohali) Limited	10	6	0.00	0.00
			<b>335.24</b>	<b>335.24</b>
<b>Preference Shares</b>				
<b>In Subsidiary Companies</b>				
Mahindra World City Jaipur Limited (8% Redeemable Cumulative Preference Shares)	10	3,70,00,000	3,700.00	3,700.00
			<b>3,700.00</b>	<b>3,700.00</b>
<b>In Joint Venture</b>				
Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited) (0.01% Optionally Convertible Redeemable Preference Shares)	10	1	0.00	0.00
			<b>0.00</b>	<b>0.00</b>

	Face Value ₹	Number of shares	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>In Associates</b>				
Topical Builders Private Limited (8.5% Non-cumulative Redeemable Preference Shares)	10	4,825	0.48	0.48
Kismat Developers Private Limited (8.5% Non-cumulative Redeemable Preference Shares)	10	4,985	0.50	0.50
			<u>0.98</u>	<u>0.98</u>
<b>In Others</b>				
Mahindra Knowledge Park (Mohali) Limited (7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares)	-	-	0.00	0.00
Moonshine Construction Private Limited (7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares)	10	5,000	0.50	0.50
			<u>0.50</u>	<u>0.50</u>
<b>Debentures</b>				
<b>In Joint Venture</b>				
Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited) (17.65% Optionally Convertible Debentures)	100	3,20,17,000	32,017.00	32,017.00
			<u>32,017.00</u>	<u>32,017.00</u>
			<u>59,302.42</u>	<u>59,302.42</u>
Less : Provision for diminution in value of investments			<u>(1,962.63)</u>	<u>(1,962.63)</u>
			<u>57,339.79</u>	<u>57,339.79</u>

- a) The Company's investment in the equity shares of New Tirpur Area Development Corporation Limited ("NTADCL") aggregates ₹ 1,550.63 lakh comprising ₹ 50.63 lakh invested directly by the Company and ₹ 1,500 lakh by its wholly owned subsidiary Mahindra Infrastructure Developers Limited ("MIDL"). Other than the investment in NTADCL, MIDL has no other operations. The net worth of NTADCL and MIDL is substantially eroded.

NTADCL was exploring the option of supplying industrial water to a textile park proposed to be set up by the state government of Karnataka which would have contributed substantially to its revenues. Consequent, to the finalization of the financial statements for the year ended 31<sup>st</sup> March, 2014 it was expected that there were likely to be delays in setting up the same and the probability of the whole project being set up was significantly lower as compared to the previous year. As a result, MIDL during the previous year has made a provision for diminution of its investment in NTADCL of ₹ 1,500 lakh. The Company has also made a provision for diminution of its investment in MIDL of ₹ 1,800 lakh and ₹ 50.63 lakh of its investment in NTADCL in previous year ending 31<sup>st</sup> March, 2015.

**13) Long Term Loans & advances**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
(Unsecured, considered good, unless otherwise stated)		
Loans and advances to related parties		
- Considered good* .....	3,681.56	25,631.56
- Considered doubtful .....	-	-
Advance payment of Income tax (net of Provision for tax ₹ 36,659.28 lakh (Previous year ₹ 32,987.63 lakh) .....	2,200.81	1,730.65
	<u>5,882.37</u>	<u>27,362.21</u>

The long term loans and advances comprise entirely unsecured loans and advances to related parties for business purpose:

**\*Loans to Subsidiary****Name of the Company**

	Balance as on 31 <sup>st</sup> March, 2016 (₹ In lakh)	Maximum outstanding during the year (₹ In lakh)
Knowledge Township Limited.....	1,917.00	1,917.00
Mahindra Bebanco Developers Limited.....	1,764.56	1,764.56
<b>Total</b> .....	<u>3,681.56</u>	<u>3,681.56</u>

**14) Other Non-Current Assets**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Long Term Deposits with Banks having maturity more than 12 months .....	75.88	111.44
(Fixed deposit of ₹ 18.05 lakh (Previous year- ₹ 60.75 lakh) is against Margin Monies with banks for Bank Guarantee)		
	<u>75.88</u>	<u>111.44</u>

**15) Current Investments**

	Current Year		Previous Year	
	No. of Units	₹ in lakh	No. of Units	₹ in lakh
<b>Unquoted, Non Trade</b>				
<b>(At lower of cost or fair value)</b>				
<b>In Units of Mutual Fund</b>				
HDFC Liquid Fund-Growth .....	2,70,545	8,065.23	-	-
UTI-Money Market Fund-Institutional Plan-Growth .....	2,36,977	4,008.48	-	-
ICICI Prudential Money Market Fund-Growth .....	19,18,852	4,008.45	-	-
Birla Sun Life Floating Rate Fund-Short Term Plan-Growth- Regular Plan.....	19,93,094	4,009.48	-	-
		<u>20,091.64</u>	<u>-</u>	<u>-</u>



**16) Inventories**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
(At lower of cost and net realizable value)		
Raw material.....	2,156.66	2,170.11
Construction Work in Progress *# .....	<u>1,05,840.52</u>	<u>76,762.55</u>
	<u><b>1,07,997.18</b></u>	<u><b>78,932.66</b></u>

\*Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

#The Company had during the previous year entered into mutually agreed consent terms with a land-owner in respect of the project, commencement of which had been delayed and in accordance with the consent terms, the Company during the previous year completed the sale of land in relation thereto. Accordingly, the provision for losses to project completion for ₹ 1,023.00 lakh in respect was no longer required and reversed during the previous year. Further, revenue from operations for the previous year ended 31<sup>st</sup> March, 2015 includes ₹ 25,263 lakh on sale thereof, net of the advances given and interest thereon. Operating expenses included in the previous year ₹ 2,263 lakh of costs incurred in relation thereto. Other income included in the previous year ₹ 1,550 lakh pertaining to write back of the provision for the interest on the aforesaid advance no longer required.

Consequent to the above, construction work-in-progress of ₹ 765.87 lakh and short term loans and advances and interest accrued on project advances included in other current assets of ₹ 4,205.26 lakh and ₹ 2,174.98 lakh, respectively, at 31<sup>st</sup> March, 2014 have been realized during the previous year.

Specified Land owned by the Company is given as security for debentures (Refer note 4).

**17) Trade Receivables**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Outstanding over six months		
Considered Good .....	667.86	481.98
Considered Doubtful.....	<u>595.15</u>	<u>595.15</u>
	1,263.01	1,077.13
Other debts, considered good .....	4,463.78	1,070.44
Less: Provision for doubtful receivables .....	<u>(595.15)</u>	<u>(595.15)</u>
	<u><b>5,131.64</b></u>	<u><b>1,552.42</b></u>

**18) Cash & Bank Balances**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Cash in hand .....	1.05	1.55
Bank Balances		
- In Current Accounts.....	12,033.63	3,056.77
- In Deposit Accounts with Banks .....	2,544.00	1,106.95
(Fixed deposit of ₹ 435.73 lakh (Previous year- ₹ 443.75 lakh) is against Margin Monies with banks for Bank Guarantee)		
	<u><b>14,578.68</b></u>	<u><b>4,165.27</b></u>

**(a) Cash and cash equivalents for the purpose of cash flow**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Cash in hand .....	1.05	1.55
Bank Balances		
-In Current Accounts.....	12,033.63	3,056.77
-In Deposit Accounts with maturity upto 3 months .....	<u>1,873.43</u>	<u>436.38</u>
	<u><b>13,908.11</b></u>	<u><b>3,494.70</b></u>

**(b) Balance with Banks includes Unclaimed Dividend of ₹ 112.62 lakh (Previous year ₹ 103.24 lakh)**

**19) Short Term Loans & Advances**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
(Unsecured, Considered good unless otherwise stated)		
Loans and advances to related parties		
- Considered good .....	2,207.64	2,262.64
- Considered doubtful .....	-	-
Less: Provision for doubtful loans and advances .....	-	-
	<u>2,207.64</u>	<u>2,262.64</u>
Other Loans & Advances		
- Considered good *# .....	15,414.08	22,347.09
- Considered doubtful .....	271.25	271.25
	<u>15,685.33</u>	<u>22,618.34</u>
Less : Provision for doubtful loans & advances .....	(271.25)	(271.25)
	<u>15,414.08</u>	<u>22,347.09</u>
Staff Loans and Advances .....	31.38	20.25
Deposits		
- Considered good .....	3,428.45	3,910.07
- Considered doubtful .....	-	-
Less : Provision for doubtful advances .....	-	-
	<u>21,081.45</u>	<u>28,540.05</u>

\*Refer note no. 16(#)

# During the previous year Other Loans and advances included project advances of ₹ 10,000 lakh pending for over 3 years relating to a project whose commencement had been delayed due to non-performance with respect to the agreed condition precedents by Vendors. The Company had taken legal action against the vendors to protect the interest of the Company where in the H'ble High Court at Mumbai had given order restraining the vendors from creating any third party rights in respect of the suit property or part with possession thereof.

During the current year, the company has received an award in terms of the consent terms filed by the Company and the Vendors before the H'ble Arbitral Tribunal and the Company has acquired the property. The Company shall be undertaking the redevelopment of the property on completion of all obligation by the Vendors.

Consequently the amount of ₹ 10,000 lakh now stands transferred to Construction Work in Progress in the current year.

The short term loans and advances comprise entirely unsecured loans and advances to related parties for business purpose:

Loans and advances to Holding Company (Mahindra & Mahindra Limited) ₹ 2,000 Lakh

Loans & Advances to Associate

**Name of the Company**

	Balance as on 31 <sup>st</sup> March, 2016 (₹ in lakh)	Maximum outstanding during the year (₹ in lakh)
Kismat Developers Private Limited .....	0.25	0.25
Topical Builders Private Limited .....	207.39	207.39
<b>Total</b> .....	<u>207.64</u>	<u>207.64</u>

**20) Other Current Assets**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
(Unsecured, considered good, unless otherwise stated)		
Interest accrued - Others.....	7,702.59	11,731.27
(Including ₹ 1,213.25 lakh (Previous year ₹ 1,964.78 lakh) due from subsidiaries, ₹ 5,651.00 lakh ( Previous year ₹ 8,853.45 lakh) due from Joint Venture and ₹ 311.56 lakh (Previous year ₹ 32.65 lakh) due from associates.		
Unbilled Revenue .....	14,383.78	10,684.17
	<b>22,086.37</b>	<b>22,415.44</b>

**21) Income from Operations**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Income from Projects* .....	46,089.80	58,837.65
Project Management Fees .....	2,188.60	1,583.12
Income from Operation of Commercial Complexes.....	2,018.95	1,980.53
	<b>50,297.36</b>	<b>62,401.30</b>

\* Refer note no. 16 (#)

**22) Other Income**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest Income		
- On Inter Corporate Loans.....	2,304.20	2,724.48
- On Bank Deposits .....	195.86	237.66
- On Optionally Convertible Debentures.....	5,651.00	5,651.00
- Others.....	64.34	138.95
Dividend on Long Term Investments-Trade (Subsidiary).....	807.00	2,207.47
Dividend on Current Investments-Non Trade .....	263.83	431.22
Profit on sale of Current investments-Non Trade .....	-	33.13
Profit on sale of Fixed assets .....	0.25	0.12
Write-back of provisions for losses to completion* .....	-	1,550.15
Miscellaneous Income .....	431.66	628.23
	<b>9,718.14</b>	<b>13,602.41</b>

\* Refer note no. 16 (#)

**23) Operating expenses**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Cost of Project		
Opening Stock		
- Work-in-progress .....	76,762.55	64,127.59
- Raw Material .....	2,170.11	1,362.74
	<u>78,932.66</u>	<u>65,490.33</u>
Add: Expenses incurred during the year : #		
Premium for Development Rights.....	21,738.83	5,566.04
Architect Fees.....	595.30	547.81
Preliminaries & Site Expenses .....	6,613.41	1,077.05
Civil, Electrical, Contracting etc.....	26,262.01	27,377.29
Overheads allocated.....	1,268.69	1,396.46
Interest allocated .....	2,267.69	1,714.98
Payment to Local Agencies .....	1,938.72	1,959.64
Insurance.....	44.24	26.87
Legal & Professional Fees.....	929.75	429.66
	<u>61,658.64</u>	<u>40,095.80</u>
	<u>1,40,591.30</u>	<u>1,05,586.13</u>
Less :-Closing Stock		
- Work-in-progress.....	1,05,840.52	76,762.55
- Raw Material .....	2,156.66	2,170.11
	<u>1,07,997.18</u>	<u>78,932.66</u>
Rent, Rates & Taxes .....	103.14	175.19
Insurance.....	(0.64)	0.63
Repairs & Maintenance - Commercial Properties .....	181.04	138.81
Professional Fees #.....	8.64	533.53
Brokerage .....	282.59	200.60
Advertisement, Marketing & Business Development.....	1,056.72	1,006.33
Electricity .....	48.91	6.66
Other Operating Expenses .....	300.71	1,178.95
	<u>34,575.23</u>	<u>29,894.15</u>

#Refer Note 16(#)

**24) Employee Benefit Expenses**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Salaries, Allowances & Bonus.....	5,855.37	5,080.81
Contribution to Provident & Other Funds.....	267.78	334.02
Expense on Employee Stock Option Scheme.....	118.71	117.69
Staff Welfare Expenses.....	400.41	382.15
	<u>6,642.26</u>	<u>5,914.66</u>
Less :- Allocated to projects .....	(1,268.69)	(1,396.46)
	<u>5,373.58</u>	<u>4,518.20</u>

### a) Gratuity

The components of the net benefit expense recognized in the statement of profit and loss, the funded status and the amounts recognized in the balance sheet in respect of the Company's gratuity plan is summarized below:

#### (1) Description of the Plan:

The Company has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India ("LIC"). Employee at retirement are eligible for a benefit, which will be equal to 15 days salary for each completed year of service. The balance in the Employee Group Gratuity Assurance Scheme is the plan asset.

#### (2) Principal actuarial assumptions:

	Current Year	Previous Year
Discount Rate	7.46%	7.77%
Rate of Return on Plan Assets	9.50%	9.40%
Attrition	5.00%	5.00%

#### (3) Reconciliation of Benefit Obligation:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Liability at the beginning of the year	280.52	203.36
Adjustment to the opening balance	-	3.84
Interest Cost	21.80	18.24
Current Service Cost	71.98	67.33
Benefit Paid	-	(17.38)
Unrecognised Past Service Cost	-	-
Actuarial (Gain) / Loss on Obligations	(102.39)	5.13
Liability at the end of the year	271.91	280.52
Fair Value of Plan Assets at the end of the year	157.87	121.64
Amount recognised and disclosed under the head "Provisions for Gratuity" ..	114.03	158.88
Current Liability	5.59	37.24
Non – Current Liability	108.44	121.64

#### (4) Reconciliation of Fair value of Plan Assets:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Fair Value of Plan Assets at the beginning of the year	121.64	148.92
Adjustment to the opening balance	22.67	(27.28)
Expected Return on Plan Assets	13.71	11.56
Contributions	-	17.37
Benefit Paid	-	(17.37)
Actuarial Gain /(Loss) on plan assets	(0.14)	(11.56)
Fair Value of Plan Assets at the end of the year	157.87	121.64

#### (5) Actual Return on Plan Asset:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Expected Return on Plan Assets	13.71	11.56
Actuarial Gain/(Loss) on Plan Assets	(0.14)	(11.56)
Actual Return on Plan Assets	13.57	-



- (6) Expenses recognised in the Statement of Profit and Loss under the head "Employee Remuneration & Benefits":

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Service Cost	71.98	67.33
Interest Cost	21.80	18.24
Unrecognised Past Service Cost	-	-
Expected Return on Plan Assets	(13.71)	(11.56)
Net Actuarial (Gain) / Loss recognised	(102.24)	16.68
Settlement Cost	-	-
Expenses recognised in Profit and Loss Account	(22.18)	90.70

- (7) Experience Adjustments

	2016	2015	2014	2013	2012
Defined benefit obligation	271.91	280.52	207.20	121.66	119.20
Fair value of plan assets	157.87	121.64	148.92	111.18	68.92
Surplus / (Deficit)	(114.03)	(158.88)	(58.28)	(10.48)	(50.28)
Experience adjustment on plan liability [( Gain) / Loss]	(102.39)	5.13	32.27	-	9.08
Experience adjustment on plan assets [Gain / (Loss)]	(0.14)	(11.56)	(1.25)	-	(3.27)

- (8) Amount expected to be contributed to fund in coming year is ₹ 5.59 lakh.
- (9) The gratuity fund is entirely invested in a group gratuity policy with the Life Insurance Corporation of India. The information or the allocation of the fund into major asset classes and the expected return on major classes is not readily available.

**b) Employee Stock Option Scheme**

The Company has granted options to its eligible employees under the Employee Stock Options Scheme 2006 ("ESOS 2006") and the Employee Stock Options Scheme 2012 ("ESOS 2012). The options granted under both the schemes are equity settled. The other details of the schemes are summarised below:

	ESOS 2006		ESOS 2012				
	25 <sup>th</sup> Apr. 2008	4 <sup>th</sup> Aug. 2012	4 <sup>th</sup> Aug. 2012	24 <sup>th</sup> Jul. 2013	17 <sup>th</sup> Oct. 2014	30 <sup>th</sup> Apr. 2015	28 <sup>th</sup> Jan. 2016
Grant date	25 <sup>th</sup> Apr. 2008	4 <sup>th</sup> Aug. 2012	4 <sup>th</sup> Aug. 2012	24 <sup>th</sup> Jul. 2013	17 <sup>th</sup> Oct. 2014	30 <sup>th</sup> Apr. 2015	28 <sup>th</sup> Jan. 2016
Options granted	6,78,359	10,000	1,01,000	26,500	27,000	3,000	31,000
Exercise price	₹ 428/- per share	₹ 325/- per share	₹ 10/- per share				
Basis of exercise price	Average of the daily high and low of the prices for the Company's Equity Shares quoted on the BSE Limited during 15 days preceding the date of grant of options		Face value of share				
Vesting period	on expiry of 12 months from date of grant – 25% on expiry of 24 months from date of grant – 25% on expiry of 36 months from date of grant – 25% on expiry of 48 months from date of grant – 25%		on expiry of 12 months from date of grant – 20% on expiry of 24 months from date of grant – 20% on expiry of 36 months from date of grant – 30% on expiry of 48 months from date of grant – 30%				
Contractual life*	Options will lapse if not exercised within 5 years from the date of individual vesting.						
Amortization Details:@	The details of the same are given below:						
Total Amount to be amortized over the vesting period	₹ 100.42 lakh	₹ (0.09) lakh	₹ 287.28 lakh	₹ 104.95 lakh	₹ 128.80 lakh	₹ 13.67 lakh	₹ 136.82 lakh
Charge to Statement of P&L for the year	-	₹ (0.02) lakh	₹ 53.25 lakh	₹ 15.62 lakh	₹ 29.86 lakh	₹ 3.13 lakh	₹ 5.70 lakh
Compensation in respect of lapsed cases	-	-	-	-	-	-	-
Unamortized amount carried forward	-	₹ (0.01) lakh	₹ 41.36 lakh	₹ 43.08 lakh	₹ 84.70 lakh	₹ 10.53 lakh	₹ 131.11 lakh

\*During the previous year for ESOS 2006 scheme, the Company modified the exercise period of the options whereby the exercise period of the options granted was extended from 5 years from the date of vesting of the respective tranche of the option to the last date of the exercise period for the last tranche of the option granted under the said scheme.

@The company has adopted intrinsic value method for computing the compensation cost for the options granted. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period.

The Fair value has been calculated using the Black Scholes option pricing model and the significant inputs used for the valuation are as follows:

Grant Date	25 <sup>th</sup> Apr. 2008	4 <sup>th</sup> Aug. 2012	4 <sup>th</sup> Aug. 2012	24 <sup>th</sup> Jul. 2013	17 <sup>th</sup> Oct. 2014	30 <sup>th</sup> Apr. 2015	28 <sup>th</sup> Jan. 2016
Risk free interest rate	7.79% - 8.15%	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%
Expected life	3.5 – 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years	6 – 9 Years	3.5 – 6.5 Years	3.5 - 6.5 Years	3.5 – 6.5 Years
Expected volatility	66.76% - 70.65%	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11%- 37.68%	27.17% - 30.20%
Expected dividend yield	0.33%	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%
Exercise price	₹ 428	₹ 325	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Stock Price	₹ 443.79	₹ 324.14	₹ 324.14	₹ 454.09	₹ 516.08	₹ 467.60	₹ 482.25

Earnings per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee share-based Payments” is as follows

Particulars		Intrinsic Value Method		Fair Value Method	
		March 2016	March 2015	March 2016	March 2015
A	Net Profit After Tax (₹ in lakh)	10,449.27	23,329.57	10,448.14	23,338.47
	Less Preference dividend	-	-	-	-
B	Weighted Average number of Equity Shares of ₹ 10/- each (Basic)	4,10,21,975	4,09,67,118	4,10,21,975	4,09,67,118
C	Weighted Average number of Equity Shares of ₹ 10/- each (Diluted)	4,11,67,759	4,11,42,517	4,11,67,759	4,11,42,517
D	Basic Earning per Share (₹)	25.47	56.94	25.47	56.97
E	Diluted Earning per Share (₹)	25.38	56.70	25.38	56.73

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1 <sup>st</sup> April	5,58,430	6,12,656
Options erroneously cancelled during prior year, reinstated	-	84,249
Options granted during the year	34,000	27,000
Options lapsed during the year	-	1,625
Options cancelled during the year	13,100	-
Options exercised during the year	20,950	1,63,850
Options outstanding on 31 <sup>st</sup> March	5,58,380	5,58,430
Options vested but not exercised on 31 <sup>st</sup> March	4,67,730	4,51,530

Information in respect of options outstanding as at 31<sup>st</sup> March, 2016:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	4,32,730	18 months
₹ 325	5,000	36 months
₹ 10	46,850	24 months
₹ 10	18,300	36 months
₹ 10	21,500	54 months
₹ 10	3,000	60 months
₹ 10	31,000	60 months

## 25) Administration & Other Expenses

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Rent, Rates and Taxes.....	579.17	467.63
Insurance.....	23.01	9.46
Repairs and Maintenance.....		
- Buildings.....	7.71	-
- Others.....	276.90	203.74
Electricity Charges.....	42.24	57.63
Travelling & Conveyance.....	550.19	624.64
Legal & Professional Fees.....	696.49	391.18
Printing & Stationery.....	87.79	69.50
Communication.....	126.18	117.82
Advertisement, Marketing & Business Development.....	188.06	319.30
Auditors Remuneration.....	41.78	54.30
Expenditure on Corporate Social Responsibility.....	244.53	264.17
Donation & Contribution.....	-	-
Loss on Sale of Fixed Assets.....	-	11.51
Diminution In Value Of Long Term Investment #.....	-	1,850.63
Doubtful Debts Provided.....	-	483.99
Miscellaneous Expenses.....	355.20	438.79
	<b>3,219.26</b>	<b>5,364.29</b>

#Diminution in value of long term investment – Refer Note 12(a)

### Auditors' Remuneration:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Audit Fees.....	27.19	27.81
Tax Audit Fees.....	2.22	1.55
Tax matters.....	2.57	12.86
Certification and Other Services.....	9.79	12.08
Total.....	<b>41.78</b>	<b>54.30</b>

**26) Finance Costs**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
On Term Loan .....	4,526.81	3,896.64
Less : Allocated to projects.....	(2,267.69)	(1,714.98)
	<u>2,259.12</u>	<u>2,181.66</u>

**27) Earnings in Foreign Currency:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Consideration received on sale of residential units .....	-	4.98
Total.....	<u>-</u>	<u>4.98</u>

**28) Expenditure in Foreign Currency:**

## a) Other expenditure

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Travelling.....	57.33	26.93
Marketing expenses .....	138.24	15.37
Project expenses.....	-	30.19
Professional Fees.....	-	91.01
IT .....	64.37	-
Others.....	37.21	17.89
<b>Total</b> .....	<u>297.14</u>	<u>181.39</u>

## b) Value of Imported and Indigenous Consumption

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Imported .....	114.75	492.41
Indigenously obtained.....	4,483.64	4,199.42
<b>Total</b> .....	<u>4,598.39</u>	<u>4,691.83</u>
% Imported .....	2.50%	10.50%
% Indigenously obtained .....	97.50%	89.50%
	<b>100%</b>	<b>100%</b>

**29) Forwards Contracts**

In the previous year, the Company had entered into foreign currency exposure contract of USD 10,569 for the purpose of hedging its currency risk. These contract were not intended for trading or speculation. The contract was due to mature in current financial year and the same was repaid in April 2015.

No such contract entered into the current year.

**30) Remittance in Foreign Currency on account of dividends to non-resident shareholders**

Number of		Amount remitted ₹ in lakh	Dividend relating to
Year of Payment/Shareholders	Equity Shares		
2016/1	44,540	2.67	Year ended 31 <sup>st</sup> March, 2015 (Final Dividend)
2015/1	47,040	2.82	Year ended 31 <sup>st</sup> March, 2015 (Interim Dividend)
2015/1	47,040	2.82	Year ended 31 <sup>st</sup> March, 2014 (Final Dividend)
2014/1	83,290	5.00	Year ended 31 <sup>st</sup> March, 2013 (Final Dividend)

**31) Commitments**

	<b>Current Year ₹ in lakh</b>	Previous Year ₹ in lakh
<b>Capital Commitment:</b> Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>8.00</b>	27.50

The disclosure of commitment is given only to the extent of capital commitment and other disclosure relating to commitment has not been given in order to avoid providing excessive details that may not assist users of Financial Statements.

**32)** In respect of real estate projects under long term contracts, determination of profits/ losses and realisability of the construction work in progress & project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects / activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.

**33) Leases:**

The Company's significant leasing arrangements are in respect of operating leases for Commercial & Residential premises.

a) Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

	<b>Current Year ₹ in lakh</b>	Previous Year ₹ in lakh
Gross Carrying Amount of premises .....	<b>3,001.57</b>	2,889.92
Accumulated Depreciation.....	<b>1,117.36</b>	896.92
Depreciation for the year	<b>46.77</b>	44.79
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year .....	<b>2.79</b>	1,506.16
➤ Later than 1 year and not later than 5 years.....	-	7.08
➤ Later than 5 years .....	-	-

b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	<b>Current Year ₹ in lakh</b>	Previous Year ₹ in Lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year .....	<b>142.40</b>	114.28
➤ Later than 1 year and not later than 5 years.....	-	-
➤ Later than 5 years .....	-	-

Lease payments recognized in Statement of Profit & Loss Account is ₹ 499.18 lakh (Previous year – ₹ 466.46 lakh)

**34) Contingent Liabilities**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
a) Claims against the Company not acknowledged as debts represent :		
i) Claims awarded by the Arbitrator to a civil contractor in respect of a project at Mumbai and the Company's appeal against the award has been admitted by the Mumbai High Court .....	93.89	93.89
ii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.....	123.99	123.99
iii) Demand from a local authority for energy dues disputed by the Company.....	2,164.04	2,164.04
iv) Claim from welfare association in connection with project work, disputed by the Company.....	4,500.00	4,500.00
b) Income tax matters under appeal		
In respect of certain business incomes re-classified by the Income tax Department as income from house property and other disallowances, the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities.....	421.57	584.53
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 421.57 lakh (previous year ₹ 584.53 lakh)		

**35) Managerial Remuneration**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Salaries and Allowances .....	240.04	179.85
Contribution to Provident, Gratuity and Superannuation Funds .....	26.99	26.49
Perquisites (estimated monetary value) .....	14.39	12.77
<b>Total : .....</b>	<b>281.42</b>	<b>219.11</b>

**36) Computation of Net Profit in accordance with Section 198 of the Companies Act, 2013:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Profit before Tax .....</b>	<b>14,174.00</b>	<b>33,771.01</b>
<b>Add :</b>		
Depreciation as per accounts .....	414.30	274.40
Managerial remuneration.....	281.42	219.11
Director's fees.....	46.18	34.10
Commission to Directors(non-executive Director) .....	117.50	140.00
Loss on disposal of fixed assets not allowable as per proviso to Section 198 .....	-	11.51
	<b>15,033.40</b>	<b>34,450.15</b>
<b>Less :</b>		
Depreciation under Section 198 .....	345.01	237.51
Loss on disposal of fixed assets allowable as per proviso to Section 198 .....	-	-
Profit on sale of fixed assets not allowable as per proviso to Section 198 .....	0.25	0.12
<b>Net Profit as per Section 198 of the Companies Act, 2013</b>	<b>14,688.15</b>	<b>34,212.50</b>
<b>5% of Net Profit as computed above .....</b>	<b>727.06</b>	<b>1,710.63</b>



**37) Details of Loans Given, Investments made and Guarantee given covered u/s 186(4) of the Companies Act, 2013**

Loans given and Investments made are given under the respective heads.

Corporate Guarantees given by the Company in respect of loans as at 31<sup>st</sup> March, 2016- Nil

**38) Segmental Reporting**

₹ in lakh

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
<b>REVENUE</b>				
External Revenue	2,018.95	48,278.54	-	50,297.50
<i>Previous Year</i>	<i>1,980.53</i>	<i>60,420.78</i>	-	<i>62,401.30</i>
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
<b>TOTAL REVENUE</b>	2,018.95	48,278.54	-	50,297.50
<i>Previous Year</i>	<i>1,980.53</i>	<i>60,420.78</i>	-	<i>62,401.30</i>
<b>SEGMENT RESULT</b>	1,920.74	13,677.80	-	15,598.54
<i>Previous Year</i>	<i>1,812.14</i>	<i>30,190.00</i>	-	<i>32,002.14</i>
Unallocated Corporate Expenses (net)	-	-	-	(7,309.32)
<i>Previous Year</i>	-	-	-	<i>(4,745.38)</i>
<b>Operating profit</b>	-	-	-	8,289.22
<i>Previous Year</i>	-	-	-	<i>27,256.75</i>
Interest expense	-	-	-	(2,259.12)
<i>Previous Year</i>	-	-	-	<i>(2,181.66)</i>
Interest income	-	-	-	8,143.92
<i>Previous Year</i>	-	-	-	<i>8,695.92</i>
Income taxes	-	-	-	(3,724.73)
<i>Previous Year</i>	-	-	-	<i>(10,441.44)</i>
<b>Net Profit</b>	-	-	-	10,449.29
<i>Previous Year</i>	-	-	-	<i>23,329.57</i>
<b>OTHER INFORMATION</b>				
Segment Assets	2,002.82	1,99,249.90	(155.92)	2,01,096.80
<i>Previous Year</i>	<i>1,981.39</i>	<i>1,71,081.15</i>	<i>0.60</i>	<i>1,73,063.14</i>
Unallocated Corporate Assets				56,108.55
<i>Previous Year</i>				<i>50,336.34</i>
<b>TOTAL ASSETS</b>				2,57,205.35
<i>Previous Year</i>				<i>2,23,399.48</i>

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
Segment Liabilities	560.31	97,408.74	(144.52)	97,824.53
<i>Previous Year</i>	<i>557.66</i>	<i>70,505.01</i>	<i>11.95</i>	<i>71,074.62</i>
Unallocated Corporate Liabilities				19,287.42
<i>Previous Year</i>	-	-	-	<i>20,011.36</i>
<b>TOTAL LIABILITIES</b>				1,17,111.95
<i>Previous Year</i>	-	-	-	<i>91,085.98</i>
Capital Expenditure		-	-	322.59
<i>Previous Year</i>	-	<i>174.39</i>	-	<i>432.03</i>
Depreciation	50.31	61.16	-	414.30
<i>Previous Year</i>	<i>50.07</i>	<i>22.33</i>	-	<i>274.40</i>

## Notes:

- The segment result for Projects, Project Management and Development activity is arrived at after considering an interest expense of ₹ 552.41 lakh (Previous year ₹ 375.88 lakh), as it formed part of the cost of projects according to the method of accounting followed by the Company.

**39) Related Party Transactions****List of related parties****Enterprises Controlling the Company**

Mahindra &amp; Mahindra Limited: Holding Company

**Enterprises under the control of the Company**

Mahindra Infrastructure Developers Limited

Mahindra Integrated Township Limited

Mahindra World City Developers Limited

Mahindra Residential Developers Limited

Mahindra World City (Jaipur) Limited

Industrial Township (Maharashtra) Limited

Knowledge Township Limited

Mahindra Bebanco Developers Limited

Mahindra World City (Maharashtra) Limited

Raigad Industrial &amp; Business Park Limited

Anthurium Developers Limited

Industrial Cluster Private Limited (Earlier Known as Mahindra Housing Private Limited)

Mahindra Industrial Park Chennai Limited (w.e.f. 22<sup>nd</sup> December 2014)Mahindra Water Utilities Limited\* (w.e.f. 27<sup>th</sup> July 2015)

\*With effect from 27<sup>th</sup> July 2015 Mahindra Water Utilities Limited has been ceased to be joint venture and has become subsidiary.

**Fellow Subsidiaries**

Bristlecone India Limited

Mahindra Holidays &amp; Resorts India Limited

Mahindra Consulting Engineers Limited

Mahindra Integrated Business Solutions Private Limited

EPC Industries Limited

Mahindra &amp; Mahindra Contech Limited

**Associates**

Kismat Developers Private Limited

Topical Builders Private Limited

**Joint Ventures**

Mahindra Inframan Water Utilities Private Limited

Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)

\*With effect from 27<sup>th</sup> July 2015 Mahindra Water Utilities Limited has been ceased to be joint venture and has become subsidiary.**Key Managerial Personnel**

Managing Director &amp; Chief Executive Officer of the Company- Ms. Anita Arjundas

Chief Financial Officer- Mr. Jayant Manmadkar

Company Secretary- Mr. Suhas Kulkarni

**Directors**

Mr. Arun Nanda, Non-executive Non-Independent Chairman

Mr. Anish Shah, Non-executive Non-Independent Director

Mr. Sanjiv Kapoor, Non-executive Independent Director

Mr. Shailesh Haribhakti, Non-executive Independent Director

Dr. Prakash Hebalkar, Non-executive Independent Director

Enterprises over which key management personnel are able to exercise significant influence: Nil

Transactions with related parties during the year and balance as on 31<sup>st</sup> March, 2016:

₹ in lakh

Nature of Transactions	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Joint Ventures / Associates	Key Management Personnel
<b>Rendering of Services</b>	<b>1,967.51</b>	<b>1,108.01</b>	-	<b>1,171.11</b>	-
<i>Previous Year</i>	<i>2,094.05</i>	<i>1,480.34</i>	-	<i>361.58</i>	-
<b>Receiving of services</b>	<b>407.68</b>	<b>435.75</b>	<b>108.93</b>	-	-
<i>Previous Year</i>	<i>374.02</i>	<i>484.89</i>	<i>68.33</i>	-	-
<b>Sale of Goods</b>	<b>1,132.00</b>	-	-	-	-
<i>Previous Year</i>	<i>749.24</i>	-	-	-	-
<b>Purchase of Fixed Assets</b>	-	-	-	-	-
<i>Previous Year</i>	-	-	<i>26.69</i>	-	-
<b>Remuneration to Key Managerial Personnel*</b>	-	-	-	-	<b>462.32</b>
<i>Previous Year</i>	-	-	-	-	<i>392.51</i>
<b>Commission and Other Benefits to Non-Executive/Independent Directors</b>	-	-	-	-	<b>163.60</b>
<i>Previous Year</i>	-	-	-	-	<i>176.15</i>

Nature of Transactions	Enterprise controlling the Company	Enterprises under the control of the Company	Companies under common control including Fellow Subsidiaries	Joint Ventures / Associates	Key Management Personnel
<b>Reimbursement made to parties</b>	<b>380.84</b>	<b>1.04</b>	-	-	-
<i>Previous Year</i>	303.32	27.14	-	-	-
<b>Reimbursement received by parties</b>	-	-	-	-	-
<i>Previous Year</i>	68.49	-	-	-	-
<b>Redemption of Preference Shares</b>	-	-	-	-	-
<i>Previous Year</i>	-	6,500.00	-	-	-
<b>Advance paid</b>	-	-	-	-	-
<i>Previous Year</i>	-	19.00	-	2.00	-
<b>Advance Refund</b>	-	-	-	-	-
<i>Previous Year</i>	-	15.00	-	2.00	-
<b>Finance given during the year</b>	-	<b>20.00</b>	-	<b>0.42</b>	-
<i>Previous Year</i>	-	9,502.00	-	30.25	-
<b>Purchase of Equity Shares</b>	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
<b>Purchase of Preference Shares</b>	-	-	-	-	-
<i>Previous Year</i>	-	-	-	-	-
<b>ICD refunded</b>	-	<b>21,970.00</b>	-	<b>55.00</b>	-
<i>Previous Year</i>	-	5,300.00	-	-	-
<b>Interest received</b>	-	<b>2,272.48</b>	-	<b>5,682.72</b>	-
<i>Previous Year</i>	-	2,687.88	-	5,683.37	-
<b>Dividend Paid</b>	<b>1,250.77</b>	-	-	-	-
<i>Previous Year</i>	2,501.54	-	-	-	-
<b>Dividend Income</b>	-	<b>807.00</b>	-	-	-
<i>Previous Year</i>	-	2,207.47	-	-	-
<b>Receivables</b>	<b>2,427.88</b>	<b>6,357.85</b>	<b>2.46</b>	<b>38,115.40</b>	-
<i>Previous Year</i>	2,173.98	28,668.10	2.46	41,557.41	-
<b>Payables</b>	<b>680.59</b>	-	<b>65.42</b>	-	-
<i>Previous Year</i>	839.95	-	6.86	-	-

\*Remuneration to Key Management Person includes remuneration paid to Ms. Anita Arjundas (MD & CEO), Mr. Suhas Kulkarni (Company Secretary) and Mr. Jayant Manmadkar (Chief Financial Officer).

The significant related party transactions are as under:

₹ in lakh

Nature of Transactions	Enterprises controlling the Company	Amount	Enterprises under the control of the Company	Amount	Enterprises under the Common control of the Company / Fellow Subsidiaries	Amount	Joint Ventures / Associates	Amount	Key Management Personnel	Amount
Rendering of services	Mahindra & Mahindra Ltd	1,967.51	Mahindra Residential Developers Limited	342.10			Mahindra Homes Private Limited*	1,171.11		
			Mahindra Bebanco Developers Limited	212.72						
			Mahindra Integrated Township Limited	553.19						
Receiving of services	Mahindra & Mahindra Ltd	407.68	Mahindra Integrated Township Limited	435.75	Bristle Cone India Ltd	17.31				
					Mahindra Integrated Business Solutions Private Limited	17.94				
					Mahindra Holidays & Resorts India Ltd	22.82				
					EPC Industries Limited	47.61				
Sale of Goods	Mahindra & Mahindra Ltd	1,132.00								
Remuneration									Anita Arjundas	281.42
									Suhas Kulkarni	103.76
									Jayant Manmadkar	77.14
Reimbursement made to parties	Mahindra & Mahindra Ltd	380.84	Mahindra World City (Jaipur) Limited	1.04						
Finance given during the year			Knowledge Township Limited	20.00			Topical Builders Private Limited	0.42		
ICD refunded			Mahindra World City Developers Limited	16,200.00						
			Mahindra Integrated Township Limited	5,770.00						
Interest received			Mahindra World City Developers Limited	1,759.41			Mahindra Homes Private Limited *	5,651.00		
			Mahindra Bebanco Developers Limited	225.44						
			Mahindra Integrated Township Limited	287.63						
Dividend paid during the year	Mahindra & Mahindra Ltd	1,250.77								
Dividend received during the year			Mahindra World City Developers Limited	178.00						
			Mahindra World City (Jaipur) Limited	629.00						
Receivables	Mahindra & Mahindra Ltd	2,427.88	Knowledge Township Limited	2,435.25	Mahindra Consulting Engineers Limited	2.46	Mahindra Homes Private Limited *	37,860.46		
			Mahindra Bebanco Developers Limited	3,042.46						
Payables	Mahindra & Mahindra Ltd	680.59			Mahindra Holidays & Resorts India Ltd	25.50				
					EPC Industries Limited	33.97				

\*Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)

Name	Designation	Current Year ₹ in lakh	Previous Year ₹ in lakh
Mr. Arun Nanda	Non-executive Non-Independent Chairman	95.00	107.05
Mr. Sanjiv Kapoor	Non-executive Independent Director	21.90	17.70
Mr. Shailesh Haribhakti	Non-executive Independent Director	23.50	17.40
Mr. Anil Harish	Non-executive Independent Director	5.10	17.70
Mr. Prakash Hebalkar	Non-executive Independent Director	18.10	16.30

#### 40) Information in respect of Jointly Controlled Operations

##### a) Jointly Controlled Operations

i) Development of the following residential projects:

G.E. Gardens, Mumbai

Kukatpally, Hyderabad

ii) Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

##### b) Joint Venture

Sector 59, Gurgaon

Bannerghatta Road, Bangalore

##### c) Jointly Controlled entities

Name	Country of Incorporation	Business Activity	Proportion of Ownership Interest
Mahindra Inframan Water Utilities Private Limited	India	O&M of water & sewerage facilities at Navi Mumbai	50.00%
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	India	Residential Development	50.00%

##### d) Interest in the Assets, Liabilities, Income and Expenses with respect to jointly controlled entities:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Assets	58,273.38	43,333.75
Non-current Assets	614.72	2,016.23
<b>Total</b>	<b>58,888.11</b>	<b>45,349.98</b>
Current Liabilities	18,073.47	11,544.74
Non-current Liabilities	41,267.00	11,208.45
<b>Total</b>	<b>59,340.47</b>	<b>22,753.19</b>
Income	7,835.29	836.30
Expenses	7,869.66	1,142.88



**41) Earnings per share**

Calculation of Net Profit available for Equity Shareholders:

	Current Year	Previous Year
A. Net Profit after Tax (₹ in lakh)	10,449.27	23,329.57
B. Less: Dividend on Non-Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	-	-
C. Profit available for Equity Shareholders (₹ in lakh)	10,449.27	23,329.57
D. Weighted Average number of Equity Shares of ₹ 10/- each used for computing basic earnings per share	410.22	409.67
E. Weighted Average number of Equity Shares of ₹ 10/- each used for computing diluted earnings per share	411.68	411.43
F. Basic Earnings per Share (₹)	25.47	56.94
G. Diluted Earnings per Share (₹)	25.38	56.70

42) The figures for previous year have been regrouped wherever necessary to conform to current year's classification.

As per our Report attached hereto

For and on behalf of

**B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No:44784

Mumbai : 26<sup>th</sup> April, 2016**Suhas Kulkarni**

Company Secretary

FCS: 2427

Mumbai : 26<sup>th</sup> April, 2016**Jayant Manmadkar**

Chief Financial Officer

For and on behalf of the Board

**Arun Nanda**

Chairman - DIN 00010029

**Anish Shah**

Director - DIN 02719429

**Sanjiv Kapoor**

Director - DIN 00004005

**Shailesh Haribhakti**

Director - DIN 00007347

**Prakash Hebalkar**

Director - DIN 00370499

**Anita Arjundas**

Managing Director

&amp; CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## FINANCIALS HIGHLIGHTS CONSOLIDATED

₹ in lakh										
	F -2016	F -2015	F -2014	F - 2013	F - 2012	F - 2011	F - 2010	F - 2009	F - 2008	F - 2007
Net Worth	1,56,336	1,47,496	1,26,167	1,29,307	1,15,499	1,06,515	98,876	93,491	85,574	76,566
Borrowings	1,79,841	1,23,758	1,40,105	96,565	66,663	54,413	42,071	33,210	28,552	4,813
Net Fixed Assets	35,736	36,116	33,794	31,117	23,203	22,517	20,481	22,484	13,681	8,980
Investments	38,206	22,160	30,138	13,322	17,479	8,743	14,812	10,831	33,043	17,582
Book Value Per Equity Share (₹)	381	360	309	317	283	261	240	227	207	188
Operating Income	82,616	108,610	70,526	73,834	70,127	61,193	41,787	34,178	23,108	21,635
Other Income	5,127	6,147	5,094	3,415	2,714	1,508	2,209	2,940	3,352	764
Operating Expenses	50,217	50,128	42,566	39,777	42,717	36,577	25,315	22,897	13,121	16,150
Other expenses	22,781	22,527	16,960	13,865	11,318	8,919	6,793	4,012	4,074	3,527
Profit Before Tax	14,745	42,102	16,094	23,607	18,806	17,205	11,888	10,209	9,265	2,723
Profit after Tax ( after minority interest)	9,309	26,620	10,063	14,137	11,908	10,817	7,849	6,564	6,641	1,790
Basic Earning per Share(₹)	22.69	64.98	24.64	34.61	29.16	26.20	18.93	15.79	16.26	4.92
Diluted Earning per Share(₹)	22.61	64.70	24.64	34.61	29.16	26.20	18.93	15.79	16.26	4.91
Equity Dividend per share(₹)	6.00	12.00*	6.00	6.00	6.00	5.00	3.50	2.50	2.50	1.50

\* Special Dividend by way of an Interim Dividend of ₹ 6 per share and Final Dividend of ₹ 6 per share.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Mahindra Lifespace Developers Limited

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Mahindra Lifespace Developers Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiary are hereinafter referred to as "the Group") and its associates and jointly controlled entities comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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.
4. We conducted our audit 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 consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31<sup>st</sup> March, 2016, and their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

#### Other Matters

8. We did not audit the financial statements of
  - a. 7 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets (net) of ₹ 1,88,256 lakh as at 31<sup>st</sup> March, 2016, total revenues of ₹ 41,143 lakh and net cash flows amounting to ₹ 676 lakh for the year then ended;
  - b. 2 jointly controlled entities whose financial statements (before consolidation adjustments) reflect total assets (net) of ₹ 1,00,671 lakh as at 31<sup>st</sup> March, 2015, total revenues of ₹ 15,739 lakh, and net cash flows amounting to ₹ 44 lakh, Company's share (before consolidation adjustments) of ₹ 676 lakh and ₹ 1 lakh respectively for the year then ended as considered and

- c. 2 associates whose financial statements reflects a net loss of ₹ 20 lakh for the year ended 31<sup>st</sup> March, 2016. The financial statements referred to in (a) (b) and (c) have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to these financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly

controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of section 164(2) of the Act.

- 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".
- With respect to the other matters 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:
  - The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the consolidated financial statements.
  - 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 derivative contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and protection Fund by the Company.

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm's Registration No. : 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

## ANNEXURE "A" TO OUR REPORT

### of Even Date on the Consolidated Financial Statements of Mahindra Lifespace Developers Limited

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

In conjunction with our audit of the consolidated financial statements of the Mahindra Lifespace Developers Limited as of 31<sup>st</sup> March, 2016 and for the period from April 1, 2015 to 31<sup>st</sup> March, 2016 we have audited the internal financial controls over financial reporting of Mahindra Lifespace Developers Limited (hereinafter referred to as "the Holding Company") and its fifteen subsidiary companies incorporated in India ("Indian Subsidiary Companies"), as of that date.

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

The respective Board of Directors of the of the Holding company and its Indian Subsidiary Companies are 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 sated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and efforts, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on internal financial controls over financial reporting based on our audit for the Group Companies in India. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India ("ICAI") and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by ICAI. 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 internal financial controls system over financial reporting of the Group Companies in India.

#### 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, the Group Companies in India have, 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 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria

established by the Group Companies in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

Place: Mumbai  
Date: 26<sup>th</sup> April, 2016

For **B. K. Khare and Co.**  
Chartered Accountants  
Firm's Registration No. : 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No. : 44784



## Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016

	Note	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds :</b>			
Share Capital.....	2	4,103.32	4,101.22
Reserves & Surplus.....	3	1,52,233.10	1,43,395.00
		<b>1,56,336.42</b>	<b>1,47,496.22</b>
<b>Minority Interest.....</b>	4	<b>17,048.62</b>	9,719.85
<b>Non-Current Liabilities.....</b>			
Long-Term Borrowings.....	5	1,22,973.69	1,11,713.28
Deferred Tax Liability (Net).....	6	4,000.84	5,618.07
Deferred Income.....		1,186.65	-
Other Long-Term Liabilities.....	7	589.11	719.82
Long-Term Provisions.....	8	7,369.38	11,919.74
		<b>1,36,119.67</b>	<b>1,29,970.91</b>
<b>Current Liabilities</b>			
Short-Term Borrowings.....	9	27,554.96	2,367.15
Trade Payables.....	10	34,639.47	26,685.10
Other Current Liabilities.....	11	61,600.52	40,389.37
Deferred Income.....		66.45	-
Short-Term Provisions.....	12	4,107.09	4,236.47
		<b>1,27,968.49</b>	<b>73,678.09</b>
		<b>4,37,473.20</b>	<b>3,60,865.07</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets :			
Tangible Assets.....	13	25,182.39	25,128.37
Intangible Assets.....		10,223.35	10,224.54
Capital Work in Progress.....		330.51	762.66
		<b>35,736.25</b>	<b>36,115.57</b>
Non Current Investments.....	14	16,294.57	16,294.57
Long-Term Loans & Advances.....	15	7,448.58	7,324.22
Other Non Current Assets.....	16	3,818.31	1,448.15
		<b>63,297.71</b>	<b>61,182.51</b>
<b>Current Assets</b>			
Current Investments.....	17	21,911.48	5,865.14
Inventories.....	18	2,42,315.13	1,97,030.58
Trade Receivables.....	19	7,381.37	4,655.43
Cash & Bank Balance.....	20	18,080.12	7,696.23
Short-Term Loans & Advances.....	21	55,705.89	62,065.41
Other Current Assets.....	22	28,781.50	22,369.77
		<b>3,74,175.49</b>	<b>2,99,682.56</b>
		<b>4,37,473.20</b>	<b>3,60,865.07</b>
Summary of significant accounting policies	1		
The accompanying notes are integral part of these financial statements.			

As per our Report attached hereto

For and on behalf of

**B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No:44784

**Suhas Kulkarni**

Company Secretary

FCS: 2427

**Jayant Manmadkar**

Chief Financial Officer

Mumbai : 26<sup>th</sup> April, 2016Mumbai : 26<sup>th</sup> April, 2016

For and on behalf of the Board

**Arun Nanda**

Chairman - DIN 00010029

**Anish Shah**

Director - DIN 02719429

**Sanjiv Kapoor**

Director - DIN 00004005

**Shailesh Haribhakti**

Director - DIN 00007347

**Prakash Hebalkar**

Director - DIN 00370499

**Anita Arjundas**

Managing Director

&amp; CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2016

	Note	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>INCOME</b>			
Income from operations.....	23	<b>82,616.16</b>	108,609.82
Other Income .....	24	<b>5,126.90</b>	6,146.85
Total Income.....		<b>87,743.06</b>	114,756.67
<b>EXPENDITURE</b>			
Operating Expenses.....	25	<b>50,217.07</b>	50,127.68
Employee benefits expenses.....	26	<b>6,701.04</b>	5,502.79
Administration & Other Expenses.....	27	<b>9,061.10</b>	10,561.08
Finance Costs.....	28	<b>5,090.33</b>	5,139.66
Depreciation & Amortization Expenses.....	13	<b>1,928.94</b>	1,323.43
		<b>72,998.48</b>	72,654.64
<b>Profit before tax .....</b>		<b>14,744.58</b>	42,102.03
<b>Tax expense / (benefit):</b>			
Current Tax.....		<b>6,544.91</b>	12,482.75
Deferred Tax.....		<b>(1,511.41)</b>	1,294.49
Net tax expense / (benefit) .....		<b>5,033.50</b>	13,777.24
<b>Profit for the year after Tax.....</b>		<b>9,711.08</b>	28,324.79
Less: Minority Interest .....		<b>401.84</b>	1,705.29
<b>Consolidated Net Profit.....</b>		<b>9,309.24</b>	26,619.50
<b>Earnings per equity share of face value of ₹ 10 each</b>			
Basic Earnings per Share (₹).....		<b>22.69</b>	64.98
Diluted Earnings per Share (₹) .....		<b>22.61</b>	64.70
Summary of significant accounting policies	1		

The accompanying notes are integral part of these financial statements.

As per our Report attached hereto  
For and on behalf of  
**B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W

**Padmini Khare Kaicker**  
Partner  
Membership No:44784

**Suhas Kulkarni**  
Company Secretary  
FCS: 2427

**Jayant Manmadkar**  
Chief Financial Officer

Mumbai : 26<sup>th</sup> April, 2016

Mumbai : 26<sup>th</sup> April, 2016

For and on behalf of the Board

**Arun Nanda** Chairman - DIN 00010029  
**Anish Shah** Director - DIN 02719429  
**Sanjiv Kapoor** Director - DIN 00004005  
**Shailesh Haribhakti** Director - DIN 00007347  
**Prakash Hebalkar** Director - DIN 00370499  
**Anita Arjundas** Managing Director  
& CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2016

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>A. Cash flow from operating activities</b>		
<b>Net Profit Before Tax</b> .....	<b>14,744.58</b>	42,102.03
Adjustments for :.....		
Depreciation & Amortisation Expenses .....	<b>1,928.94</b>	1,323.43
Amortisation of Esop Expenses.....	<b>118.71</b>	117.69
Provision for Doubtful debts .....	<b>2.65</b>	610.36
Provision for diminution in value of Long term investments .....	-	1,550.63
Provision Written Back(Net) .....	-	(1,550.15)
Interest Income.....	<b>(3,341.28)</b>	(3,437.52)
Finance Cost .....	<b>5,090.33</b>	5,139.66
Profit on Sale of Investments.....	<b>(343.92)</b>	(242.87)
Dividend Income.....	<b>(267.93)</b>	(431.31)
Loss/(Profit) on sale of Fixed assets (Net) .....	-	12.95
Operating Profit Before Working Capital Changes .....	<b>17,932.08</b>	45,194.90
Adjustments for :		
Trade and Other Receivables.....	<b>(10,506.96)</b>	(749.02)
Inventories .....	<b>(39,420.39)</b>	(12,035.81)
Trade Payables and Other Liabilities.....	<b>8,838.05</b>	10,275.15
Cash Generated from Operations .....	<b>(23,157.22)</b>	42,685.22
Income taxes received / (paid) .....	<b>(6,221.92)</b>	(12,713.69)
<b>Net Cash (used in) / from operating activities</b> .....	<b>(29,379.14)</b>	29,971.53
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets.....	<b>(2,429.67)</b>	(4,938.72)
Proceeds from Sale of Fixed Assets .....	<b>19.07</b>	17.34
Proceeds / (Investments) in Others (Net) .....	<b>(15,702.42)</b>	6,427.29
Minority interest .....	<b>6,926.93</b>	(338.51)
Interest received .....	<b>4,928.65</b>	2,646.61
Dividend received.....	<b>267.93</b>	431.31
<b>Net Cash from / (used in) investing activities</b> .....	<b>(5,989.51)</b>	4,245.32

**C. Cash flow from financing activities**

Increase in borrowings .....	<b>73,187.81</b>	14,153.27
Repayment of borrowings.....	<b>(17,104.17)</b>	(30,500.63)
Interest and Finance Charges paid .....	<b>(10,442.41)</b>	(12,466.68)
Dividend Paid .....	<b>(2,797.59)</b>	(5,380.47)
Proceeds on issue of shares on exercise of stock options.....	<b>12.13</b>	582.24
<b>Net Cash from / (used in) financing activities.....</b>	<b>42,855.77</b>	<b>(33,612.27)</b>
<b>Net increase/(decrease) in cash and cash equivalents .....</b>	<b>7,487.13</b>	<b>604.58</b>
<b>Cash and Cash Equivalents (Opening) .....</b>	<b>6,319.28</b>	5,714.70
<b>Cash and Cash Equivalents (Closing).....</b>	<b>13,806.33</b>	6,319.28

As per our Report attached hereto

For and on behalf of

**B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No:44784

Mumbai : 26<sup>th</sup> April, 2016**Suhas Kulkarni**

Company Secretary

FCS: 2427

Mumbai : 26<sup>th</sup> April, 2016**Jayant Manmadkar**

Chief Financial Officer

For and on behalf of the Board

**Arun Nanda**

Chairman - DIN 00010029

**Anish Shah**

Director - DIN 02719429

**Sanjiv Kapoor**

Director - DIN 00004005

**Shailesh Haribhakti**

Director - DIN 00007347

**Prakash Hebalkar**

Director - DIN 00370499

**Anita Arjundas**

Managing Director

&amp; CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

## Notes to the consolidated financial statements as at and for the year ended 31<sup>st</sup> March, 2016

### 1) SIGNIFICANT ACCOUNTING POLICIES:

#### a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards applicable under Section 133 of the Companies Act, 2013, read with Paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### b) Presentation and Disclosure of Financial Statements

Assets and liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. In case of projects-residential units, based on the nature of activity carried out by the Company and the period between their procurement and realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 5 years for the purpose of current – non current classification of assets and liabilities. In case of projects-commercial units, the operating cycle is 3 years. Similarly, In case of projects-for large format developments/ integrated business cities, the said period is 20 years.

#### c) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates.

#### d) Basis of consolidation :

The consolidated financial statements comprise the financial statements of Mahindra Lifespace Developers Limited (the Company) and its subsidiary companies (the Company and its subsidiaries are hereinafter referred to as "the Group") and the interest of the Company in joint ventures and its investment in associates.

##### A. Basis of accounting:

The Financial Statements of the subsidiary companies and the joint venture companies (JVCs) used in the preparation of the Consolidated Financial Statements are drawn upto the same reporting date as that of the Company i.e. 31<sup>st</sup> March, 2016.

##### B. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:-

- (i) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses in accordance with the requirements of Accounting Standard AS 21- "Consolidated Financial Statements". The intra group balances and intra group transactions and unrealised profits or losses resulting from intra group transactions are fully eliminated.
- (ii) The consolidated financial statements include the interest of the Company in JVCs, which has been accounted for using the proportionate consolidation method whereby the Company's share of the assets, liabilities, income and expenses of a jointly controlled entity in accordance with AS 27 - "Financial Reporting of Interests in Joint Ventures".
- (iii) The excess of the Company's investment in a subsidiary over the subsidiary's net assets is recognized in the financial statement as goodwill. The excess of the subsidiary's net assets over its investment is recognized in the financial statement as capital reserve.
- (iv) Minority interest in the net assets of subsidiaries comprises the aggregate of the amount of equity attributable to the minority shareholders as on the dates on which investments are made by the Company in the subsidiary companies and minority share in the equity subsequent to acquisition.

The entities included in the consolidated financial statements of the Group along with the respective voting power and beneficial interest are summarized below:

Name of Subsidiary	Proportion of Ownership Interest		Proportion of Beneficial Interest	
	Current Year	Previous Year	Current Year	Previous Year
Mahindra Infrastructure Developers Limited	100.00%	100.00%	100.00%	100.00%
Mahindra World City Developers Limited	89.00%	89.00%	89.00%	89.00%
Mahindra World City (Jaipur) Limited	74.00%	74.00%	74.00%	74.00%
Mahindra World City (Maharashtra) Limited	100.00%	100.00%	100.00%	100.00%
Mahindra Integrated Township Limited.	73.36%	73.36%	96.30%	96.30%
Knowledge Township Limited	100.00%	100.00%	100.00%	100.00%
Mahindra Residential Developers Limited	0.00%	0.00%	96.30%	96.30%
Mahindra Bebanco Developers Limited	70.00%	70.00%	70.00%	70.00%
Industrial Township (Maharashtra) Limited	100.00%	100.00%	100.00%	100.00%
Raigad Industrial & Business Park Limited	100.00%	100.00%	100.00%	100.00%
Anthurium Developers Limited	100.00%	100.00%	100.00%	100.00%
Industrial Cluster Private Limited (Earlier Known as Mahindra Housing Private Limited)	100.00%	100.00%	100.00%	100.00%
Mahindra Industrial Park Chennai Limited	0.00%	0.00%	53.40% <sup>@</sup>	89.00%
Mahindra Water Utilities Limited*	0.00%	0.00%	98.99%	0.00%

\*With effect from 27<sup>th</sup> July, 2015 Mahindra Water Utilities Limited has been ceased to be joint venture and has become subsidiary.

<sup>@</sup>During the year, Mahindra Industrial Park Chennai Limited (MIPCL) has issued 6,80,00,000 shares to Sumitomo Corporation Ltd., Japan. Consequently Mahindra World City Developers Limited now directly hold 60% shares in MIPCL and hence beneficial ownership of the Mahindra Lifespace Developers Limited in MIPCL stands reduced to 53.40%.

Name of Joint Venture	Proportion of Ownership Interest	
	Current Year	Previous Year
Mahindra Water Utilities Limited*	0.00%	50.00%
Mahindra Inframan Water Utilities Private Limited .....	50.00%	50.00%
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited).....	50.00%	50.00%

\*With effect from 27<sup>th</sup> July, 2015 Mahindra Water Utilities Limited has been ceased to be joint venture and has become subsidiary.

Name of Associates	Proportion of Ownership Interest	
	Current Year	Previous Year
Kismat Developers Private Limited.....	42.86%	42.86%
Topical Builders Private Limited .....	50.00%	50.00%

#### e) Fixed Assets :

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation, other pre operation expenses and interest in case where the asset takes a substantial period of time to be ready for its intended use.

The carrying amount of assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount.

Depreciation on tangible fixed assets has been provided on prorata basis, on a straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain assets as indicated below:



Lease hold improvements are amortised over the period of lease/estimated period of lease.

Plant & Machinery includes Plant and Machinery used in civil construction – Others and amortised over a period of 5 years.

Vehicles used by employees are depreciated over the period of 48 months considering this period as the useful life of the vehicle for the Company.

Sales office and the sample flat/ show unit cost is amortised over 5 years or the duration of the project (as estimated by management) whichever is lower.

Fixed Assets held for disposal are valued at estimated net realizable value.

**f) Intangible Assets:**

All intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the assets' economic benefits are consumed.

Software expenses are treated as an intangible asset and amortised over the useful life of the asset. The maximum period for such amortization is 36 months.

**g) Investments :**

Investments are classified into Non Current and Current Investments.

Non Current Investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognize a decline, other than of a temporary nature.

Current investments are carried individually at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

**h) Inventories :**

Inventories are stated at lower of cost or net realisable value. The cost of construction material is determined on the basis of the weighted average method. Construction Work-in-Progress includes cost of land, premium for development rights, construction costs and allocated interest & manpower costs and expenses incidental to the projects undertaken by the Company.

**i) Revenue Recognition:**

Income from Projects

Income from real estate sales is recognised on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Up to 31<sup>st</sup> March, 2012, revenue from real estate projects is recognized only when actual project cost incurred is atleast 25% of the total estimated project costs including land and when atleast 10% of the sales consideration is received.

In accordance with the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India, in case of projects commencing on or after 1<sup>st</sup> April, 2012 or in case of projects which have already commenced but where revenue is being recognised for the first time on or after 1<sup>st</sup> April, 2012, revenues will be recognized from these real estate projects only when

- (i) the actual construction and development cost incurred is at least 25% of the total construction and development cost (without considering land cost) and
- (ii) when at least 10% of the sales consideration is realised and
- (iii) where 25% of the total saleable area of the project is secured by contracts of agreement with buyers.

Income from long term contracting assignments is also recognised on the percentage of completion basis. As the long term contracts necessarily extend beyond one year, revision in costs and revenues estimated during the course of the contract are reflected in the accounting period in which the facts requiring the revision become known. Any expected loss on a project is recognised in the year in which costs incurred together with the balance costs to completion are likely to be in excess of the estimated revenues from project. Unbilled costs are carried as construction work-in-progress.

Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion.

Income from sale of land and other rights

Revenue from sale of land and other rights are considered upon transfer of all significant risks and rewards of ownership of such real estate/property as per the terms of the contract entered into with the buyers, which generally with the firmity of the sale contracts/agreements.

Income from Project Management

Project Management Fees receivable on fixed period contracts is accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claims submitted. Where the fee is linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

Income from operation of commercial complexes is recognised over the tenure of the lease/service agreement.

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.

Property lease rentals, income from operation & maintenance charges and water charges are recognized on an accrual basis as per terms of the agreement with the lessees.

Interest and dividend income

Interest income is accounted on an accrual basis at contracted rates except where there is uncertainty of ultimate collection.

Dividend income is recognised when the right to receive the same is established.

**j) Employee benefits:****(i) Defined Contribution Plans**

Company's contributions paid / payable during the year to Provident Fund, Superannuation Fund are recognised in the Statement of Profit and Loss.

**(ii) Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measures each unit separately to build up the final obligation. Past services are recognised on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

**(iii)** In view of the past trends of leave availed, the amount of employee benefit in the form of compensated absences, being in the nature of short term benefit, is accounted for on accrual basis at an undiscounted value.

**k) Borrowing Costs:**

Borrowing costs that are directly attributable to long-term project management and development activities are capitalised as part of project cost. Other borrowing costs are recognised as expense in the period in which they are incurred.

Borrowing costs are capitalised as part of the project cost when the activities that are necessary to prepare the asset for its intended use or sale are in progress. Borrowing costs are suspended from capitalisation on the project when development work on the project is interrupted for extended periods.

**l) Foreign Currency Transactions:**

Foreign Currency assets and liabilities are translated at the relevant rates of exchange prevailing at the year end and the translation differences are recognised in the Statement of Profit and Loss. The exchange gain or loss on settlement is also recognised in the Statement of Profit and Loss.

**m) Provision for taxation:**

Tax expense comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates and tax laws.

Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognized unless, in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax asset arising from brought forward tax losses, unabsorbed depreciation and items relating to capital losses wherein deferred tax asset is only recognized when there is virtual certainty. The carrying amount of deferred tax is reviewed at each balance sheet date.

**n) Segment Information:**

The Company operates in two main segments; namely, Projects, Project Management and Development activities and Operating of commercial complexes. The segments have been identified and reported taking into account the differing risks and returns and the internal business reporting systems. Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment. Income/expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses.

**o) Provisions and Contingent Liabilities**

Provisions are recognised in the accounts in respect of present obligation arising from past event, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

**p) Employee stock compensation costs**

Measurement and disclosure of the employee share-based payment plans is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI. The company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**2) Share Capital:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Authorised</b>		
11,50,00,000 (Previous year 11,50,00,000) Equity Shares of ₹ 10 each .....	11,500.00	11,500.00
60,00,000 (Previous year 60,00,000) Unclassified Shares of ₹ 10 each.....	600.00	600.00
	<u>12,100.00</u>	<u>12,100.00</u>
<b>Issued</b>		
4,10,74,001 (Previous year 4,10,53,051) Equity Shares of ₹ 10 each .....	4,107.40	4,105.31
	<u>4,107.40</u>	<u>4,105.31</u>
<b>Subscribed and Paid-up</b>		
4,10,33,150 (Previous year 4,10,12,200) Equity Shares of ₹ 10 each fully paid up	4,103.32	4,101.22
	<u>4,103.32</u>	<u>4,101.22</u>

**a) Reconciliation of number of shares**

	Current Year		Previous Year	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
<b>Equity Shares</b>				
Balance as at the beginning of the year	4,10,12,200	4,101.22	4,08,48,350	4,084.84
Add: Shares Issued (earlier kept in abeyance)	-	-	-	-
Add: Stock Options exercised during the year	20,950	2.10	1,63,850	16.38
Balance as at the end of the year	<u>4,10,33,150</u>	<u>4,103.32</u>	<u>4,10,12,200</u>	<u>4,101.22</u>

**b) Equity Shares: The Company has issued one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share.**

**c) Shares held by holding company**

	Current Year		Previous Year	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares</b>				
Mahindra & Mahindra Limited	2,08,46,126	50.80%	2,08,46,126	50.83%

**d) Details of shares held by shareholders including Holding Company, holding more than 5% of the aggregate shares in the Company**

	Current Year		Previous Year	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares</b>				
Mahindra & Mahindra Limited	2,08,46,126	50.80%	2,08,46,126	50.83%
Amansa Investments Limited	23,41,170	5.71%	25,05,170	6.11%
Small Cap World Fund, INC	21,57,380	5.26%	21,57,380	5.26%

**e) Shares reserved for issue under options**

The Company has 5,58,380 (Previous Year 5,58,430) equity shares of ₹ 10/- each reserved for issue under options [Refer Note 26(b)].

**f)** The allotment of 40,851 (Previous Year 40,851) equity shares of the Company has been kept in abeyance in accordance with Section 206A of the Companies Act, 1956 (Section 126 of the Companies Act 2013), till such time as the title of the bonafide owner of the shares is certified by the concerned Stock Exchange or the Special Court (Trial of Offences relating to Transactions in Securities).

## 3) Reserves &amp; Surplus

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Capital Redemption Reserve</b>		
Balance as at the beginning of the year .....	7,353.58	7,353.58
Transfer from General Reserve.....	-	-
Transfer from Profit & Loss Account.....	5,785.00	-
Balance as at the end of the year..... (A)	<u>13,138.58</u>	<u>7,353.58</u>
<b>Share Premium Account</b>		
Balance as at the beginning of the year .....	63,644.99	62,960.82
Add: Premium on shares issued during the year.....	74.26	684.17
Balance as at the end of the year..... (B)	<u>63,719.25</u>	<u>63,644.99</u>
<b>Capital Reserve</b>		
Balance as at the beginning of the year .....	-	-
Add: Consequent to change in groups interest (MWUL).....	2,364.10	-
Balance as at the end of the year..... (C)	<u>2,364.10</u>	<u>-</u>
<b>General Reserve</b>		
Balance as at the beginning of the year .....	7,568.51	5,235.55
Add: Transfer from Profit & Loss Account .....	-	2,332.96
Balance as at the end of the year..... (D)	<u>7,568.51</u>	<u>7,568.51</u>
<b>Debenture Redemption Reserve</b>		
Balance as at the beginning of the year .....	11,277.49	5,988.57
Add:- Transfer from Profit & Loss Account.....	4,046.27	5,288.92
Balance as at the end of the year..... (E)	<u>15,323.76</u>	<u>11,277.49</u>
<b>Hedging Reserve</b>		
Balance as at the beginning of the year.....	-	-
Gains /(losses) arising during the year		
Foreign Currency Forward Contract .....	(5.64)	-
Balance as at the end of the year..... (F)	<u>(5.64)</u>	<u>-</u>
<b>Employee Stock Option Outstanding</b>		
Opening Balance .....	560.32	541.98
Add: Fresh grant of Options .....	150.48	136.65
Less: Amount transferred to Securities premium/Options Lapsed .....	(64.82)	(118.31)
Closing Balance.....	<u>645.98</u>	<u>560.32</u>
Less:		
B) Deferred Employee Compensation Expenses :		
Opening Balance .....	284.04	298.60
Add: Fresh grant of Options .....	150.48	136.65
Less: Transfer to Employee Compensation / Options Lapsed .....	(118.71)	(151.21)
Closing Balance.....	<u>315.81</u>	<u>284.04</u>
Balance as at the end of the year..... (G)	<u>330.17</u>	<u>276.28</u>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as at the beginning of the year .....	53,274.15	40,300.13
Consolidated Net Profit for the year .....	9,309.24	26,619.50
Add/(Less): Adjustment on account of Increase/Decrease in Joint Venture interest.....	-	-
<b>Less : APPROPRIATIONS</b>		
Proposed Dividend on Equity Shares.....	2,456.52	2,469.61
Income Tax on Proposed Dividend .....	336.95	502.46
Interim Equity Dividend.....	-	2,459.78
Income Tax on Interim Dividend.....	-	360.60
Income Tax on Dividend.....	164.29	203.60
Depreciation Adjustment .....	-	27.55
Transfer to General Reserve .....	-	2,332.96
Transfer to CRR .....	5,785.00	-
Transfer to Debenture Redemption Reserve.....	4,046.26	5,288.92
Balance as at the end of the year..... (H)	<u>49,794.37</u>	<u>53,274.15</u>
	<u>152,233.10</u>	<u>143,395.00</u>

**4) Minority Interest**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Shares held by Minorities in Subsidiaries.....	<b>17,048.62</b>	9,719.85
	<b>17,048.62</b>	9,719.85

**5) Long Term Borrowings**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
<b>Secured Loan</b>		
- Term loans from Others .....	<b>35,458.33</b>	18,447.92
- Non Convertible Debentures .....	<b>61,500.00</b>	76,500.00
	<b>96,958.33</b>	94,947.92
<b>Unsecured Loan</b>		
- From Others .....	<b>756.86</b>	756.86
	<b>756.86</b>	756.86
- Add: Share of jointly controlled entities .....	<b>25,258.50</b>	16,008.50
	<b>1,22,973.69</b>	1,11,713.28

The term loan from bank and others have been taken by the entities in the Group. The key terms and conditions in respect of these loans are summarised below.

**Secured Loan****Term Loan from Others****Subsidiaries****Mahindra World City Developers Limited****a) Nature of Security**

Term loans are secured by equitable Mortgage of specified lands.

**b) Terms of Repayment**

Term loan I carries interest @ 9.85% - Principal to be repaid in 12 equal quarterly instalments, commencing from April 2016.

Term loan II carries an interest of HDFC CPLR - 728 points. Principal to be repaid in 12 equal quarterly instalments, commencing from March 2018, after a moratorium of 24 months. Current rate of interest is 10.37 %.

**Mahindra Industrial Park Chennai Limited****a) Nature of Security**

Term loans are secured by equitable Mortgage of specified lands.

**b) Terms of Repayment**

Term loan carries an interest of HDFC CPLR - 680 points. Principal to be repaid in 16 equal quarterly instalments, commencing from March 2019, after a moratorium of 36 months. Current rate of interest is 10.75 %.

**Joint Venture****Mahindra Homes Private Limited**

Indian rupee loan from bank carries interest of base rate and margin i.e., currently effective @ 10.25%. The Loan is repayable in 8 equal quarterly instalments commencing from 24 months from the first drawdown date viz. 31<sup>st</sup> March, 2016. The first repayment shall be date falling 27 months from the first drawdown date. The loan is secured against:

- i) a first ranking and exclusive mortgage (subject only to the Permitted Second Charge) on the Land, building and development rights of luminare project.
- ii) a first ranking and exclusive charge by way of hypothecation over the (a) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in the permits, approvals and clearances of the Borrower relating to the Gurgaon Project; (b) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee and bank guarantee provided by any Person under the Gurgaon Project Documents; and (c) all rights, title, interest, benefits, claims and demands whatsoever of the Borrower in any Insurance Policies in relation to the Gurgaon Project (including any proceeds from such Insurance Policies).



- iii) a first ranking pari passu charge by way of hypothecation (pari passu only with the Security Interest created / to be created to secure the working capital facility), over the Receivables including security deposit to land owners.

### Non-Convertible Debentures

#### Mahindra Lifespace Developers Limited

The terms and conditions of the Secured Non-Convertible Debentures issued by the Company are summarized below:-

Series	I	II	III
Face Value of Debentures (₹ lakh)	12,500.00	17,500.00	20,000.00
Total Redemption Amount (₹ lakh)	4,498.71	2,290.30	3,455.65
Rate of Interest Payable Annually	0%	8%	8%
Maturity Date	4 <sup>th</sup> April, 2016	4 <sup>th</sup> April, 2017	4 <sup>th</sup> April, 2018

The above debentures are secured by an exclusive charge over all assets, including Land & building as identified by the Company from time to time.

At present the identified assets are land owned by the Company which is accounted as a part of Construction Work in Progress and land owned by its Subsidiary Mahindra Integrated Township Limited.

Series I Debentures of face value ₹ 12,500 lakh are getting matured on 4<sup>th</sup> April, 2016 and hence they form part of Other Current Liabilities.

As it stands today on the date of approval of accounts, the same along with its redemption amount has already been repaid on the due date on 4<sup>th</sup> April, 2016.

### Subsidiaries

#### Mahindra World City Jaipur Limited

Company has issued 2,500, 10% Redeemable Secured Non-Convertible Debentures of ₹ 10 lakh, each aggregating to ₹ 25,000 lakh repayable in 3, 4 and 5 years in the ratio of 30:30:40 respectively along with redemption premium.

Series	A	B	C
Face Value of Debentures (₹ lakh)	7,500.00	7,500.00	10,000.00
Total Redemption Premium Amount (₹ lakh)	583.76	830.95	1,474.21
Rate of Interest Payable Annually	10%	10%	10%
Maturity Date	13 <sup>th</sup> July, 2015	13 <sup>th</sup> July, 2016	13 <sup>th</sup> July, 2017

During the period the first tranche of ₹ 75 crore has been repaid on 13<sup>th</sup> July, 2015 along with premium on redemption of ₹ 5.83 crore.

#### a) Nature of Security

These Debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 6,500 lakh as mentioned below on the assets of the project (excluding specified assets) by way of constructive mortgage through deposit of the title deeds with the Debenture Trustee / hypothecation. The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 at all times during the currency of debentures.

#### b) Terms of Repayment

Interest on these debentures is payable annually in July.

Company has issued 650, 10.90% Redeemable Secured Non-Convertible Debentures of ₹ 10 Lakh each aggregating to ₹ 6,500 lakh repayable in 3, 4 and 5 years in the ratio of 31:31:38 respectively alongwith redemption premium.

Series	I	II	III
Face Value of Debentures (₹ lakh)	2,000.00	2,000.00	2,500.00
Total Redemption Premium Amount(₹ lakh)	0.00	0.00	0.00
Rate of Interest Payable Annually	10.90%	10.90%	10.90%
Maturity Date	19 <sup>th</sup> Dec. 2017	19 <sup>th</sup> Dec. 2018	19 <sup>th</sup> Dec. 2019

#### a) Nature of Security

These debentures are secured by way of first pari passu charge along with the debenture holders of ₹ 25,000 lakh as mentioned above on the assets of the project (excluding specified assets) by way of constructive mortgage, through deposit of the title deeds with the Debenture Trustee. The company has to maintain minimum fixed asset coverage ratio (FACR) of 1.25 at all times during the currency of debentures.

#### b) Terms of Repayment.

Interest on these debentures is payable annually in December.

### Mahindra Integrated Township Limited

The terms and conditions of the Secured Non-Convertible Debentures issued by the Company are summarized below:-

Series	I	II	III
Face Value of Debentures (₹ lakh)	2,500.00	2,500.00	2,500.00
Total Redemption Amount (₹ lakh)	214.32	299.64	393.68
Rate of Interest Payable Annually	7%	7%	7%
Maturity Date	31-Aug-18	31-Aug-19	31-Aug-20

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

### Mahindra Bebanco Developers Limited

#### a) Nature of Security

Non-Convertible Debentures are secured by first pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from the project.

#### b) Terms of Repayment.

The debentures are repayable on 9<sup>th</sup> Sept, 2016. Coupon Rate is 11.25% per annum, payable semi-annually.

Debentures of ₹ 2,500 lakh are getting matured on 9<sup>th</sup> September, 2016 and hence they form part of Other Current Liabilities in the current year.

### Unsecured Loan

#### Subsidiary

### Mahindra Bebanco Developers Limited

Unsecured loan relates to inter corporate loans repayable after redemption of the NCD's issued by Mahindra Bebanco Developers limited (as described earlier).

Presently it is expected that this loan will be repaid after 9<sup>th</sup> Sept 2016.

### Debentures (Unsecured)

#### Joint Venture

### Mahindra Homes Private Limited

The debentures shall earn, net of tax, simple interest of 15% per annum payable quarterly. Interest shall become due and payable only on availability of distributable cash. Interest on the debentures shall be cumulative and payable until the debentures are converted into equity shares. One debenture shall convert into one equity share. The conversion of the debentures shall at all times be made at the conversion price of ₹ 50,000. Debentures can be converted to equity shares at the conversion ratio with the consent of all shareholders. All debentures, to the extent outstanding, shall automatically and mandatorily convert to equity shares at the conversion Price upon the expiry of 12 years from the date of allotment. The Series B equity shares issued on conversion of the Series A debentures shall rank pari passu in all respects with the Series C equity shares, respectively, in issue on the relevant date of conversion, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance.

**6) Deferred Tax Liability (Net)****Deferred Tax Liability**

Relating to :

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Difference between book and tax depreciation .....	5,038.96	2,980.83
Interest inventorised but claimed as allowable for tax purposes .....	-	4,341.18
Income accrued based on lease equalisation .....	-	(14.33)
Less: Transition Adjustment on depreciation.....	-	(11.76)
	<u>5,038.96</u>	<u>7,295.92</u>
Add: Share in Jointly controlled entities.....	-	-
	<u>5,038.96</u>	<u>7,295.92</u>

**Deferred Tax Asset**

Relating to :

Business loss carried forward.....	1,038.12	949.14
Expenses allowable on actual payment .....	-	621.04
	<u>1,038.12</u>	<u>1,570.18</u>
Add: Share in Jointly controlled entities.....	-	107.67
	<u>1,038.12</u>	<u>1,677.85</u>
	<u>4,000.84</u>	<u>5,618.07</u>

**7) Other Long Term Liabilities**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Advances & Deposits .....	<u>589.11</u>	<u>719.82</u>
	<u>589.11</u>	<u>719.82</u>

**8) Long Term Provisions**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee Benefits		
- Compensated absences.....	247.81	132.98
- Gratuity[Refer Note 26(a)] .....	145.31	156.58
Provision for premium on redemption of debentures.....	<u>6,976.26</u>	<u>11,609.74</u>
	<u>7,369.38</u>	<u>11,899.30</u>
Add: Share in Jointly controlled entities.....	-	20.44
	<u>7,369.38</u>	<u>11,919.74</u>

**9) Short Term Borrowings**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Secured Loans</b>		
- From Banks .....	13,599.75	1,367.15
- Non Convertible Debentures .....	5,000.00	-
<b>Unsecured Loans</b>		
- Intercorporate Deposits .....	-	1,000.00
- From Banks .....	7,000.00	-
- From Others .....	1,955.21	-
	<u>27,554.96</u>	<u>2,367.15</u>
Add: Share in Jointly controlled entities.....	-	-
	<u>27,554.96</u>	<u>2,367.15</u>

The short term borrowing from bank and others have been taken by the entities in the Group. The key terms and conditions in respect of these loans are summarised below.

## Secured Loans

### a) Loan from Bank :

#### Mahindra Lifespace Developers Limited

##### Nature of Security

Short Term Loan/Working Capital Demand Loan and Cash Credit/Overdraft facility. The Short Term Loan/WCDL is secured by exclusive mortgage charge on immovable properties of the company while Cash Credit/Overdraft is secured by first hypothecation charge on all existing and future current assets of the company.

##### Terms of Repayment

Rate of interest is base rate plus 0.20% (presently 9.70%p.a). Cash Credit/ Overdraft facility is repayable on demand from bank.

#### Mahindra Bebanco Developers Limited

##### Nature of Security

The Cash Credit facility is secured by first pari passu charge by way of mortgage on the Property / Project and second charge over escrow of receivables from Project.

##### Terms of Repayment

Rate of interest is base rate plus 1% (presently 10.50%p.a). The cash credit facility is repayable on demand from bank.

#### Mahindra Integrated Township Limited

##### Nature of Security

Cash Credit facility is secured by hypothecation of book debts.

##### Terms of Repayment

Rate of interest is base rate plus 0.25%p.a. The cash credit facility is repayable on a monthly basis.

### b) Non-Convertible Debentures

#### Mahindra World City (Jaipur) Limited

Company has issued 50 Redeemable Secured Non-Convertible Debentures of ₹ 1 crore each aggregating to ₹ 50 crore repayable in 1 year with call options on 06<sup>th</sup> Jan' 16, 29<sup>th</sup> Feb' 16, 06<sup>th</sup> Apr' 16 and 6<sup>th</sup> Jun'16. It can be fully exercised on these dates. As of 31<sup>st</sup> March, 2016 company has not exercised its call option.

## Unsecured Loan

#### Mahindra Lifespace Developers Limited

Includes Short Term Loan from bank for working capital purposes.

#### Mahindra Bebanco Developers Limited

Includes Commercial papers issued for working capital purposes.

## 10) Trade Payables

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Trade Payable Others .....	33,728.15	26,211.71
	<u>33,728.15</u>	<u>26,211.71</u>
Add: Share in Jointly controlled entities.....	911.32	473.39
	<u>34,639.47</u>	<u>26,685.10</u>

Based on the information available with the Company there are no dues outstanding in respect of Micro, Small and Medium Enterprises as of Balance Sheet date.

**11) Other Current Liabilities**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Advances and Deposits.....	9,043.89	9,750.55
Unclaimed Dividends.....	112.62	103.24
Current maturities of Non Convertible Debentures.....	12,500.00	-
Current maturities of long term loans from banks.....	16,812.50	9,677.08
Provision for premium on redemption of debentures* .....	5,270.52	528.86
Other Liabilities.....	6,907.20	8,883.55
Interest accrued but not due on loans .....	5,417.91	5,198.03
	<u>56,064.64</u>	<u>34,141.31</u>
Add: Share in Jointly controlled entities.....	5,535.88	6,248.06
	<u><u>61,600.52</u></u>	<u><u>40,389.37</u></u>

- a) There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.
- b) Current maturities of long term loans relate to debts, details of which have been given in note 5. In addition the amount at 31<sup>st</sup> March, 2015 included current maturity of long term debt of ₹ 500 lakh representing 366 day unsecured loan availed during the previous year at an interest rate of 11.50% repaid on 25<sup>th</sup> March, 2016.

\*For debentures redeemable in April, 2016 and July, 2016.

**12) Short Term Provisions**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Provision for Employee benefits		
- Gratuity [(Refer Note 26a)].....	17.97	46.21
- Leave Encashment Benefits.....	265.84	313.81
Others		
Proposed Dividend .....	2,461.99	2,460.73
Provision for tax on Proposed Dividend .....	501.21	500.96
Defect Liabilities / Warranties@ .....	822.50	896.09
Others.....	23.02	17.12
	<u>4,092.53</u>	<u>4,234.92</u>
Add: Share in Jointly controlled entities.....	14.56	1.55
	<u><u>4,107.09</u></u>	<u><u>4,236.47</u></u>

@The movement in provision for defect liability is as follows:

	<b>Current Year</b>	Previous Year
Balance as on 1 <sup>st</sup> April .....	896.09	542.53
Add: Provision during the year .....	485.78	430.87
Less: Provision written back.....	525.00	-
Less: Utilisation during the year .....	34.37	77.31
Balance as on 31 <sup>st</sup> March.....	<u><u>822.50</u></u>	<u><u>896.09</u></u>

## 13) Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK				
	As at 31 <sup>st</sup> March, 2015	Adjustment*	Additions	Deductions	As at 31 <sup>st</sup> March, 2016	Up to 31 <sup>st</sup> March, 2015	Deductions	Adjustment*	For the Year	Impairment losses	Up to 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Tangible Assets</b>													
<b>Land</b>													
Land- Freehold	252.66	-	-	-	252.66	-	-	-	-	-	-	252.66	252.66
Land- Leasehold	443.07	-	-	-	443.07	36.08	-	-	4.42	-	40.50	402.57	406.99
<b>Building</b>													
Owned	7,254.40	-	876.07	3.18	8,127.29	693.47	-	-	391.46	-	1,084.93	7,042.36	6,560.93
Given under operating lease	14,060.09	-	9.86	-	14,069.95	2,245.58	-	-	240.48	-	2,486.06	11,583.89	11,814.51
<b>Furniture &amp; Fixtures</b>													
Owned	878.09	28.28	236.59	144.32	998.64	126.11	-	24.76	102.11	-	252.98	745.66	751.98
Given under operating lease	1,390.60	-	-	-	1,390.60	898.17	-	-	149.34	-	1,047.51	343.09	492.43
<b>Plant &amp; Machinery</b>													
Owned	4,064.99	31.07	635.10	0.62	4,730.54	1,381.83	-	21.99	455.08	-	1,858.90	2,871.64	2,683.16
Given under operating lease	1,185.93	-	7.55	-	1,193.48	344.95	-	-	130.52	-	475.47	718.01	840.98
Computers	629.06	38.18	72.10	7.07	732.27	434.78	7.06	38.10	103.76	-	569.58	162.69	194.28
Vehicles	494.74	81.41	146.80	45.87	677.08	178.12	25.32	77.54	163.22	-	393.56	283.52	316.62
Leasehold Improvement	707.33	-	-	-	707.33	237.27	-	-	86.58	-	323.85	383.48	470.06
<b>Sub Total (A)</b>	31,360.96	178.94	1,984.07	201.06	33,322.91	6,576.36	32.38	162.39	1,826.97	-	8,533.34	24,789.57	24,784.60
<b>Previous Year</b>	27,103.61	-	4,566.33	308.98	31,360.96	5,088.57	29.41	835.11	1,284.16	197.93	6,576.36	24,784.60	22,075.04
<b>Intangible Assets</b>													
Software Expenditure	400.71	-	-	-	400.71	397.14	-	-	1.19	-	398.33	2.38	3.57
Goodwill	10,220.97	-	-	-	10,220.97	-	-	-	-	-	-	10,220.97	10,220.97
<b>Sub Total (B)</b>	10,621.68	-	-	-	10,621.68	397.14	-	-	1.19	-	398.33	10,223.35	10,224.54
<b>Previous Year</b>	10,618.11	-	3.57	-	10,621.68	397.14	-	-	-	-	397.14	10,224.54	10,220.97
<b>Total (A+B)</b>	41,982.64	178.94	1,984.07	201.06	43,944.59	6,973.50	32.38	162.39	1,828.16	-	8,931.67	35,012.92	35,009.14
Share in Jointly Controlled Entities	457.34	(89.48)	158.97	-	526.83	113.57	-	(80.34)	100.78	-	134.01	392.82	343.77
<b>Grand Total</b>	42,439.98	89.46	2,143.04	201.06	44,471.42	7,087.07	32.38	82.05	1,928.94	-	9,065.68	35,405.74	35,352.91
<b>Previous year total</b>	37,870.24	-	4,938.72	308.98	42,439.98	5,551.73	26.74	40.72	1,323.43	197.93	7,087.07	35,352.91	32,258.51
Capital Work in Progress												330.51	762.66
												35,736.25	36,115.57

\*Indicates Addition/(Reversal) due to increase / decrease of stake in the joint venture / Associate Company.

# Indicates Depreciation adjustment in previous year due to change in useful life as prescribed in Schedule II to the Company Act, 2013.





## 14) Non-Current Investments

	Face Value ₹	Number of shares (Current year and previous year except as stated)	Current Year ₹ in lakh	Previous Year ₹ in lakh
<b>Trade, Unquoted (At Cost)</b>				
<b>Equity Shares</b>				
<b>In Associates</b>				
Topical Builders Private Limited .....	10	175	0.02	0.02
Kismat Developers Private Limited.....	10	15	0.00	0.00
<b>In Others</b>				
Deepmangal Developers Private Limited .....	100	177	284.62	284.62
Mahindra Knowledge Park (Mohali) Limited.....	10	6	0.00	0.00
New Tirupur Area Development Corporation Limited .....	10	1,55,00,000	1,550.63	1,550.63
<b>Preference Shares</b>				
<b>In Associates</b>				
Topical Builders Private Limited .....	10	4,825	0.48	0.48
(8.5 % Non-Cumulative Preference Share)				
Kismat Developers Private Limited.....	10	4,985	0.50	0.50
(7% Non-Cumulative Preference Share)				
<b>In Others</b>				
Rathna Bhoomi Enterprises Private Limited.....	10	1,19,250	11.93	11.93
(10% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares)				
Moonshine Construction Pvt Limited .....	10	5,000	0.50	0.50
(7% Non-Cumulative Redeemable Participating Optionally Convertible Preference Shares)				
<b>Debentures</b>				
<b>In Joint Venture</b>				
Mahindra Homes Private Limited (Earlier Known as Watsonia Developers Private Limited and before that Watsonia Developers Limited) .....	100	1,60,08,500	16,008.50	16,008.50
(15% Compulsory Convertible Debentures)				
			<b>17,857.18</b>	<b>17,857.18</b>
Less : Provision for Diminution in Value of Investments.....			<b>(1,562.61)</b>	<b>(1,562.61)</b>
			<b>16,294.57</b>	<b>16,294.57</b>

- a) The Groups investment in the equity shares of New Tirpur Area Development Corporation Limited (“NTADCL”) aggregates ₹ 1,550.63 lakh. The net worth of NTADCL is substantially eroded.

NTADCL was exploring the option of supplying industrial water to a textile park proposed to be set up by the state government of Karnataka which would have contributed substantially to its revenues. Consequent, to the finalization of the financial statements for the year ended 31<sup>st</sup> March, 2014 it was expected that there were likely to be delays in setting up the same and the probability of the whole project being set up was significantly lower as compared to the previous year. As a result the Group has made a provision for diminution of its investment in NTADCL of ₹ 1,550.63 lakh in previous year ending 31<sup>st</sup> March, 2015.

**15) Long Term Loans & Advances**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
(Unsecured, considered good, unless otherwise stated)		
Deposits.....	147.07	119.30
	<u>147.07</u>	<u>119.30</u>
Other Loans & Advances		
Considered good		
Secured .....	0.08	91.19
Unsecured .....	860.07	448.79
	<u>860.15</u>	<u>539.98</u>
Less : Provision for doubtful loans & advances.....	-	-
	<u>860.15</u>	<u>539.98</u>
Advance payment of Income tax (Net of Provision for tax) .....	6,339.99	6,662.98
	<u>7,347.21</u>	<u>7,322.26</u>
Add: Share in Jointly controlled entities.....	101.37	1.96
	<u>7,448.58</u>	<u>7,324.22</u>

**16) Other Non-Current Assets**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Long term trade receivable.....	3,331.21	-
Doubtful .....	578.72	-
Less: Provision for doubtful trade receivables.....	(578.72)	-
Long Term Deposits with maturity more than 12 months .....	487.10	151.46
(Fixed deposit of ₹ 57.60 lakh (Previous year- ₹ 18.47 lakh) is against Margin Monies with banks for Bank Guarantee)		
	<u>3,818.31</u>	<u>151.46</u>
Add: Share in Jointly controlled entities.....	-	1,296.69
	<u>3,818.31</u>	<u>1,448.15</u>

**17) Current Investments**

	Current Year		Previous Year	
	Units	₹ in lakh	Units	₹ in lakh
<b>Unquoted, Non Trade</b> (At lower of cost or fair value)				
<b>In Units of Mutual Fund</b>				
HDFC Liquid Fund-Growth .....	2,70,545	8,065.23	-	-
UTI-Money Market Fund-Institutional Plan-Growth .....	2,36,977	4,008.48	-	-
ICICI Prudential Money Market Fund-Growth .....	19,18,852	4,008.45	-	-
Birla Sun Life Floating Rate Fund-Short Term Plan-Growth-Regular Plan .....	19,93,094	4,009.48	-	-
ICICI- Ultra Short Term Plan - Direct Growth .....	-	-	53,08,832	750.00

	Current Year		Previous Year	
	Units	₹ in lakh	Units	₹ in lakh
DSP Black Rock Money manager Fund-Direct plan-growth.....	-	-	231	4.31
JM Money Manager Fund Super Plus Plan - Growth.....	-	-	78,46,192	1,520.24
IDFC Money Manager Fund - Treasury Plan .....	-	-	36,31,816	800.00
JM High Liquidity Fund - Growth Option (452) .....	48,834	20.09	7,78,187	295.12
JM - Floater Long Term Fund-Direct Growth Option .....	4,49,783	104.34	-	-
Birla Sun Life Cash Plus- Direct Growth.....	20,719	50.15	-	-
IDFC Cash Fund -Growth- Direct Plan .....	8,729	160.12	-	-
Reliance Interval Fund Quarterly Plan Series- II .....	-	-	26,42,371	500.00
Reliance Liquid Fund- Treasury Plan- Direct Growth Plan- Growth Option .....	-	-	2,063	70.00
Birla Sun life Savings Fund- Growth Fund .....	30,037	87.38	-	-
Templeton India Ultra Short Bond Fund Super Institutional Plan - Direct Growth .....	-	-	1,06,31,481	1,924.12
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Daily Dividend.....	28,007	2.81	-	-
		<b>20,516.51</b>		<b>5,863.80</b>
Add: Share of jointly controlled entities .....		<b>1,394.97</b>		<b>1.34</b>
		<b>21,911.48</b>		<b>5,865.14</b>

## 18) Inventories

	Current Year	Previous Year
	₹ in lakh	₹ in lakh
(At lower of cost and net realisable values)		
Raw Material.....	2,977.60	3,059.21
Stock-in-trade .....	6,971.41	2,378.76
Construction Work in Progress*#@ .....	2,17,358.60	1,78,868.09
	<b>2,27,307.60</b>	<b>1,84,306.05</b>
Add: Share of jointly controlled entities .....	<b>15,007.53</b>	<b>12,724.53</b>
	<b>2,42,315.13</b>	<b>1,97,030.58</b>

\* Construction Work in Progress represents materials at site and unbilled costs on the projects. Based on projections and estimates by the Company of the expected revenues and costs to completion, provision for losses to completion and/ or write off of costs carried to inventory are made on projects where the expected revenues are lower than the estimated costs to completion. In the opinion of the management, the net realisable value of the construction work in progress will not be lower than the costs so included therein.

# The Company had during the previous year entered into mutually agreed consent terms with a land-owner in respect of this project, commencement of which had been delayed and in accordance with the consent terms, the Company during the previous year completed the sale of land in relation thereto. Accordingly, the provision for losses to project completion for ₹ 1,023.00 lakh in respect was no longer required and reversed during the previous year. Further, revenue from operations for the previous year ended 31<sup>st</sup> March, 2015 includes ₹ 25,262.65 lakh on sale thereof, net of the advances given and interest thereon. Operating expenses included in the previous year ₹ 2,292.65 lakh of costs incurred in relation thereto. Other income included in the previous year ₹ 1,550.15 lakh pertaining to write back of the provision for the interest on the aforesaid advance no longer required.

Consequent to the above, construction work-in-progress of ₹ 765.87 lakh and short term loans and advances and interest accrued on project advances included in other current assets of ₹ 4,205.26 lakh and ₹ 2,174.98 lakh, respectively, at 31<sup>st</sup> March, 2014 have been realized during the previous year.

Specified land owned by the Company is given as security for debentures. (Refer Note 5).

@ During the year MWCDL sold 264.875 acres of land to MIPCL excluding 32.42 acres of land on which MIPCL has a right to return, if the litigation in respect of that land is not resolved by 31<sup>st</sup> March, 2018.

**19) Trade Receivables**

(Unsecured, Considered Good, Unless otherwise stated)

Outstanding over six months

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Considered good .....	2,320.39	1,886.66
Considered doubtful .....	602.47	599.83
	<u>2,922.86</u>	<u>2,486.49</u>
Other debts, considered good .....	4,798.31	1,985.25
Less: Provision for doubtful receivables .....	(528.48)	(599.83)
	<u>7,192.69</u>	<u>3,871.91</u>
Add: Share of jointly controlled entities .....	188.68	783.52
	<u>7,381.37</u>	<u>4,655.43</u>

**20) Cash & Bank Balance**

Cash on hand .....

Balances with Scheduled Banks

- On Current Accounts .....

- In Deposit Accounts with Banks .....

(Fixed deposit of ₹ 1,017.03 lakh (Previous year- ₹ 980.22 lakh) is against Margin Monies with banks for Bank Guarantee, Over Draft facilities, interest coverage on term loans and other non-fund based facilities)

Share in Jointly controlled entities .....

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Cash on hand .....	3.11	3.14
- On Current Accounts .....	13,596.99	4,753.47
- In Deposit Accounts with Banks .....	4,072.29	1,913.33
	<u>17,672.39</u>	<u>6,669.94</u>
Share in Jointly controlled entities .....	407.73	1,026.29
	<u>18,080.12</u>	<u>7,696.23</u>

**(a) Cash and Cash equivalents for the purposes of Cash flow**

Cash & Bank Balances .....	17,672.39	6,669.94
Less: Margin money deposit and other bank balances/deposit with maturity more than 3 months .....	4,273.79	1,376.95
	<u>13,398.60</u>	<u>5,292.99</u>
Share in Jointly controlled entities .....	407.73	1,026.29
Cash and cash equivalents for the purposes of cash flow .....	<u>13,806.33</u>	<u>6,319.28</u>

**(b) Balance with Banks includes Unclaimed Dividend of ₹ 112.62 lakh (Previous Year ₹ 103.24 lakh)**

**21) Short Term Loans & Advances**

	<b>Current Year</b>	Previous Year
	<b>₹ in lakh</b>	₹ in lakh
(Unsecured, considered Good, unless otherwise stated)		
Loans and advances to related parties		
- Considered good.....	<b>2,209.08</b>	2,264.08
- Considered doubtful.....	-	-
	<b>2,209.08</b>	2,264.08
Other Loans and Advances		
Secured considered good.....	<b>176.91</b>	5,346.57
Unsecured		
- Considered good*#.....	<b>25,670.08</b>	27,561.04
- Considered doubtful.....	<b>271.25</b>	271.25
Less: Allowance for doubtful loans and advances.....	<b>(271.25)</b>	(271.25)
	<b>25,846.99</b>	32,907.61
Staff Loans and Advances.....	-	20.25
Deposits.....	<b>3,463.93</b>	3,890.88
	<b>31,520.00</b>	39,082.82
Add: Share of jointly controlled entities.....	<b>24,185.89</b>	22,982.59
	<b>55,705.89</b>	62,065.41

\* Refer Note No. 18(#)

# During the previous year Other Loans and advances included project advances of ₹ 10,000 lakh pending for over 3 years relating to a project whose commencement had been delayed due to non-performance with respect to the agreed condition precedents by Vendors. The Company had taken legal action against the vendors to protect the interest of the Company where in the H'ble High Court at Mumbai had given order restraining the vendors from creating any third party rights in respect of the suit property or part with possession thereof.

During the current year, the company has received an award in terms of the consent terms filed by the Company and the Vendors before the H'ble Arbitral Tribunal and the Company has acquired the property. The Company shall be undertaking the redevelopment of the property on completion of all obligation by the Vendors.

Consequently the amount of ₹ 10,000 lakh now stands transferred to Construction Work in Progress in the current year.

The short term loans and advances comprise entirely unsecured loans to related parties for business purpose:

Loans and advances to Holding Company (Mahindra & Mahindra Limited) ₹ 2,000 lakh.

The following table summarises the loans and advances required to be disclosed under section 186(4) of the Act and Clause 32 of the listing agreement.

Loans & Advances to Associate

**Name of the Company**

<b>Name of the Company</b>	<b>Balance as on 31<sup>st</sup> March, 2016 (₹ in lakh)</b>	Maximum outstanding during the year (₹ in lakh)
Kismat Developers Private Limited.....	<b>0.25</b>	0.25
Topical Builders Private Limited.....	<b>207.39</b>	207.39
<b>Total.....</b>	<b>207.64</b>	207.64



**22) Other Current Assets**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
(Unsecured, considered Good, unless otherwise stated)		
Interest accrued on deposits .....	4,152.95	5,740.32
Unbilled Revenue .....	22,175.99	16,192.42
Others .....	428.15	429.63
	<u>26,757.09</u>	<u>22,362.37</u>
Add: Share of jointly controlled entities .....	2,024.41	7.40
	<u>28,781.50</u>	<u>22,369.77</u>

**23) Operating Income**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Income from Projects (Refer Note 18#) .....	72,198.03	1,05,624.27
Project Management Fees .....	585.56	180.79
Income from Operation of Commercial Complexes .....	2,018.95	1,980.53
	<u>74,802.54</u>	<u>1,07,785.59</u>
Add: Share in Jointly controlled entities .....	7,813.62	824.23
	<u>82,616.16</u>	<u>1,08,609.82</u>

**24) Other Income**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest Earned		
- On Inter Corporate Loans .....	31.72	37.09
- On Bank Deposits .....	303.90	357.59
- On Optionally Convertible Debentures .....	2,830.17	2,825.50
- Others .....	175.49	217.34
Dividend - On Current Investments-Non Trade .....	267.93	431.31
Profit on Sale of Current Investments-Non Trade .....	343.92	242.87
Profit on Sale of other Fixed Assets .....	2.65	-
Write-back of provisions for losses to completion(Refer Note 18#) .....	-	1,550.15
Miscellaneous Income .....	1,115.03	472.92
	<u>5,070.81</u>	<u>6,134.77</u>
Add: Share in Jointly controlled entities .....	56.09	12.08
	<u>5,126.90</u>	<u>6,146.85</u>

## 25) Operating Expenses

	Current Year	Previous Year
	₹ in lakh	₹ in lakh
Opening Stock in trade .....	2,378.76	1,893.57
Opening Work-in-progress .....	1,78,868.39	1,63,505.60
Opening Raw Material .....	3,059.20	3,069.53
	<u>1,84,306.35</u>	<u>1,68,468.70</u>
<b>Add: Expenses incurred during the year *:</b>		
Land Cost / Premium for Development Rights .....	28,386.95	5,689.18
Architect Fees.....	622.13	669.87
Preliminaries & Site Expenses .....	6,613.41	1,077.05
Civil, Electrical, Contracting etc.....	38,507.23	44,420.97
Interest (net) .....	6,855.11	5,352.05
Overheads allocated.....	1,934.41	1,701.44
Payment to Local Agencies .....	1,938.72	1,959.64
Insurance.....	44.76	27.40
Legal & Professional Fees.....	1,065.85	666.96
Other Expenses.....	486.58	274.07
	<u>86,455.15</u>	<u>61,838.63</u>
Less :- Closing Work-in-progress .....	(2,17,609.36)	(1,78,868.39)
Closing Raw Material.....	(2,977.60)	(3,059.20)
Closing Stock in trade.....	(6,971.69)	(2,378.76)
Capital Work in Progress.....	(28.04)	(79.04)
	<u>(2,27,586.69)</u>	<u>(1,84,385.39)</u>
	<u>43,174.81</u>	<u>45,921.94</u>
Rent, Rates & Taxes .....	116.92	175.19
Insurance.....	(0.64)	0.63
Repairs & Maintenance - Commercial Properties .....	181.04	138.81
Professional Fees * .....	8.64	533.53
Brokerage .....	380.11	330.71
Advertisement, Marketing & Business Development.....	1,056.85	1,006.39
Electricity .....	48.91	6.66
Other Operating Expenses .....	364.70	1,400.26
	<u>45,331.34</u>	<u>49,514.12</u>
Add: Share in Jointly controlled entities.....	4,885.73	613.56
	<u>50,217.07</u>	<u>50,127.68</u>

\* Refer Note 18#

**26) Employee Remuneration & Benefits**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Salaries, Allowances & Bonus.....	<b>7,544.85</b>	6,072.51
Contribution to Provident & Other Funds.....	<b>347.55</b>	385.29
Expense on Employee Stock Option Scheme.....	<b>33.54</b>	117.69
Staff Welfare Expenses.....	<b>459.89</b>	422.49
	<b>8,385.83</b>	6,997.98
Less :- Allocated to projects .....	<b>(1,684.79)</b>	(1,736.10)
	<b>6,701.04</b>	5,261.88
Add: Share in Jointly controlled entities.....	<b>-</b>	240.91
	<b>6,701.04</b>	5,502.79

**a) Gratuity****(1) Principal actuarial assumptions:**

	<b>Current Year</b>	Previous Year
Discount rate	<b>7.46%-7.90%</b>	7.77%-9.20%
Rate of Return on Plan Assets	<b>8.00%-9.50%</b>	8.00%-9.50%
Salary escalation	<b>7.00%-12.00%</b>	12.00%
Attrition	<b>2.00%-5.00%</b>	5.00%

**(2) Reconciliation of Benefit Obligation:**

	<b>Funded</b>		<b>Unfunded</b>	
	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Liability at the beginning of the year	<b>368.43</b>	259.16	<b>23.43</b>	14.79
Adjustment to the opening balance	<b>-</b>	3.85	<b>-</b>	-
Interest Cost	<b>28.97</b>	23.29	<b>1.68</b>	1.15
Current Service Cost	<b>82.39</b>	75.01	<b>6.35</b>	6.54
Benefit Paid	<b>(2.07)</b>	(21.22)	<b>(3.49)</b>	(4.64)
Unrecognised Past Service Cost	<b>-</b>	-	<b>13.07</b>	-
Actuarial (Gain) / Loss on Obligations	<b>(105.33)</b>	6.69	<b>(0.06)</b>	5.60
Liability at the end of the year	<b>372.40</b>	325.13	<b>40.98</b>	23.43
Fair Value of Plan Assets at the end of the year	<b>250.09</b>	145.75	<b>-</b>	-
Amount recognised and disclosed under the head "Provisions for Gratuity"	<b>122.30</b>	179.37	<b>40.98</b>	23.43
Current	<b>15.96</b>	45.87	<b>2.01</b>	0.35
Non-Current	<b>106.34</b>	133.50	<b>38.97</b>	23.08

**(3) Reconciliation of Fair value of Plan Assets:**

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Fair Value of Plan Assets at the beginning of the year	<b>197.91</b>	171.22
Adjustment to the opening balance	<b>22.67</b>	(27.28)
Expected Return on Plan Assets	<b>20.43</b>	13.28
Contributions	<b>10.69</b>	19.19
Benefit Paid	<b>(2.07)</b>	(20.65)
Actuarial Gain /(Loss) on plan assets	<b>0.47</b>	(9.91)
Fair Value of Plan Assets at the end of the year	<b>250.09</b>	145.75

## (4) Actual Return on Plan Asset:

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Expected Return on Plan Assets	20.43	13.28
Actuarial Gain/(Loss) on Plan Assets	0.47	(9.91)
Actual Return on Plan Assets	20.90	3.37

## (5) Expenses recognised in the Profit and Loss Account under the head "Employee Benefits":

	Funded		Unfunded	
	Current Year ₹ in lakh	Previous Year ₹ in lakh	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current Service Cost	82.39	75.01	6.35	6.54
Interest Cost	28.97	23.29	1.68	1.15
Unrecognised Past Service Cost	-	-	13.07	-
Expected Return on Plan Assets	(20.43)	(15.05)	-	-
Net Actuarial (Gain) / Loss recognised	(105.99)	16.27	(0.06)	5.60
Effect of limit in Para 59(b)	(0.27)	0.15	-	-
Expenses recognised in Profit and Loss Account	(15.34)	99.68	21.04	13.28

## (6) Experience Adjustments

	₹ lakh					
	2016	2015	2014	2013	2012	2011
Gratuity (Funded)						
Defined benefit obligation	372.40	328.97	239.37	159.65	159.45	135.96
Fair value of plan assets	250.09	145.75	171.22	139.65	97.36	89.14
Surplus / (Deficit)	(122.30)	(154.10)	(68.15)	(20.00)	(62.09)	(46.82)
Experience adjustment on plan liability [( Gain) / Loss]	(107.05)	(19.57)	27.93	(48.73)	22.03	(13.24)
Experience adjustment on plan assets [Gain / (Loss)]	0.47	1.65	(3.17)	(10.67)	(4.55)	(0.77)

	2016	2015	2014	2013	2012	2011
Gratuity (Unfunded)						
Defined benefit obligation	40.98	23.43	22.70	25.28	25.28	18.17
Fair value of plan assets	-	-	-	-	-	-
Surplus / (Deficit)	(40.98)	(23.43)	(22.70)	(25.28)	(25.28)	(18.17)
Experience adjustment on plan liability [( Gain) / Loss]	0.50	0.96	(5.58)	(0.80)	(1.04)	(10.17)
Experience adjustment on plan assets [Gain / (Loss)]	-	-	-	-	-	-

(7) The unfunded amounts referred to in this note relate to gratuity plans of subsidiaries, associates, joint ventures as the case may be whose plans are unfunded.

(8) Amount expected to be contributed to fund in coming year is ₹ 17.97 lakh.

(9) The gratuity fund is entirely invested in a group gratuity policy with the Life Insurance Corporation of India. The information or the allocation of the fund into major asset classes and the expected return on major class is not readily available.

## b) Employee Stock Option Scheme

The Company has granted options to its eligible employees under the Employee Stock Options Scheme 2006 ("ESOS 2006") and the Employee Stock Options Scheme 2012 ("ESOS 2012"). The options granted under both the schemes are equity settled. The other details of the schemes are summarised below:

Grant date	ESOS 2006		ESOS 2012				
	25 <sup>th</sup> Apr. 2008	4 <sup>th</sup> Aug. 2012	4 <sup>th</sup> Aug. 2012	24 <sup>th</sup> Jul. 2013	17 <sup>th</sup> Oct. 2014	30 <sup>th</sup> Apr. 2015	28 <sup>th</sup> Jan. 2016
Options granted	6,78,359	10,000	1,01,000	26,500	27,000	3,000	31,000
Exercise price	₹ 428/- per share	₹ 325/- per share	₹ 10/- per share				
Basis of exercise price	Average of the daily high and low of the prices for the Company's Equity Shares quoted on the BSE Limited during 15 days preceding the date of grant of options		Face value of share				
Vesting period	on expiry of 12 months from date of grant – 25% on expiry of 24 months from date of grant – 25% on expiry of 36 months from date of grant – 25% on expiry of 48 months from date of grant – 25%		on expiry of 12 months from date of grant – 20% on expiry of 24 months from date of grant – 20% on expiry of 36 months from date of grant – 30% on expiry of 48 months from date of grant – 30%				
Contractual life*	Options will lapse if not exercised within 5 years from the date of individual vesting.						
Amortization Details:@	The details of the same are given below:						
Total Amount to be amortized over the vesting period	₹ 100.42 lakh	₹ (0.09) lakh	₹ 287.28 lakh	₹ 104.95 lakh	₹ 128.80 lakh	₹ 13.67 lakh	₹ 136.82 lakh
Charge to Statement of P&L for the year	-	₹ (0.02) lakh	₹ 53.25 lakh	₹ 15.62 lakh	₹ 29.86 lakh	₹ 3.13 lakh	₹ 5.70 lakh
Compensation in respect of lapsed cases	-	-	-	-	-	-	-
Unamortized amount carried forward	-	₹ (0.01) lakh	₹ 41.36 lakh	₹ 43.08 lakh	₹ 84.70 lakh	₹ 10.53 lakh	₹ 131.11 lakh

\* During the previous year for ESOS 2006 scheme, the Company modified the exercise period of the options whereby the exercise period of the options granted was extended from 5 years from the date of vesting of the respective tranche of the option to the last date of the exercise period for the last tranche of the option granted under the said scheme.

@ The company has adopted intrinsic value method for computing the compensation cost for the options granted. The Intrinsic value i.e. the difference between the market price of the share and the exercise price is being amortised as employee compensation cost over the vesting period.

The Fair value has been calculated using the Black Scholes option pricing model and the significant inputs used for the valuation are as follows:

Grant Date	25 <sup>th</sup> Apr. 2008	4 <sup>th</sup> Aug. 2012	4 <sup>th</sup> Aug. 2012	24 <sup>th</sup> Jul. 2013	17 <sup>th</sup> Oct. 2014	30 <sup>th</sup> Apr. 2015	28 <sup>th</sup> Jan. 2016
Risk free interest rate	7.79% - 8.15%	8.06% - 8.20%	8.06% - 8.20%	8.31% - 8.39%	8.49% - 8.52%	7.69% - 7.74%	7.43% - 7.73%
Expected life	3.5 – 6.5 Years	3.5 – 6.5 Years	3.5 – 6.5 Years	6 – 9 Years	3.5 – 6.5 Years	3.5 - 6.5 Years	3.5 – 6.5 Years
Expected volatility	66.76% - 70.65%	44.15% - 59.61%	44.15% - 59.61%	47.63%	26.68% - 43.74%	26.11%- 37.68%	27.17% - 30.20%
Expected dividend yield	0.33%	1.38%	1.38%	1.31%	2.28%	2.57%	2.49%
Exercise price	₹ 428	₹ 325	₹ 10	₹ 10	₹ 10	₹ 10	₹ 10
Stock Price	₹ 443.79	₹ 324.14	₹ 324.14	₹ 454.09	₹ 516.08	₹ 467.60	₹ 482.25

Earnings per Share as required by Accounting Standard 20 read with the Guidance Note on “Accounting for Employee share-based Payments” is as follows:

Particulars	Intrinsic Value Method		Fair Value Method	
	Current Year	Previous Year	Current Year	Previous Year
A Net Profit After Tax (₹ in lakh)	9,309.24	26,619.50	9,308.11	26,628.40
Less Preference dividend	-	-	-	-
B Weighted Average number of Equity Shares of ₹10/- each (Basic)	4,10,21,975	4,09,67,118	4,10,21,975	4,09,67,118
C Weighted Average number of Equity Shares of ₹10/- each (Diluted)	4,11,67,759	4,11,42,517	4,11,67,759	4,11,42,517
D Basic Earning per Share (₹)	22.69	64.98	22.69	65.00
E Diluted Earning per Share (₹)	22.61	64.70	22.61	64.72

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of Stock Options	Current Year	Previous Year
Options outstanding on 1 <sup>st</sup> April	558,430	6,12,656
Options inadvertently cancelled during prior year, reinstated	-	84,249
Options granted during the year	34,000	27,000
Options lapsed during the year	-	1,625
Options cancelled during the year	13,100	-
Options exercised during the year	20,950	1,63,850
Options outstanding on 31 <sup>st</sup> March	5,58,380	5,58,430
Options vested but not exercised on 31 <sup>st</sup> March	4,67,730	4,51,530

Information in respect of options outstanding as at 31<sup>st</sup> March, 2016:

Exercise price	No. of Options	Weighted average remaining life
₹ 428	4,32,730	18 months
₹ 325	5,000	36 months
₹ 10	46,850	24 months
₹ 10	18,300	36 months
₹ 10	21,500	54 months
₹ 10	3,000	60 months
₹ 10	31,000	60 months

The Group has incurred ₹ 18.01 lakh (previous year ₹ 15.47 lakh) on behalf of Mahindra World City (Jaipur) Limited and ₹ 7.34 lakh (previous year ₹ 7.07 lakh) on behalf of Mahindra World City Developers Limited towards ESOP.

The Holding Company has not incurred any expenses during the year (previous year ₹ 2.57 lakh) on behalf of Mahindra Lifespace Developers Limited towards ESOP.



**27) Administration & Other Expenses**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Rent, Rates and Taxes.....	627.87	457.58
Insurance.....	82.75	55.29
Repairs and Maintenance		
- Buildings.....	-	-
- Others .....	539.92	392.19
Electricity Charges.....	610.35	550.16
Travelling & Conveyance.....	723.09	793.15
Legal & Professional Fees.....	1,010.26	686.94
Printing & Stationery.....	100.69	83.26
Communication.....	179.42	166.51
Advertisement, Marketing & Business Development.....	1,189.41	1,452.24
Auditors Remuneration.....	110.39	108.22
Expenditure on Corporate Social Responsibility .....	488.30	434.22
Donation & Contribution .....	-	-
Loss on sale of Fixed assets .....	-	12.95
Doubtful Debts Provided.....	2.65	610.36
Provision for diminution in value of Long term investments# .....	-	1,550.63
Miscellaneous Expenses.....	3,185.15	2,838.68
	<b>8,850.25</b>	<b>10,192.38</b>
Add: Share in Jointly controlled entities.....	210.85	218.70
	<b>9,061.10</b>	<b>10,561.08</b>

#Provision for diminution in value of long term investment – Refer Note 14(a)

**28) Finance Cost**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Interest on Loans.....	10,978.56	12,465.35
Less : Allocated to projects.....	(5,864.16)	(7,354.71)
	5,114.40	5,110.64
Add: Share in Jointly controlled entities.....	(24.07)	29.02
	<b>5,090.33</b>	<b>5,139.66</b>

**29) Earnings in Foreign Currency:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Consideration received on sale of residential units .....	-	4.98
<b>Total.....</b>	<b>-</b>	<b>4.98</b>

**30) Expenditure in Foreign Currency:**

a) Other expenditure

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Travelling.....	68.53	27.41
Marketing expenses .....	160.22	28.65
Project expenses .....	-	30.19
Professional Fees.....	77.62	91.01
IT .....	64.37	-
Others .....	39.20	20.44
<b>Total.....</b>	<b>409.94</b>	<b>197.70</b>

## b) Value of Imported and Indigenous Consumption

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Imported .....	<b>295.35</b>	578.93

**31) Forwards Contracts**

The Company enters into foreign currency exposure contract for the purpose of hedging its currency risk. These contract are not intended for trading or speculation.

<b>Particulars</b>	<b>Current Year</b>	Previous Year
No. of buy contracts relating to firm commitments .....	<b>1</b>	1
Foreign Currency - USD	<b>5,16,953</b>	10,569
Amount in ₹	<b>3,47,28,032</b>	6,65,424

**32)** In respect of real estate projects under long term contracts, determination of profits / losses and realisability of the construction work in progress & Project advances necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion and the projections of revenues expected from projects / activity and the foreseeable losses to completion. Profit from these contracts and valuation of construction work in progress is based on such estimates.

**33)** The Company has subsidiaries which are engaged in the business of land development for industrial, commercial and residential use. Few companies are in the initial phase of development and have conducted preliminary studies and surveys for the project.

**34) Leases:**

The Company's significant leasing arrangements are in respect of operating leases for Commercial & Residential premises.

a) Lease income from operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Gross Carrying Amount of premises .....	<b>16,622.58</b>	16,493.52
Accumulated Depreciation.....	<b>4,102.00</b>	3,356.44
Depreciation for the year .....	<b>567.05</b>	569.40
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year .....	<b>172.45</b>	1,643.30
➤ Later than 1 year and not later than 5 years.....	<b>1,262.68</b>	1,654.80
➤ Later than 5 years .....	<b>451.15</b>	1,015.59

b) Lease expenditure for operating leases is recognised on a straight-line basis over the period of lease. The particulars of the premises taken on operating leases are as under:

	<b>Current Year</b> ₹ in lakh	Previous Year ₹ in lakh
Future minimum lease payments under non-cancellable operating leases		
➤ Not later than 1 year .....	<b>146.16</b>	117.73
➤ Later than 1 year and not later than 5 years.....	<b>9.84</b>	13.91
➤ Later than 5 years .....	<b>-</b>	-

c) Rent for current year is ₹ 601.97 lakh and previous year is ₹ 443.33 lakh.

**35) Contingent Liabilities**

	<b>Current Year ₹ lakh</b>	Previous Year ₹ lakh
a) Claims against the Company not acknowledged as debts represent :		
i) Claims raised by a civil contractor in respect of a project at Mumbai....	<b>93.89</b>	93.89
ii) Demand from local authorities for transfer fees on transfer of property, disputed by the Company.....	<b>123.99</b>	123.99
iii) Demand from a local authority for energy dues disputed by the company.....	<b>2,164.04</b>	2,164.04
iv) Claim from welfare association for in connection with project work, disputed by the company.....	<b>4,500.00</b>	4,500.00
v) Shehri Jamabandi .....	<b>31,728.52</b>	-
b) Tax matters under appeal		
➤ Income Tax		
The Income tax Department has sought to re-classify certain business income as income from house property, in respect of which the Company has partially succeeded in appeal and is pursuing the matter further with the higher appellate authorities .....	<b>421.57</b>	584.53
The liability net of Deferred Tax Asset/Deferred Tax Liability would be ₹ 421.57 lakh (previous year ₹ 584.53 lakh)		
Other demand, for which the Subsidiary Companies are contesting with the Appellate Authorities.....	<b>624.62</b>	457.32
➤ Indirect Tax.....	<b>120.46</b>	88.02
Other demand, for which the Subsidiary Companies are contesting with the Appellate Authorities.		
c) Guarantee/ Counter guarantee given by Mahindra Infrastructure Developers Limited for its joint ventures.....	<b>900.00</b>	900.00
<b>36)</b> The estimated amount of the contracts entered into and remaining to be executed on Capital account and not provided for (net of advances) as at 31 <sup>st</sup> March, 2016 is ₹ 778.41 lakh ( <i>Previous year: ₹ 440.75 lakh</i> ).		

## 37) Segmental Reporting

₹ in lakh

	Operating of Commercial Complexes	Projects, Project Management & Development	Business Centre	Consolidated
<b>REVENUE</b>				
External Revenue	2,018.95	80,597.21	-	82,616.16
<i>Previous Year</i>	<i>1,980.53</i>	<i>1,06,629.29</i>	-	<i>1,08,609.82</i>
Inter-segment Revenues	-	-	-	-
<i>Previous Year</i>	-	-	-	-
<b>TOTAL REVENUE</b>	2,018.95	80,597.21	-	82,616.16
<i>Previous Year</i>	<i>1,980.53</i>	<i>1,06,629.29</i>	-	<i>1,08,609.82</i>
<b>SEGMENT RESULT</b>	1,920.74	21,672.20	-	23,592.94
<i>Previous Year</i>	<i>1,812.14</i>	<i>48,935.13</i>	-	<i>50,747.27</i>
Unallocated Corporate Expenses (net)	-	-	-	(7,043.32)
<i>Previous Year</i>	-	-	-	<i>(6,894.28)</i>
<b>Operating profit</b>	-	-	-	16,549.61
<i>Previous Year</i>	-	-	-	<i>43,852.99</i>
Interest expense	-	-	-	(5,090.33)
<i>Previous Year</i>	-	-	-	<i>(5,139.66)</i>
Interest income	-	-	-	3,285.30
<i>Previous Year</i>	-	-	-	<i>3,388.70</i>
Income taxes	-	-	-	(5,033.50)
<i>Previous Year</i>	-	-	-	<i>(13,777.24)</i>
<b>Net Profit</b>	-	-	-	9,711.08
<i>Previous Year</i>	-	-	-	<i>28,324.79</i>
<b>OTHER INFORMATION</b>				
Segment Assets	2,002.82	4,09,528.54	-	4,11,531.36
<i>Previous Year</i>	<i>1,981.39</i>	<i>3,40,569.67</i>	-	<i>3,42,551.06</i>
Unallocated Corporate Assets				25,941.84
<i>Previous Year</i>				<i>18,314.01</i>
<b>TOTAL ASSETS</b>				4,37,473.20
<i>Previous Year</i>				<i>3,60,865.07</i>
Segment Liabilities	560.31	2,50,494.90	-	2,51,055.21
<i>Previous Year</i>	<i>557.66</i>	<i>2,03,286.59</i>	-	<i>2,03,844.25</i>
Unallocated Corporate Liabilities				13,032.95
<i>Previous Year</i>	-	-	-	<i>9,524.60</i>
<b>TOTAL LIABILITIES</b>				2,64,088.16
<i>Previous Year</i>	-	-	-	<i>2,13,368.85</i>
Capital Expenditure	-	2,255.28	-	2,429.67
<i>Previous Year</i>	-	<i>4,763.74</i>	-	<i>4,938.13</i>
Depreciation	50.31	1,575.81	-	1,928.94
<i>Previous Year</i>	<i>50.07</i>	<i>1,071.36</i>	-	<i>1,323.43</i>

Notes:

- The segment result for Projects, Project Management and Development activity is arrived at after considering an interest of ₹ 3,391.89 lakh (Previous year ₹ 1,277.88 lakh), as it formed part of the cost of projects according to the method of accounting followed by the Company.

**38) Related Party Transactions**

<b>List of related parties</b>	
<b>Enterprises Controlling the Company</b>	
Mahindra & Mahindra Limited	Holding Company
<b>Fellow Subsidiaries</b>	
Bristlecone India Limited Mahindra Holidays & Resorts India Limited. Mahindra Consulting Engineers Limited EPC Mahindra Industries Limited (EPCMIL) EPC Industries Limited	Mahindra & Mahindra Contech Limited Mahindra Integrated Business Solutions Private Limited Mahindra Logistics Limited Mahindra EPC Services Private Limited
<b>Joint Ventures</b>	
Mahindra Inframan Water Utilities Private Limited	Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)
<b>Associates</b>	
Kismat Developers Private Limited	Topical Builders Private Limited

**Key Managerial Personnel**

Managing Director and Chief Executive officer	Ms. Anita Arjundas
Chief Financial Officer	Mr. Jayantt Manmadkar
Company Secretary	Mr. Suhas Kulkarni

**Directors**

<b>Name</b>	<b>Designation</b>
Mr. Arun Nanda	Non-executive Non-Independent Chairman
Dr. Anish Shah	Non-executive Non-Independent Director
Mr. Sanjiv Kapoor	Non-executive Independent Director
Mr. Shailesh Haribhakti	Non-executive Independent Director
Mr. Anil Harish	Non-executive Independent Director
Dr. Prakash Hebalkar	Non-executive Independent Director

**Enterprises over which key managerial personnel are able to exercise significant influence: Nil**

Transactions with related parties during the year and balance as on 31<sup>st</sup> March, 2016:

₹ in lakh

Nature of Transactions	Enterprise controlling the Company	Companies under common control including Fellow Subsidiaries	Key Management Personnel
<b>Rendering of Services</b>	<b>2,221.88</b>	<b>0.12</b>	-
<i>Previous Year</i>	2,282.46	0.12	-
<b>Receiving of services</b>	<b>434.80</b>	<b>209.93</b>	-
<i>Previous Year</i>	417.08	177.44	-
<b>Sale of Goods</b>	<b>1,132.00</b>	<b>0.42</b>	-
<i>Previous Year</i>	749.24	1.86	-
<b>Purchase of Goods</b>	-	-	-
<i>Previous Year</i>	42.57	-	-
<b>Purchase of Fixed Assets</b>	-	-	-
<i>Previous Year</i>	-	26.69	-
<b>Remuneration to key Managerial Personnel</b>	-	-	<b>462.32</b>
<i>Previous Year</i>	-	-	392.51
<b>Commission and other benefits to Non-Executive/Independent Directors</b>	-	-	<b>163.60</b>
<i>Previous Year</i>	-	-	176.15
<b>Reimbursement made to parties</b>	<b>454.87</b>	-	-
<i>Previous Year</i>	376.73	-	-
<b>Reimbursement received from parties</b>	-	-	-
<i>Previous Year</i>	68.49	-	-
<b>Finance Received</b>	-	-	-
<i>Previous Year</i>	-	1,000.00	-
<b>Interest paid</b>	-	<b>57.86</b>	-
<i>Previous Year</i>	-	0.33	-
<b>Dividend Paid</b>	<b>1,250.77</b>	-	-
<i>Previous Year</i>	2,501.54	-	-
<b>Advance Received</b>	-	-	-
<i>Previous Year</i>	325.00	-	-
<b>Receivables</b>	<b>2,444.36</b>	<b>2.48</b>	-
<i>Previous Year</i>	2,181.99	2.46	-
<b>Payables</b>	<b>774.07</b>	<b>70.52</b>	-
<i>Previous Year</i>	2,184.66	1,007.26	-
<b>Deposit Received</b>	<b>1.35</b>	-	-
<i>Previous Year</i>	-	-	-
<b>Deposit Repaid</b>	-	<b>1,000.00</b>	-
<i>Previous Year</i>	-	-	-
<b>Deposits Payable</b>	<b>8.35</b>	-	-
<i>Previous Year</i>	7.00	-	-

Current Remuneration to Key Management Person includes remuneration paid to Ms. Anita Arjundas (MD & CEO), Mr. Suhas Kulkarni (Company Secretary) and Mr. Jayant Manmadkar (Chief Financial Officer).



The significant related party transactions are as under:

Nature of Services	Enterprises Controlling the Company	Amount (₹ in lakh)	Enterprises under the Common Control of the Company / Fellow subsidiaries	Amount (₹ in lakh)	Key Management Personnel	Amount (₹ in lakh)
Rendering of Services	Mahindra & Mahindra Limited	2,221.88	Mahindra EPC Services Private Limited	0.12		
Receiving of Services	Mahindra & Mahindra Limited	434.80	Mahindra Holidays & Resorts India Limited	22.82		
			Mahindra Consulting Engineers Limited	93.44		
			EPC Industries Limited	47.61		
Sale of Goods	Mahindra & Mahindra Limited	1,132.00	Mahindra Consulting Engineers Limited	0.42		
Remuneration					Ms. Anita Arjundas	281.42
					Mr. Jayant Manmadkar	77.14
					Mr. Suhas Kulkarni	103.76
Reimbursement made to parties	Mahindra & Mahindra Limited	454.87				
Interest Paid			Mahindra Logistics Limited(MLL)	57.86		
Dividend paid	Mahindra & Mahindra Limited	1,250.77				
Receivables	Mahindra & Mahindra Limited	2,444.36	Mahindra Consulting Engineers Limited	2.46		
Payables	Mahindra & Mahindra Limited	774.07	Mahindra Holidays & Resorts India Limited	25.50		
			EPC Industries Limited	33.97		
Deposit Received	Mahindra & Mahindra Limited	1.35				
Deposit Repaid			Mahindra Logistics Limited (MLL)	1,000.00		
Deposits Payable	Mahindra & Mahindra Limited	8.35				

₹ in lakh

Name	Designation	Current Year	Previous Year
Mr. Arun Nanda	Non-executive Non-Independent Chairman	95.00	107.05
Mr. Sanjiv Kapoor	Non-executive Independent Director	21.90	17.70
Mr. Shailesh Haribhakti	Non-executive Independent Director	23.50	17.40
Mr. Anil Harish	Non-executive Independent Director	5.10	17.70
Mr. Prakash Hebalkar	Non-executive Independent Director	18.10	16.30

### 39) Information in respect of Joint Ventures and Jointly Controlled Operations

#### a) Jointly Controlled Operations

i) Development of the following residential projects:

G.E. Gardens, Mumbai

Kukatpally, Hyderabad

ii) Project for providing potable drinking water and sewerage facilities at Tirupur, Tamil Nadu.

**b) Joint Venture**

Sector 59, Gurgaon

Bannerghatta Road, Bangalore

**c) Jointly Controlled entities**

Name	Country of Incorporation	Business Activity	Proportion of Ownership Interest
Mahindra Inframan Water Utilities Private Limited	India	O&M of water & sewerage facilities at Navi Mumbai	50.00%
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	India	Residential Development	50.00%

**d) Interest in the Assets, Liabilities, Income and Expenses with respect to jointly controlled entities:**

	Current Year ₹ in lakh	Previous Year ₹ in lakh
Current assets	58,273.38	43,333.75
Non-current assets	614.72	2,016.23
Total	58,888.11	45,349.98
Current liabilities	18,073.47	11,544.74
Non-current liabilities	41,267.00	11,208.45
Total	59,340.47	22,753.19
Income	7,835.29	836.30
Expenses	7,869.66	1,142.88

**40) Details of Associates**

Name of Associate	Country of Incorporation	% of Ownership Holding
Kismat Developers Private Limited	India	42.86%
Topical Builders Private Limited	India	50.00%

**41) Earnings per share**

		Current Year	Previous Year
A	Net Profit After Tax (₹ in lakh)	9,309.24	26,619.50
	Less: Dividend on Non-Cumulative Redeemable Preference Shares (including Tax on distributed Profits)	-	-
	Profit available for Equity Shareholders (₹ in lakh)	9,309.24	26,619.50
B	Weighted Average number of Equity Shares of ₹ 10/- each used for computing basic earnings per share	410.22	409.67
C	Weighted Average number of Equity Shares of ₹ 10/- each used for computing diluted earnings per share	411.68	411.43
D	Basic Earnings per Share (₹)	22.69	64.98
E	Diluted Earnings per Share (₹)	22.61	64.70

42) Additional information, as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary/Associates/Joint Ventures.

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit & Loss	
	As a % of Consolidated Net Assets	Amount (₹ in lakh)	As a % of Consolidated Net Profit	Amount (₹ in lakh)
<b>PARENT</b>	82.35%	145,218.54	104.26%	10,127.97
<b>SUBSIDIARIES</b>				
<b>- Indian</b>				
Anthurium Developers Limited	0.00%	4.80	0.05%	4.80
Industrial Township (Maharashtra) Limited	-0.13%	(228.10)	0.00%	0.38
Knowledge Township Limited	-0.35%	(623.76)	-0.01%	(0.60)
Mahindra Bebanco Developers Limited	-0.18%	(321.93)	3.12%	303.38
Mahindra Infrastructure Developers Limited	0.39%	695.57	-0.07%	(6.61)
Mahindra Integrated Township Limited	-0.34%	(605.94)	7.11%	690.42
Mahindra Residential Developers Limited	4.78%	8,424.10	5.22%	507.21
Mahindra World City Developers Limited	2.06%	3,638.49	-32.40%	(3,147.25)
Mahindra World City (Jaipur) Limited	4.11%	7,255.71	10.33%	1,003.86
Mahindra World City (Maharashtra) Limited	-0.06%	(114.11)	0.00%	(0.34)
Raigad Industrial and Business Park Limited	-0.01%	(10.61)	-0.01%	(0.51)
Industrial Cluster Private Limited (Earlier Known as Mahindra Housing Private Limited)	0.00%	(1.66)	0.00%	(0.46)
Mahindra Industrial Park Chennai Limited (w.e.f. 22 <sup>nd</sup> December, 2014)	-0.08%	(134.12)	-1.37%	(133.02)
Mahindra Water Utilities Limited (w.e.f. 27 <sup>th</sup> July, 2015)	1.53%	2,697.38	4.46%	433.57
<b>Minority Interest in all subsidiaries</b>	9.67%	17,048.62	4.14%	401.84
<b>ASSOCIATES</b>				
<b>- Indian</b>				
Kismat Developers Private Limited	0.00%	-	0.00%	-
Topical Builders Private Limited	0.00%	-	0.00%	-
<b>JOINT VENTURES</b>				
<b>- Indian</b>				
Mahindra Inframan Water Utilities Private Limited	0.00%	1.01	-0.01%	(0.61)
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	-3.75%	(6,609.92)	-4.84%	(470.21)

## ANNEXURE-A

## Salient features of financial Statements of Subsidiary/ Associates/ joint Ventures as per Companies Act, 2013

₹ in lakh

Sl No.	SUBSIDIARY	Reporting Period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Mahindra Infrastructure Developers Limited	31 <sup>st</sup> March, 2016	₹	1,800.00	(1,617.38)	310.77	128.15	7.99	3.81	(10.07)	(0.00)	(10.07)	-	100.00%
2	Mahindra World City Developers Limited	31 <sup>st</sup> March, 2016	₹	2,000.00	9,973.62	56,011.42	44,037.81	11,500.00	21,355.37	486.14	204.92	281.22	-	89.00%
3	Mahindra World City (Jaipur) Limited	31 <sup>st</sup> March, 2016	₹	20,000.00	6,274.11	67,102.18	40,828.07	422.06	8,676.60	2,044.12	758.03	1,286.10	850.00	74.00%
4	Mahindra World City (Maharashtra) Limited	31 <sup>st</sup> March, 2016	₹	117.04	(114.18)	3.85	0.99	-	0.21	(0.34)	0.05	(0.38)	-	100.00%
5	Mahindra Integrated Township Limited	31 <sup>st</sup> March, 2016	₹	5,043.50	2,830.68	22,351.03	14,476.85	6,630.48	5,828.52	643.42	144.07	499.35	-	96.30%
6	Knowledge Township Limited	31 <sup>st</sup> March, 2016	₹	2,100.00	(44.55)	4,495.67	2,440.22	-	-	(0.60)	-	(0.60)	-	100.00%
7	Mahindra Residential Developers Limited	31 <sup>st</sup> March, 2016	₹	26.00	9,239.86	13,449.46	4,183.60	-	3,383.06	566.43	114.68	451.75	-	96.30%
8	Mahindra Bebanco Developers Limited	31 <sup>st</sup> March, 2016	₹	5.00	829.73	15,017.76	14,183.03	-	5,721.40	287.10	95.09	192.02	-	70.00%
9	Industrial Township (Maharashtra) Limited	31 <sup>st</sup> March, 2016	₹	500.00	(14.46)	516.86	31.32	-	0.84	0.39	-	0.39	-	100.00%
10	Raigad Industrial & Business Park Limited	31 <sup>st</sup> March, 2016	₹	11.00	(10.60)	5.88	5.49	-	-	(0.49)	-	(0.49)	-	100.00%
11	Anthurium Developers Limited	31 <sup>st</sup> March, 2016	₹	5.00	4.81	239.32	229.51	-	7.52	6.95	2.15	4.80	-	100.00%
12	Industrial Cluster Private Limited (Earlier Known as Mahindra Housing Private Limited)	31 <sup>st</sup> March, 2016	₹	5.00	(1.66)	3.66	0.32	-	-	(0.46)	-	(0.46)	-	100.00%
13	Mahindra Industrial Park Chennai Limited(w.e.f. 22 <sup>nd</sup> December, 2014)	31 <sup>st</sup> March, 2016	₹	17,000.00	765.88	23,524.61	5,758.73	-	-	(133.02)	-	(133.02)	-	89.00%
14	Mahindra Water Utilities Limited (w.e.f 27 <sup>th</sup> July, 2015)	31 <sup>st</sup> March, 2016	₹	10.00	5,007.73	5,619.28	610.55	2.81	1,895.20	869.74	303.51	566.23	-	98.99%

Names of subsidiaries which are yet to commence operations- NA

Names of subsidiaries which have been liquidated or sold during the year- NA

₹ in lakh

	Latest Audited Balance Sheet Date	Shares of Associate/Joint Venture held by the Company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance sheet	Profit/Loss for the year	
		No. of Shares	Amount of investment in Associates/ Joint Venture	Extent of Holding				Considered in Consolidation	Not Considered in Consolidation
<b>ASSOCIATES</b>									
Kismat Developers Private Limited	31 <sup>st</sup> March, 2016	15	150	42.86%	Note A	NA	(21.96)	(0.13)	(0.18)
Topical Builders Private Limited	31 <sup>st</sup> March, 2016	175	1,750	50.00%	Note A	NA	(285.40)	(9.90)	(9.90)
<b>JOINT VENTURES</b>									
Mahindra Inframan Water Utilities Private Limited	31 <sup>st</sup> March, 2016	24,999	2,49,990	50.00%	Note A	NA	3.50	(0.62)	(0.62)
Mahindra Homes Private Limited (earlier known as Watsonia Developers Private Limited and before that Watsonia Developers Limited)	31 <sup>st</sup> March, 2016	2,06,018	20,60,180	50.00%	Note A	NA	(318.19)	331.07	331.07

A) There is significant influence due to percentage (%) of Share Capital.

Names of Associates/Joint Venture which are yet to commence operations- NA

Names of Associates/Joint Venture which have been liquidated or sold during the year- NA

Mahindra Inframan Water Utilities Private Limited is a 50% Joint Ventures of Mahindra Infrastructure Developers Limited which is a 100% subsidiary of the Company. There is no direct holding in the JV by the Company.

As per our Report attached hereto

For and on behalf of

**B. K. Khare & Co.**

Chartered Accountants

Firm Registration No. 105102W

**Padmini Khare Kaicker**

Partner

Membership No:44784

Mumbai : 26<sup>th</sup> April, 2016

**Suhas Kulkarni**

Company Secretary

FCS: 2427

Mumbai : 26<sup>th</sup> April, 2016

**Jayant Manmadkar**

Chief Financial Officer

Mumbai : 26<sup>th</sup> April, 2016

For and on behalf of the Board

**Arun Nanda**

Chairman - DIN 00010029

**Anish Shah**

Director - DIN 02719429

**Sanjiv Kapoor**

Director - DIN 00004005

**Shailesh Haribhakti**

Director - DIN 00007347

**Prakash Hebalkar**

Director - DIN 00370499

**Anita Arjundas**

Managing Director

& CEO - DIN 00243215

Mumbai : 26<sup>th</sup> April, 2016

# SUSTAINABILITY PHILOSOPHY

## urboonisation

Urbanisation is like a dual-edged sword.  
When wielded well, it has the power to yield:



Unfortunately, what is witnessed today is unplanned urbanisation, which leads to serious socio-economic problems and, knowingly or unknowingly, causes irreparable damage.

Through Urboonisation, Mahindra Lifespaces leverages the positive power of urban infrastructure to achieve the highest possible returns for its stakeholders, the communities around, and the environment.

Its green buildings continue to optimise natural resource consumption across their lifecycles.



The world cities continue to improve quality of life, living and livelihood.



And its affordable housing projects help thousands turn their dream of owning a house into reality.





With climate change touching land and crunching natural resources, the ability to sustainably harness the full potential of resources gives the Company a competitive advantage to a greater extent. In addition, Urboonisation delivers two added benefits:

- a better preparedness for compliance with emerging policies
- a distinct customer preference

Mahindra Lifespaces is committed to not let the change be limited to itself and is an active participant in global think tanks and industry collectives. Through its unique initiative 'Green Army', it is enlisting the support of children who are the future custodians of this world, in this crusade for sustainability.

The Company believes that the infrastructure that exists should be made as life-friendly as the ones yet to be built. Hence, this year it initiated:

**urbanscaping initiative** with a pilot project at Sion railway station in Mumbai.

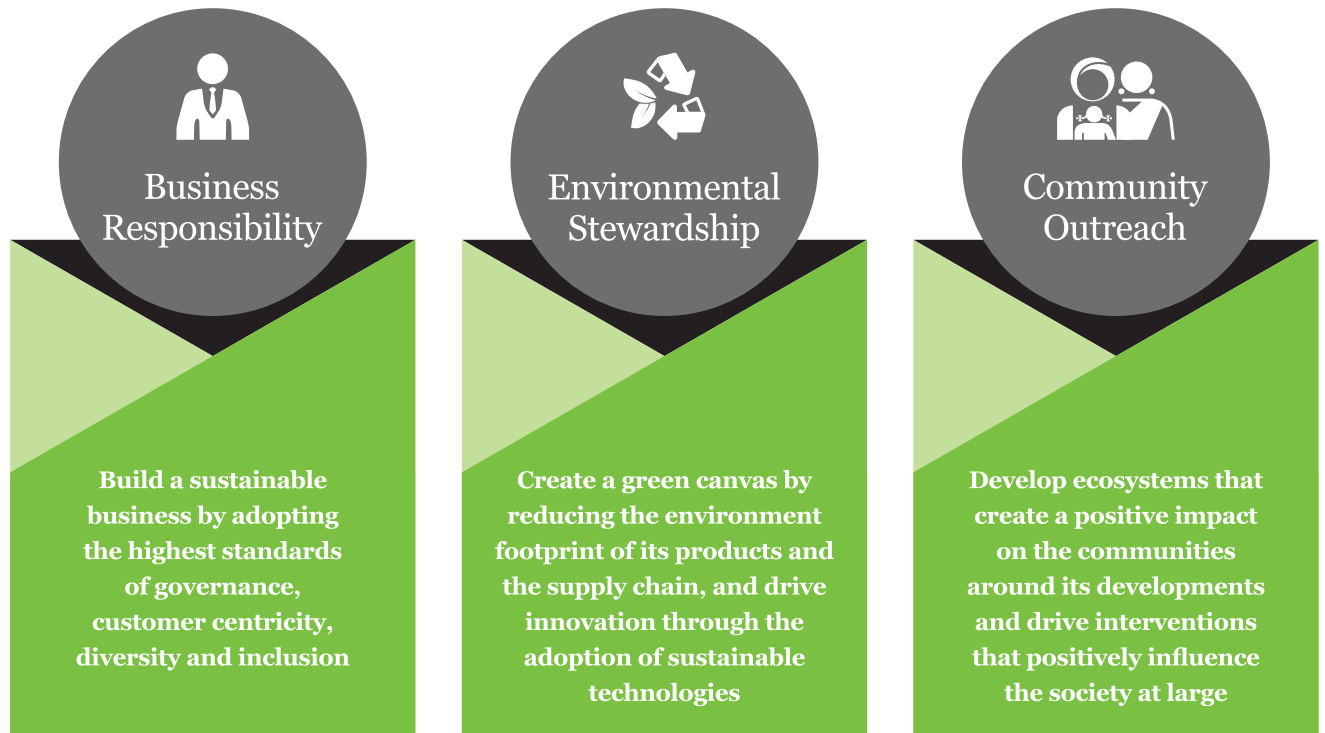


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## Sustainability - A Business Imperative

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Mahindra Lifespaces has a holistic approach to sustainability, which manifests through three facets:



Sustainability risks are now an integral part of the enterprise-wide risk management framework at Mahindra Lifespaces. Not only have the risks been identified, the risk management framework has been ported into an online platform for real-time efficient monitoring.

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## Sustainability - A Collective Responsibility

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There is more to urbanisation than just density of population. Urban areas are marked by civic amenities, shared responsibilities and optimised utilisation of resources. Hence, it is but natural that the process of transforming urbanisation into Urboonisation should also be collective and collaborative. The Company engages with a broad spectrum of

| policy makers | planners | practitioners | academia |

to promote responsible urbanisation and evolve sustainable frameworks that can collectively nurture the future of cities.

- Mahindra Lifespaces is one of the five founding members of the Sustainable Housing Leadership Consortium (SHLC) - a new CEO-led think tank convened by International Finance Corporation (IFC). The Consortium aims to mainstream sustainability into India's urban housing sector and support the transition to a low-carbon economy.

Each member commits to collaborate in developing a low carbon roadmap for the housing industry aligned to India's climate change goals with the following targets, 2015 being the baseline:



To make 100% of own housing portfolio sustainable by 2017 as evidenced by appropriate green building certification(s)



To achieve 20% reduction in incremental variable costs for sustainable housing construction to further improve the business case for green buildings



To provide leadership and advocacy for broader industry and government policy actions that make 20% of India's new multi-family housing construction sustainable by 2022

- Ms. Sangeeta Prasad, CEO, Integrated Cities and Industrial Clusters at Mahindra Lifespace Developers Ltd., participated in Lima Paris Action Agenda's (LPAA) Buildings Day as a speaker in a panel discussion on 'Value Chain Transformation'. This was the first time when Buildings Day was being celebrated in the COP Meeting and was hosted by UNEP & the French Government. Another session of participation was on 'District Energy and Buildings Efficiency: Cities enabling countries to meet their climate objectives'.

- In 2014, Mahindra Lifespaces became the only real estate company from India to participate in the CDP Global Water Report 2014. This year, it continued its voluntary participation in the Climate Disclosure Project 2015 for climate change and water, with a disclosure score of 99 out of 100 on climate response.

- Continuing its efforts under green supply chain management, the Company conducted the Suppliers and Contractors Meet - an annual event focused on key suppliers and contractors of all business verticals: Lifespaces, World Cities and Happinest.

This Meet aimed to strengthen the sustainability capability of its suppliers in the field of sustainable supply chain. The Company empowered more than 200+ partner companies in West, North and South regions with knowledge on various sustainability aspects introduced in the year 2015; such as inclusion of sustainability parameters in the pre-qualification criteria and factory visits. It also encouraged the initiation of GHG accounting and water footprinting, and their disclosure.



Signing of SHLC



Participation at UNEP Sessions in COP21



Suppliers and Contractors Meet 2015-16

**Recognised as the Regional Sector Leader - Asia in the Industrial Category by Global Real Estate Sustainability Benchmark (GRESB) Survey 2015, for the second year in a row**

**Winner of Investor Relations Society Awards 2015 for Best ESG\* Disclosure in Small Cap category**

\*Environmental, Social & Governance



The global commitment to tackle climate change is gaining momentum among nations, industries, governments and the populace at large. Today there is also a growing consensus on how cities, though a contributor to climate change, are also an essential part of the solution to ensure a low carbon future for the planet.

With a total of 22 million sq. ft. of registered green building footprint across world cities, residential developments and affordable homes - the Company is seeding sustainable urbanisation, which it calls Urboonisation.

## Green Lifespaces

As India's first Green Homes developer, Mahindra Lifespaces upholds Green Design and Healthy Living as the foundation of all its projects. It is committed to design and construct buildings which are green across their lifecycle - from construction, to use and end-of-life phase.

Continuing this tradition, this year it announced two new projects 'Windchimes' in Bengaluru and 'Vivante' in Mumbai, which sport the following green features:

- Health-friendly indoors**
- Energy-efficient lighting**
- Water-efficient plumbing fixtures**
- Alternative building materials**
- Sustainable location**
- Rainwater harvesting**
- Water recycling and re-use**
- Organic waste treatment**
- Energy-efficient building envelope**
- Efficient daylighting & ventilation**



Both projects garnered a strong response with over 50% of the residences booked in a short period, post launch.

## Green Certifications during the year

### LEED India NC\*

**Gold Certification**

MWC Club, Chennai

### Green Homes

**Platinum Certification**

Splendour, Mumbai

**Platinum Pre-certification**

The Serenes, Alibaug

Vivante, Mumbai

**Gold Pre-certification**

Luminaire, Gurgaon

L'artista, Pune

### Green Schools

**Platinum**

Mahindra World School#, Chennai

\* Leadership in Energy & Environmental Design India New Construction

# Design, development and execution managed by the Company's subsidiary. Asset not owned by the Company's subsidiary.

The Company's focus on timely execution to ensure customer centricity and cost sustainability, resulted in 3.3 million sq. ft. being completed during the year as against 1.20 million sq. ft. in the previous year. The annual customer satisfaction survey conducted by an independent agency for the Company showed significant improvements in the booking and possession stages of home buying, driven by a strong focus on the quality of product and service.

## World Cities

Mahindra World Cities provide integrated infrastructure for companies in manufacturing and services sector under SEZ and Domestic Tariff Areas, along with residential and social infrastructure.

The World Cities are nestled over **4,600 acres**

in Jaipur and Chennai, house over 132 reputed global companies that have invested over

**INR 74 Billion**

and employ around

**49,000 people,**

generate exports in excess of

**INR 104 billion**

and provide a tremendous economic boost to the neighbouring villages



During the year, MWC, Chennai signed a joint venture agreement with Sumitomo Corporation for the North Chennai industrial park project.

MWC, Jaipur signed four new customers and three existing customers for additional space.

The Chennai floods of December 2015 were the worst recorded in over 100 years, with more than 500 people losing their lives and damages estimated at INR 200 billion.

**MWC, Chennai, thanks to a well-planned stormwater management system, timely maintenance work and dedication of the on-ground team, saw minimal infrastructure damage and no loss of life.**

Electricity was restored within the MWC in around 24 hours and most of the organisations were able to start operations within 36 hours of the flood.

## Affordable Homes

With an objective to make quality housing accessible to India's emerging middle class, last year Mahindra Lifespaces launched Happinest with two affordable homes projects, one in Avadi, Chennai and one in Boisar, Mumbai. Currently, 0.78 mn sq. ft. of residential real estate is under execution with further 1.34 mn sq. ft. in the pipeline. To cater to customers who don't have income proof; the Company has tied up with around nine NBFCs who survey their financial capability and accordingly approve the home loan. This has enabled the Company to ensure that its cancellation rates in Happinest are well below the industry average in affordable housing.

In March 2016, Mahindra Lifespaces launched Phase 3 of Happinest Boisar. The third phase of Happinest Boisar comprises 160 units, ranging from 351 sq. ft. to 762 sq. ft. The first two phases of the project have witnessed an overwhelming response, with Phase 1 already sold out and just a few units remaining in Phase 2. Happinest Avadi also progressed rapidly, with phase 1 seeing completion within 20 months from its launch.



**This year, Happinest celebrated its 1,000<sup>th</sup> customer.**

As the name suggests, environmental responsibility at Mahindra Lifespaces permeates across the system and across all stages of a project. It focusses on three parameters which it believes are key for upholding environmental sustainability:

**Reduction of Carbon Footprint | Reduction of Pollution | Conservation of Resources**



## Reduction of Carbon Footprint ▼

Cities are a key contributor to climate change. But the solution is not to develop fewer cities; it is to develop greener, cleaner and smarter cities. The Company's participation in the Climate Positive Development Program (C40 program), which is pushing a Climate+ve urbanisation agenda, is in line with this approach.



**In May 2015, Mahindra World City, Jaipur became the first ever project in Asia to receive Stage 2 certification from the Cities Climate Leadership Group (C40). It is also the largest project to reach Stage 2 recognition, worldwide.**

MWC, Jaipur has committed to a long-term roadmap which includes strategies and tactics that will help achieve net negative operational Green House Gases (GHG) emissions.

Given the increasing importance of climate change mitigation, Mahindra World City, Jaipur is well-poised to serve as a model for development across emerging economies.



## Reduction of Pollution ▼

Pollution at construction sites is one of the key challenges faced by the industry. It has an adverse impact on the ecology of the area as well as deteriorates public health.

Some of the practices adopted at the project locations include:

- Suppression of dust/fine particles by sprinkling of water, covering of construction material (sand, fine dust etc.), covering of loose earth during transportation, cleaning of roads etc.
- Periodic monitoring of ambient air, workplace, noise, water, soil and DG sets
- Control of spillage
- Debris/construction waste management
- Green netting

In addition to these, the Company complies with all statutory emission norms laid down by the Government and relevant agencies.





## Conservation of Resources

Mahindra Lifespaces takes the 'our' in res'our'ces as a responsibility rather than ownership. Conservation of energy, water and material is carried out across all stages of projects.

Some of the major interventions undertaken on this front include:

- River sand, an important element in the concrete mix design, has become a scarce and costly resource in recent years. Moreover, illegal river sand mining causes major environmental damages. Mahindra Lifespaces has introduced major green measures to eliminate river sand in concrete mix design by substituting it with artificial sand. It has considered all four stages of construction to eliminate usage of river sand: brick work, concreting, wall plastering and tiling.
- Mahindra World City and Mahindra Research Valley jointly worked to commission a Bio-CNG Plant at MWC, Chennai. Spread over an area of 1,000 sq. mt., the plant aims to generate 1,000 m<sup>3</sup> of raw biogas from 10 tons of daily food and kitchen waste. This in turn will yield 400 kg of purified CNG grade gas/day and 4 tons of organic fertilizer/day as by-products. The biogas will be used to fuel tractors, shuttle buses and power street lights at MWC, Chennai while the organic fertilizer will enhance the soil fertility.
- Last year, MWC, Chennai signed a MoU with World Resources Institute (WRI) to procure green power and provide stable supply of energy to its occupants at competitive prices. WRI has been interacting with potential customers and has reached to a stage where sizeable demand has been aggregated. Going forward, WRI will propose viable options to occupants after considering technology, cost, regulatory requirements, etc. MWC, Chennai plans to leverage strengths of International Finance Corporation (IFC) to develop a structure for this investment as well as to get an investee client on board.
- As part of its energy saving drive, the Company installed rooftop solar PV and retrofitted Fluorescent & T5 tube-lights with LED tube-lights at 'Evolve' - The GnNxt IT Park in MWC, Jaipur. This will generate annual savings to the tune of 300,000 kWh through rooftop solar PV and 99,450 kWh through the retrofitting.
- The Company has chalked out a Natural Capital Action Plan (NCAP) for integrated cities, based on the IBBI Baseline assessment. It has also rolled out a comprehensive biodiversity management plan at Happinest Boisar.

Bio-CNG Plant at MWC, Chennai



Plant aims to generate  
1,000 m<sup>3</sup> of raw biogas

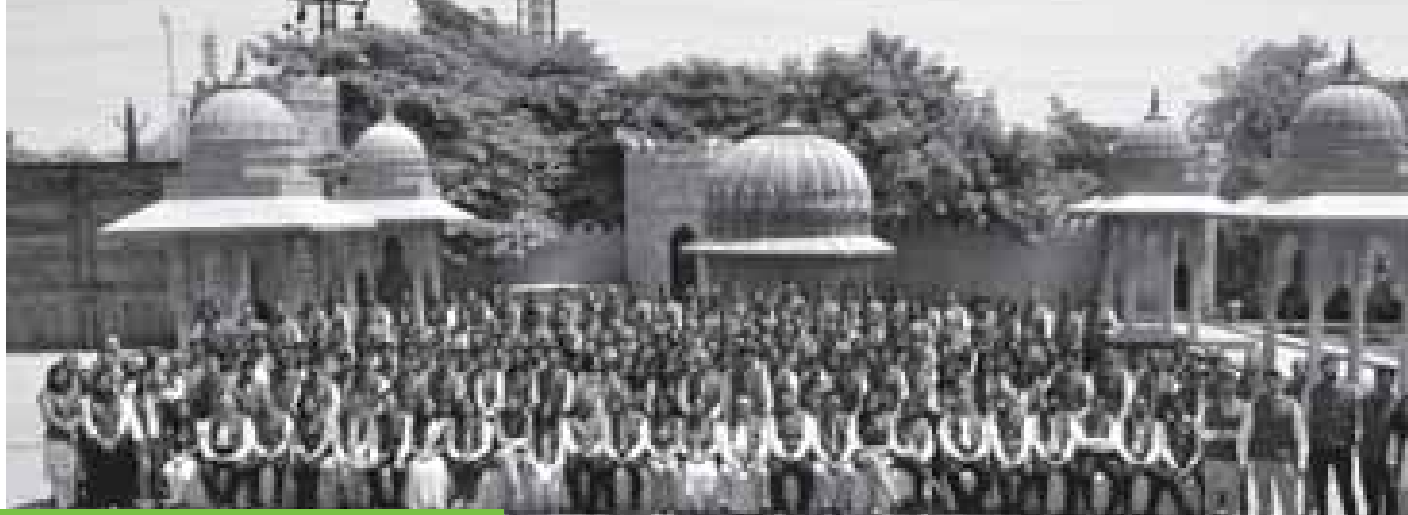
Yield 400 kg  
of purified CNG grade gas/day



WRI+IFC workshop for MWC customers  
on group captive power generation



Rooftop solar PV at 'Evolve' MWC, Jaipur



happitat

Mahindra Lifespaces creates vibrant living and working spaces that enhance culture, commerce and connectivity, both within the organisation, and externally for the community.

## The Associates

The Company's vision to enable a better quality of life is given shape by the able hands and minds of its associates. It considers 'being an employer of choice' as a sustainability target. A number of associate-centric policies and processes have been instituted towards

- recruiting • retaining
- developing • rewarding
- recognising talent

This includes policies that encourage gender diversity, facilitate work-life balance and promote health and well-being.



Additionally, multiple developmental and wellness platforms have been introduced.

## Customer-centricity

The 'My Customer-My Valentine' initiative is spread across four project charters that are led by members of the management team with cross-functional teams representing all functions and levels:

### Walk the Talk

#### Building a stronger relationship with customers

- Capability building workshop organised for Projects and CRM leadership team
- Key customers identified from projects Antheia and Aura for pilot launch
- Positives of the projects and areas of improvement determined through customer interviews

### Living the CVP

#### Focusing on high standards of product and service excellence

- **C2o** (Customer Care Orientation) workshops conducted where associates from CRM and HR functions developed skills on hiring and nurturing frontline customer relationship teams
- **Resident Assist:** Home user/O&M manual for the customers, explaining the facilities and green features installed in their homes
- **Samvaad:** A ready reckoner that comprises clear, simple, quality standards and turnaround time for customer interactions

### Relationships begin at home

#### Inculcating a spirit of service

- An internal customer-ship exercise conducted at Mumbai, Delhi, Jaipur, Chennai and corporate office to identify and address inter-departmental issues
- Internal Customer Service Index (ICSI) calculated. This will be calculated at regular intervals to check the improvement
- Customer service training and customer excellence training given to associates

### Celebrating Customer Centric Behaviour

#### Developing a high performance culture

- 'Here & Now' cards to commend a job well done
- Over 500+ 'Here & Now' Cards handed over



# 18,453,101 Man-hours

## Zero Fatality, Zero Reportable Accidents

EHS (Environment, Health & Safety) is accorded top priority at Mahindra Lifespaces. It is committed to protecting its associates, customers, visitors, operatives, general public and the environment, in general from any harm due to its operations.

Here is a glimpse of safety actions introduced, reinforced or revamped during the year:

### SMARRT Training

Two-day SMARRT (Safe Method and Risk Reduction Technique) and 'Jaan Hai To Jahan Hai' trainings organised at all locations

### Labour Camp Standards

To ensure that the people building its homes are taken care of and are living in a better atmosphere, the Company has revised onsite workers' housing requirement and has started implementing them in new projects. Minimum standards are defined for ongoing projects & superior standards for all new and upcoming projects

### EHS Software

The Company is in the process of developing a user-friendly software for EHS which will reduce paperwork by 95%

### EHS Awareness

A fortnightly EHS newsletter 'Soteria' has been introduced for all associates. There is also a daily SMS-based EHS awareness campaign that is triggered to the workforce in regional language and Hindi

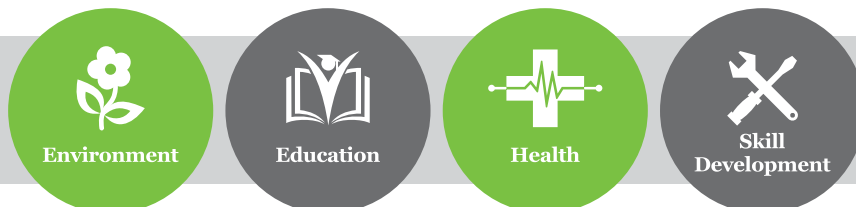


Mahindra Lifespaces recorded **ZERO FATALITIES** in FY 2015-16

## The Communities

The Company's mission is to transform urban landscapes by creating sustainable communities. A CSR mechanism is in place to strategically plan, execute and evaluate need-specific social interventions.

The Company's CSR policy, governed and implemented by a Board committee, spearheads CSR activities focussed on:



CSR Spend in FY 2015-16  
**INR 48.9 millions**

\* CSR Spend includes spends of MLDL, MRDL, MITL, MBDL, MWCDL and MWCJL

During the reporting period, the Company strengthened the sustainability quotient through following initiatives:

- The 'Green Army' initiative involves two-hour interactive workshops that educate and sensitize 8 to 12-year old children about waste management, recycling, easy energy saving methods, sustainable agriculture/food, key habits of sustainable living, etc. In the second and third phase of the program held between September 2015 and February 2016, the Company reached out to 8,000 children across 40 schools in Mumbai and Pune. Since its launch in FY 2014-15, over 10,600 children and 5,300 people have been impacted by the program. Eventually, it aims at creating an army of 1 million caring citizens.
- The associates at Mahindra Lifespaces, Mumbai undertook an urbanscaping project at Sion station in January 2016. The core aim was to reclaim the station's lost charm and make it a better place for the commuters. The volunteering associates divided into groups and took up different responsibilities like re-painting certain old sections and beautifying an area that was eventually converted into a garden. In addition to senior railway and police officials, the Lifespaces team also joined the effort.
- In October 2015, Happinest Boisar inaugurated its first Gyandeeep - a school for children of workers in and around the site. The first batch of 30 kids were presented with a school bag and a book to help them kick-start the learning process. The Company's resolve to educate was buoyed further by looking at the high ratio of girls at the school, signifying a truly gender diverse group of bright young minds.
- During the Chennai floods of December 2015, MWC, Chennai in partnership with World Vision India, distributed relief kits comprising food, non-food and hygiene items to around 850 families. The Team also supported around 800 migrant workers, school children and inmates of a Leprosy Centre near MWC with mats, blankets, towels, water bottles and biscuits.
- The team at Chennai handed over child friendly washrooms, hand wash platforms and wall mural paintings to the government schools in Paranur, Veerapuram, Thenmelpakkam and Anjur near MWC, Chennai. Around 1,000 students and 50 teachers benefitted.
- MWC, Jaipur continued to conduct vocational training classes for employable youth in the neighbouring villages through an NGO partner, TBI. A total of 300 students successfully completed the training during the reporting period. The MWCJ team also conducted an advanced stitching training course for 30 SHG women of Kalwara village. The training included bags, table mats, tea coasters, etc. and concluded with an exhibition that displayed all the works made by the women.

Your Company is determined to give shape to the idea of Urboonisation while upholding the core tenets of responsible and transparent business conduct, ethical value generation and enabling people to rise.

**In line with the new Companies Act, 2013, the Company allocates & spends 2% of the average net profits made during the three immediately preceding financial years towards CSR initiatives.**



*An Urbanscaping project at Sion station in January 2016*



*The 'Green Army' initiative workshop*



*Primary education for women at MWC, Jaipur*

# Sustainability Roadmap 2020

This roadmap is a culmination of inputs from an enhanced stakeholder base (both internal and external) such as employees, customers, competitors, vendors, consultants and local community. The roadmap sports aggressive targets across all three bottom-lines and will help align efforts with the real needs of the enterprise and its stakeholders.



## BUSINESS RESPONSIBILITY

Set and uphold the highest standards of ethics & transparency with all our stakeholders

Increase shareholder value by significantly enhancing the Return On Capital Employed

Be recognised among the most trusted brand for customers in the markets we operate in, through reputable survey(s)

Be among industry leaders in the 'Great Places to Work' Survey

Improve our gender diversity ratio to 30% women

Build partnerships to drive innovation in the development of sustainable habitats and ecosystems



## COMMUNITY OUTREACH

100% of our projects to have community engagement programmes

Community engagement programmes to reach out and cover >30% of the target group

Enable employability by driving skill development and up-gradation programmes reaching out to over 10,000 persons



## ENVIRONMENTAL STEWARDSHIP

10% energy intensity reduction and 10% Greenhouse Gas intensity reduction

10% improvement in water efficiency and exceeding the minimum wastewater standards

5% of energy requirement to be met through renewable energy

Reduce waste intensity by 20%

Zero fatalities and reportable accidents at all sites and continued reduction in lost work day accident rates

Ensure that 50% of the total building materials (by cost) are procured within a distance of 400 km

Build sustainable supply chain for top 100 suppliers through capacity building and establish monitoring mechanism for carbon and water footprint

Develop biodiversity plans for at least two key locations



ANNUAL  
REPORT

2016

# Mahindra LIFESPACES

## Our Presence:

Bengaluru | Chennai | Delhi NCR | Hyderabad | Jaipur | Mumbai | Nagpur | Pune

**Corporate Office:** Mahindra Lifespace Developers Limited  
CIN L45200MH1999PLC118949

5th Floor, Mahindra Towers, Worli, Mumbai 400 018, India

Tel: 022 6747 8600/6747 8601 | Fax: 022 2497 5084

Email: homes@mahindra.com | Website: www.mahindralifespaces.com



Folio No. / DP ID* / Client ID*	
No. of Shares Held	
Email id	

**ATTENDANCE SLIP**

I / We record my / our presence at the 17<sup>th</sup> Annual General Meeting of the Company on Thursday, 28<sup>th</sup> July, 2016 at 3:00 p.m. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021

NAME OF THE MEMBER(S) (in Block Letters)	
SIGNATURE OF THE MEMBER (S)	
NAME OF THE PROXY (in Block Letters)	
SIGNATURE OF THE PROXY	

\*Applicable for Members holding shares in dematerialised form.

NOTE:  
You are requested to sign and handover this slip at the entrance of the meeting venue. Joint Members may obtain additional slip on request at the venue of the meeting.

----- TEAR HERE -----

**FORM NO. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	L45200MH1999PLC118949
Name of the Company:	Mahindra Lifespace Developers Limited
Registered Offices:	5 <sup>th</sup> Floor, Mahindra Towers, Worli, Mumbai – 400 018
Name of the member(s):	
Registered address:	
E-mail Id:	
Folio No. / Client Id*	
DP ID*	

\*Applicable for Members holding shares in dematerialised form.

I / We, being the member(s) of Mahindra Lifespace Developers Limited holding.....shares of the Company, hereby appoint:

1	Name		Signature	
	Address			
	E-mail id			
	<b>Or failing him / her</b>			
2	Name		Signature	
	Address			
	E-mail id			
	<b>Or failing him / her</b>			
3	Name		Signature	
	Address			
	E-mail id			
	<b>Or failing him / her</b>			

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 17<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 28<sup>th</sup> July, 2016 at 3:00 p.m. at Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai - 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
<b>ORDINARY BUSINESS</b>				
1.	To receive, consider and adopt the audited financial statement of the Company for the year ended on 31 <sup>st</sup> March, 2016 (including audited consolidated financial statement) and the Reports of the Directors' and the Auditor's thereon			
2.	To declare Dividend on equity shares for the financial year ended on 31 <sup>st</sup> March, 2016			
3.	To appoint a Director in place of Ms. Anita Arjundas (DIN: 00243215), who retires by rotation and being eligible, offers herself for re-appointment			

Resolution No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
4.	To Appoint M/s. B K Khare & Co, Chartered Accountants, Mumbai (ICAI Registration Number- 105102W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration			
<b>SPECIAL BUSINESS</b>				
5.	To Appoint Dr. Anish Shah as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation			
6.	To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities upto an aggregate amount of Rs. 7,50,00,00,000 (Seven Hundred Fifty Crores only)			
7.	To Approve the Remuneration of the Cost Auditor CMA Vaibhav Prabhakar Joshi, Cost Accountant, Mumbai for the financial year ended on 31 <sup>st</sup> March, 2016			
8.	To approve Maintenance of the Register of Members and Related Books at a Place other than the Registered Office of the Company			
9.	To approve Alteration of Articles of Association of the Company			
10.	To approve Material Related Party Transaction with Mahindra Homes Private Limited, a Joint Venture company			
11.	To approve Material Related Party Transaction with respect to sale of a property of the Company			

Signed this.....day of.....2016.

Affix Revenue Stamp
---------------------------

Signature of Member : .....

Signature of Proxy holder(s) : .....

**Notes:**

1. This form of proxy in order to be effective, should be duly stamped, completed, signed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting;
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

**MAHINDRA LIFESPACE DEVELOPERS LIMITED**

CIN : L45200MH1999PLC118949

**Registered Office:** 5<sup>th</sup> Floor, Mahindra Towers, Worli, Mumbai – 400 018.**Website :** www.mahindralifespaces.com **Phone :** 022 67478600 / 8601 **Fax :** 022 2497 5084**Form No. MGT-12****Polling Paper***[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

**Name of the Company** : Mahindra Lifespace Developers Limited  
**Registered Office** : 5<sup>th</sup> Floor, Mahindra Towers, Worli, Mumbai 400 018  
**Date of 17<sup>th</sup> Annual General Meeting** : Thursday, 28<sup>th</sup> July, 2016

**BALLOT PAPER**

Sr. No.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Name(s) of the joint holder(s), if any	
4	Registered folio No. / *Client ID and DP ID No. (*Applicable to investors holding shares in dematerialized form)	
5	Class of Share	Equity

**ELECTRONIC VOTING PARTICULARS**

EVEN (E-voting Event Number)	User-ID	Password

I hereby exercise my vote in respect of Ordinary / Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Sr. No.	Item of Business	No. of shares held by me	I assent to the resolution	I dissent from the resolution
	<b>ORDINARY BUSINESS</b>			
1.	To receive, consider and adopt the audited financial statement of the Company for the year ended on 31 <sup>st</sup> March, 2016 (including audited consolidated financial statement) and the Reports of the Directors' and the Auditor's thereon			
2.	To declare Dividend on equity shares for the financial year ended on 31 <sup>st</sup> March, 2016			
3.	To appoint a Director in place of Ms. Anita Arjundas (DIN: 00243215), who retires by rotation and being eligible, offers herself for re-appointment			
4.	To Appoint M/s. B K Khare & Co, Chartered Accountants, Mumbai (ICAI Registration Number- 105102W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration			
	<b>SPECIAL BUSINESS</b>			
5.	To Appoint Dr. Anish Shah as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation			
6.	To approve Private Placement of Non-Convertible Debentures and/or other Debt Securities upto an aggregate amount of ₹ 7,50,00,00,000 (Rupees Seven Hundred Fifty Crores only)			

Sr. No.	Item of Business	No. of shares held by me	I assent to the resolution	I dissent from the resolution
7.	To Approve the Remuneration of the Cost Auditor CMA Vaibhav Prabhakar Joshi, Cost Accountant, Mumbai for the financial year ended on 31 <sup>st</sup> March, 2016			
8.	To approve Maintenance of the Register of Members and Related Books at a Place other than the Registered Office of the Company			
9.	To approve Alteration of Articles of Association of the Company			
10.	To approve Material Related Party Transaction with Mahindra Homes Private Limited, a Joint Venture company			
11.	To approve Material Related Party Transaction with respect to sale of a property of the Company			

Place :

Date :

\_\_\_\_\_  
(Signature of the shareholder)

- NOTES :** 1. Kindly read the instructions before filling the form. Last date for the receipt of Ballot papers by Scrutinizer is Wednesday, 27<sup>th</sup> July, 2016;  
2. For e-voting, please refer the instructions under "E-Voting Facility" in the Notice attached herewith.

### INSTRUCTIONS

#### Instructions to members opting for voting in physical ballot mode (Sr. No. 1 to 10)

- In terms of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, is enclosing a Ballot paper along with the Annual Report.
- A member desiring to exercise voting by using Ballot paper shall complete the enclosed Ballot paper with assent (**FOR**) or dissent (**AGAINST**) by placing a tick mark (✓) in the appropriate column and send it to the Scrutinizer, Mr. Martinho Ferrao, Practising Company Secretary, duly appointed by the Board of Directors of the Company, at the address: M/s. Martinho Ferrao & Associates, Practising Company Secretaries, Unit: Mahindra Lifespace Developers Limited, Level 3, 301 Dhun Building, Janmabhoomi Marg, Fort, Mumbai – 400001, so as to reach by 5:00 p.m. on Wednesday, 27<sup>th</sup> July, 2016, in the enclosed postage prepaid self-addressed envelope. Ballot papers deposited in person or sent by post or courier at the expense of the member will also be accepted at the Registered Office of the Company. The assent / dissent received in any other form / manner will not be considered. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the Ballot papers will be final. The Ballot papers received after the said date shall be strictly treated as if the reply from the member has not been received.
- The Ballot paper should be completed and signed by the member (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited/ Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form respectively). In case of joint holding, this Ballot paper must be completed and signed by the first named member and in his / her absence, by the next named member. There will be only one Ballot paper for every folio / Client ID irrespective of the number of joint members.
- In case of shares held by companies, trusts, societies etc., the duly completed Ballot paper should be accompanied by a certified true copy of Board Resolution / Authority Letter. Where the Ballot paper has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Ballot paper.
- A member may request for a duplicate Ballot paper, if so required, by writing to the Company at its Registered Office or by sending an email on Company's investor email id - INVESTOR.ML DL@mahindra.com by mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot paper should reach the Scrutinizer not later than by 5.00 p.m. on Wednesday, 27<sup>th</sup> July, 2016.
- A member need not use all votes nor needs to cast all votes in the same way.
- A member can opt for only single mode of voting, i.e.; either through e-voting or by Ballot paper. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- Voting Rights shall be reckoned on the paid-up value of shares registered in the name of the member as on Thursday, 21<sup>st</sup> July, 2016 (the 'Cut-off' date).
- Members are requested not to send any other matter alongwith the Ballot paper in the enclosed postage pre-paid self-addressed envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in the envelope would be destroyed by the Scrutinizer.
- The Scrutinizer shall submit his report to the Chairman, who shall declare the result of the voting. The Results shall be declared on or before Saturday, 30<sup>th</sup> July, 2016. The Result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.mahindralifespaces.com](http://www.mahindralifespaces.com) and on the website of Karvy Computershare Private Limited [www.karvycomputershare.com](http://www.karvycomputershare.com) and shall be communicated to the Stock Exchanges. If, as per the report of the Scrutinizer, a resolution is passed, then the resolution shall be deemed, to have been passed at the Annual General Meeting of the Company scheduled on Thursday, 28<sup>th</sup> July, 2016.