

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Regd. Office : "A" Wing, 4th Floor, Mahindra Towers,
Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli, Mumbai – 400 018
Tel : +91 22 66526000; Fax : +91 22 24984170
Email : mamc@mahindra.com | Website : www.mahindramutualfund.com
CIN: U65900MH2013PTC244758

NOTICE

The **FIFTH ANNUAL GENERAL MEETING OF MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED** will be held at Mahindra Towers, 4th Floor, Worli, Mumbai – 400 018, on Tuesday, the 17th day of July, 2018, at 12.30 p.m. to transact the following Business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2018 including the audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for the year ended on that date and Cash Flow Statement as at that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. V. Ravi (DIN: 00307328), a Director liable to retire by rotation, be re-appointed as a Director of the Company."

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

"RESOLVED that pursuant to sections 139 and 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the appointment of Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Registration Number 105102W), be and is hereby ratified as the Auditors of

the Company, to hold office from the conclusion of the fifth Annual General Meeting, until the conclusion of the sixth Annual General Meeting of the Company to be held in the year 2019, at a remuneration to be determined by

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the Board of Directors of the Company in addition to out-of-pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS:

- 4) To consider, and if thought fit to pass, with our without modifications, following Resolution as an Ordinary Resolution:

“**RESOLVED that** in accordance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013, or any amendment(s) thereto or modification(s) thereof Mrs. Chitra Andrade (DIN : 08090478) be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from 28th March, 2018.”

NOTES:

- (1) Information about the Director seeking appointment / re-appointment as Director at the Annual General Meeting pursuant to clause 1.2.5 of Secretarial Standards – 2**

(A) MR. V. RAVI

Name of the Director	:	V. Ravi
Category	:	Non-Executive Non-Independent Director
Director Identification No.	:	00307328
Age	:	59 years
Qualifications	:	Chartered and Cost Accountant
Experience	:	34 years

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Brief resume, qualification(s), experience and nature of expertise in specific functional areas, recognition or awards	: : Mr. V. Ravi is a Chartered and Cost Accountant and is an Executive Director and Chief Financial Officer of Mahindra & Mahindra Financial Services Limited (MMFSL), the Holding Company. Mr. V. Ravi is associated with the Company since its inception and also serves as a Director on the Boards of other subsidiaries of MMFSL. Mr. V. Ravi is also a member of the following Committees.
	<ul style="list-style-type: none">• Finance Industry Development Council.• Corporate Finance Committee of Federation of Indian Chambers of Commerce and Industry.• Capital Markets group of Banking, Finance & Economics Committee of Bombay Chamber of Commerce and Industry. <p>Mr. V. Ravi has also been a member of the Asia Council of the Conference Board, U.S.A. and the Informal Advisory Group of the Reserve Bank of India.</p>
Terms and conditions of appointment / re-appointment	: Liable to retire by rotation.
Remuneration sought to be paid and remuneration last drawn	: Not Applicable

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Date of first appointment on the Board	:	20 th June, 2013																						
Shareholding in the Company	:	1 (One) share as a second joint holder with Mahindra and Mahindra Financial Services Limited.																						
Relationship with other Directors and Key Managerial Personnel of the Company	:	None of the Directors of the Company is inter-se related to each other or with the Key Managerial Personnel of the Company.																						
Number of meetings of the Board attended during the year	:	7 (out of 7 Board Meetings held)																						
Other Directorships, [Excluding Mahindra Asset Management Company Private Limited)	:	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Company</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mahindra & Mahindra Financial Services Limited</td> <td colspan="2"></td> </tr> <tr> <td>2</td> <td>Mahindra Insurance Brokers Limited</td> <td colspan="2"></td> </tr> <tr> <td>3</td> <td>Mahindra Rural Housing Finance Limited</td> <td colspan="2"></td> </tr> <tr> <td>4</td> <td>Mahindra Finance USA LLC</td> <td colspan="2"></td> </tr> </tbody> </table>			Sr. No.	Name of the Company			1	Mahindra & Mahindra Financial Services Limited			2	Mahindra Insurance Brokers Limited			3	Mahindra Rural Housing Finance Limited			4	Mahindra Finance USA LLC		
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Membership / Chairmanship of Committees of other Boards [excluding Mahindra Asset Management Company Private Limited)	:	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Company</th> <th>Name of the Committee</th> <th>Position held (Chairman / Member)</th> </tr> </thead> <tbody> <tr> <td rowspan="4">1</td> <td rowspan="4">Mahindra & Mahindra Financial Services Limited</td> <td>SRC</td> <td>Member</td> </tr> <tr> <td>ALCO</td> <td>Member</td> </tr> <tr> <td>CSR</td> <td>Member</td> </tr> <tr> <td>IT Strategy</td> <td>Member</td> </tr> </tbody> </table>			Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)	1	Mahindra & Mahindra Financial Services Limited	SRC	Member	ALCO	Member	CSR	Member	IT Strategy	Member						
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		2	Mahindra Insurance Brokers Limited	Audit	Member		
				CSR	Member		
		3	Mahindra Rural Housing Finance Limited	Audit	Member		
				ALCO	Member		
				CSR	Member		
				RMC	Member		
		(1) SRC : Stakeholders Relationship Committee (2) ALCO : Asset Liability Committee (3) CSR : Corporate Social Responsibility Committee (4) RMC : Risk Management Committee					

(B) MRS. CHITRA ANDRADE

Name of the Director : Chitra Andrade

Category : Independent Director

Director Identification No. : 08090478

Age : 55 years

Qualifications : B.Com (Honours) degree from Calcutta University and a PGDBM from XLRI, Jamshedpur.

Experience : More than 30 years

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- Brief resume, qualification(s), experience and nature of expertise in specific functional areas, recognition or awards
- : Mrs. Chitra Andrade is a professional with over 3 decades of working experience in the Indian
 - : Financial Services sector in varied senior business roles spanning banking (retail and corporate), investment banking, asset management and NBFCs.
- Mrs. Chitra Andrade has worked in and served extensively in leadership roles and on the Management/Executive Committees of reputed financial services companies including startups and mature organizations. She has an excellent understanding of the Indian Financial Services sector and related regulatory environment and has vast experience in:
- a) Business Planning & Strategy Development and its implementation and delivery, Marketing, Product Development & Management and Sales & Distribution across consumer banking services (domestic and NRI), Wealth Management and Capital Markets.
 - b) Cross Functional and Cross Business Project Management skills across retail/consumer financial services coupled with keen consumer insights Business Development, Relationship / Client Management, Networking and Alliance building capabilities with very large as well as with small institutions.
- Terms and conditions of appointment / re-appointment
- : To be appointed as an Independent Director.

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- Remuneration sought to be paid and remuneration last drawn : Only by way of Sitting Fee payable for attending the Meetings of the Board and Committees of the Board (if appointed on any committees of the Board) as is payable to other Independent Directors of the Company.
- Date of first appointment on the Board : Appointed on 28th March, 2018 as an Additional Director.
- Shareholding in the Company : N.A.
- Relationship with other Directors and Key Managerial Personnel of the Company : None of the Directors of the Company is inter-se related to each other or with the Key Managerial Personnel of the Company.
- Number of meetings of the Board attended during the year : Appointed at the Board Meeting held on 28th March, 2018 and attended the said Meeting.
- Other Directorships, [Excluding Mahindra Asset Management Company Private Limited) : N.A.

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Membership / : N.A.
Chairmanship of
Committees of
other Boards
[excluding
Mahindra Asset
Management
Company Private
Limited)

- (2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- (5) There is no unpaid / unclaimed dividends pertaining to earlier years and hence no amount is transferred / required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government, pursuant to the provisions of section 205C of the Companies Act, 1956 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

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Explanatory statement annexed to the Notice pursuant to section 102 of the Companies Act, 2013

ITEM NO. 4

The Nomination and Remuneration Committee (NRC) vide a Resolution passed by circulation on 21st March, 2018, recommended to the Board the appointment of Mrs. Chitra Andrade as an Independent Director of the Company. The Board of Directors, at its Meeting held on 28th March, 2018, upon the recommendation of the NRC, appointed Mrs. Chitra Andrade as an Additional Independent Director of the Company subject to the approval of Shareholders. The Company has received a notice under section 160 of the Companies Act, 2013 (the Act) proposing the candidature of Mrs. Chitra Andrade as an Independent Director of the Company under the provisions of section 149 and schedule IV of the Act for a period of five years with effect from 28th March, 2018.

All the relevant information about Mrs. Chitra Andrade has been provided hereinbefore at note (1).

In view of the Board, Mrs. Chitra Andrade is a fit and proper person to be appointed as an Independent Director of the Company under the relevant provisions of the Act and policies adopted by the Company under the provisions of the Act. The rich experience of Mrs. Chitra Andrade in the field of finance would benefit the Company. Mrs. Chitra Andrade has submitted the necessary declaration of independent under section 149 of the Act. The Board recommends the appointment of Mrs. Chitra Andrade as an Independent Director

Registered Office:

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Mumbai – 400018.
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Tel. : 91 22 6652 6000 Fax: 91 22 2498 4170
E-mail: mamc@mahindra.com
Website: www.mahindramutualfund.com

By Order of the Board

Sd/-

Ravi Dayma
Company Secretary

17th April, 2018

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- ROUTE MAP -

5th Annual General Meeting of Mahindra Asset Management Company Private Limited to be held at the Registered Office of the Company at Mahindra Towers, 4th Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018, on Tuesday, the 17th day of July, 2018, at 12.30 p.m.

Prominent Landmark : Near Worli T. V. Tower [Doordarshan]



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PROXY FORM

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]*

Name(s) of the Member(s) :
Registered Address :
E-mail ID :
Folio no. / Client ID :
DP ID :

I/We, being the Member(s) of **MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED** holding _____ Equity Shares hereby appoint:

1 Name :
Address :
E-mail ID :
Signature :

or failing him/ her

2 Name :
Address :
E-mail ID :
Signature :

or failing him / her

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3 Name :
Address :
E-mail ID :
Signature :

as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the **Fifth Annual General Meeting of Mahindra Asset Management Company Private Limited** to be held on Tuesday, 17th July, 2018 at 12.30 p.m. at Mahindra Towers, 4th Floor, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
Ordinary Business	
1.	To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31 st March, 2018 including the audited Balance Sheet as at 31 st March, 2018 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2.	To consider, and if thought fit, to approve re-appointment of Mr. V. Ravi (DIN: 00307328), a director retiring by rotation.
3.	To consider, and if thought fit, to approve ratification of the appointment of M/s. B. K. Khare & Co. Chartered Accountants, (ICAI Firm Registration No. 105102W), as Statutory Auditors of the Company and to approve their remuneration.
4.	To consider, and if thought fit, to approve the appointment of Mrs. Chitra Andrade as an Independent Director of the Company for a period of five years with effect from 28 th March, 2018.

Signed this _____ day of _____ 2018.

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy Holders

NOTE : This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Registered Address of :
the shareholder

Joint Holder :

Folio no. / DP ID no. :

Client ID no. :

No. of shares :

I hereby record my presence at the Fifth Annual General Meeting of **Mahindra Asset Management Company Private Limited** held on Tuesday, 17th July, 2018 at 12.30 p.m. at Mahindra Towers, 4th Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

Name(s) of the Shareholder(s)/ Representative/Proxy (IN BLOCK CAPITALS)	
Signature(s) of the Shareholder(s)/ Representative/Proxy	

Note: You are requested to bring your copy of the Annual Report to the Meeting.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

BOARD'S REPORT

To,

The Members of

Mahindra Asset Management Company Private Limited

Your Directors are pleased to present their Fifth Report together with the Financial Statements of your Company for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS

Amount in Rs. Lakhs

Particulars	Year ended 31 st March, 2018	Year ended 31 st March, 2017
Total Revenue	2,336.71	881.14
Less : Employee benefits expense	1,859.42	1,401.08
Depreciation and Amortisation expense	83.83	52.32
Other expenses	4,203.20	1,475.09
Total Expenses	6,146.44	2,928.50
Profit /(Loss) Before Tax	(3,809.74)	(2,047.36)
Less : Tax expense		
(1) Current Tax	0.00	0.00
(2) Deferred Tax	0.00	0.00
Profit /(Loss) for the year	(3,809.74)	(2,047.36)
Profit / (Loss) brought forward from previous years	(2,498.65)	(451.29)
Transfer to Reserves	-	-

DIVIDEND

In view of the losses incurred by the Company, your Directors do not recommend any dividend for the year under consideration.

TRANSFER TO RESERVES

In view of the losses incurred by the Company for the year under consideration, no amount has been transferred to reserves.

OPERATIONS

Your Company was incorporated with an objective to act as investment managers, consultants, advisors for mutual funds, unit trusts, venture capital funds, etc. On 4th February, 2016, your Company received license from the Securities and Exchange Board of India (SEBI) to act as an Investment Manager for the schemes of Mahindra Mutual Fund. During the financial year 2017-18, your Company launched the following two schemes in the market:

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1. Mahindra Mutual Fund Badhat Yojana, Multi Cap Fund - An open ended equity scheme investing across large cap, mid cap, small cap stocks, launched on 20th April, 2017;
2. Mahindra Unnati Emerging Business Yojana, Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks, launched on 8th January, 2018.

In addition, your Company also launched Mahindra Mutual Fund Bal Vikaas Yojana on 20th April, 2017. The Company was unable to collect the minimum amount of subscription in this scheme and hence the scheme was withdrawn. As on 31st March, 2018, your Company acted as the investment manager for six schemes. The Assets under Management in these six schemes were Rs. 3,352 crores in March 2018 as compared to Rs 2,050 crores in the month of March 2017. Of these assets, Rs. 1,173 crores were in retail schemes in March 2018 as compared to Rs 319 crores in March 2017. Your Company has empanelled more than 7,500 distributors and opened 1,26,737 investor accounts in these schemes showing a rise of more than 335 percent. During the next year, your Company will continue to expand its product range as well as increase its engagement activities with the distributors and customers via new offices and employees across the country.

Your Directors would like to present the overview of the Economy and Financial Markets in general and the Mutual Fund Industry in particular.

Indian Economy

The year 2017-18 witnessed two key events. The Goods and Services Tax (`GST') regime was implemented from July 1, 2017 thus paving the way towards a `One Nation, One Tax' system. Further, a new Insolvency and Bankruptcy Code was notified which is expected to resolve the issues related to non-performing assets of the Banking system.

The second advance estimate of Gross Domestic Product (GDP) released by the Central Statistics Office in February 2018 estimated the real GDP growth at 6.60 percent (constant 2011-12 prices) in 2017-18 (7.10 percent in 2016-17). While the GDP growth was lower than last year, partly because of adjustments to the GST regime, there were silver linings on the horizon. Credit Growth started accelerating and after several quarters, investment activity showed some green shoots and the Gross Capital Formation (GCF) to GDP ratio inched up to 31.40 percent. Global economic activity has continued to strengthen and is becoming synchronized gradually.

Inflation measured by Consumer Price Index (CPI) remained benign, averaging around 3.50 percent during the year and the exchange rate measured against the US Dollar was broadly stable through the year.

The year also marked an upward movement in crude prices. Such movements, if they continue, could possibly endanger both inflation and growth expectations for the next financial year.

Equity Markets

The S&P BSE Sensex ended the year with gains of more than 11 percent to close at 32,968 while the NIFTY 50 closed with gains of more than 10 percent to close at 10,113. The S&P BSE mid cap index after rallying ahead of frontline indices for major part of the year closed at a commensurate gain of more than 12 percent during the year. Globally, majority of the equity indices did well.

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The rally was led by infusion of liquidity by Domestic Institutional Investors (~USD 22bn) due to strong retail participation despite Foreign Institutional Investors being net sellers (~USD 1.4 bn). Majority of the sectors participated in the rally in the indices barring the pharmaceutical sector.

The year 2018-19 may see higher volatility in global equity markets due to rising global interest rates. India, despite its strong long term macro fundamentals, may also see volatility due to the upcoming elections.

Fixed Income Markets

The interest rate environment, which was benign in 2016-17, saw a sharp upward movement in rates. The benchmark sovereign 10-year rates, moved up by around 70 basis points to close at 7.35 percent. The year was marked by volatility as the bench mark saw a low of around 6.40 percent in the first half of the year and moved up to a high of around 7.80 percent during the latter part of the fiscal year. What contributed to the upward bias was a combination of increase in fiscal deficit and rising crude and commodity prices resulted in increased inflationary expectations. The US Fed act of increasing the Fed rates and shrinking its balance sheet acted as headwinds to the interest rate environment.

Overview of the Mutual Fund Industry

The Mutual Fund Industry had another good year. The Assets under Management (AUM) as on 31st March, 2018 were Rs. 21.36 lakh crores compared to Rs. 17.54 lakh crores as on 31st March, 2017. Assets grew by 21.7 percent during the year. .

Net flows into mutual funds during the year were Rs. 2.72 lakh crores showing a decline over net inflows over the previous year. However, the decline was mainly due to sharp reduction in inflows into debt and liquid schemes. Both these scheme classes actually witnessed a net outflow in assets. There was a surge in inflows in equity schemes. Equity schemes saw net inflows of Rs 1.57 lakh crores which was more than 2.6 times of the inflows in the previous year. The popularity of balanced schemes continued with inflows growing more than 2.4 times last year and touching Rs 89,757 crores. Inflows into ELSS scheme also increased by 43 percent.

The top ten players increased their market share during this year. Their combined share of total assets increased to 81 percent from 74 percent last year.

During the year, SEBI issued the product classification guidelines, and requested all Asset Management Companies to review their product portfolio in accordance with these guidelines, and submit their rationalization proposal to SEBI. This circular had a minimal impact on your Company's products. Going forward, this will provide clarity to AMCs, distributors and customers and will allow them to have a better understanding of the different schemes offered by Mutual Funds.

The Mutual Fund Industry has been showing robust growth over the last five years. In spite of this growth, mutual fund penetration continues to remain low in terms of number of unique household accounts. Therefore, the potential for future growth is quite high and the industry will continue to attract new households from the smaller towns and cities as well as urban centres. Your Company aims to reach customers in the smaller towns by leveraging the Mahindra brand as well as distribution reach of its parent, Mahindra & Mahindra Financial Services Limited. Your

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Company will also leverage the traditional distributors of mutual fund products viz banks, national distributors as well as individual distributors to welcome new customers to the Mahindra family.

SHARE CAPITAL

During the year under consideration, the Authorised Share Capital of your Company was increased from Rs.110,00,00,000 (Rupees One Hundred and Ten Crores) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs.10 (Rupees Ten) each to Rs 150,00,00,000 (Rupees One Hundred and Fifty crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs. 10 (Ten) each. The increase in the Authorised Share Capital was pursuant to the approval of the Members granted at the Extraordinary General Meeting held on 5th December, 2017.

During the year under consideration, 2,90,00,000 (Two Crore Ninety Lakh) Equity Shares of Rs. 10 each aggregating to Rs. 29,00,00,000 (Rupees Twenty Nine Crores) were issued and allotted for cash at par on a Rights basis to the existing Shareholders of the Company. Post allotment of Equity Shares as aforesaid, the issued, subscribed and paid-up Share Capital of the Company stands at Rs. 1,20,00,00,000 (Rupees One Hundred And Twenty Crores) comprising of 12,00,00,000 (Twelve Crores) Equity Shares of Rs. 10 each, fully paid-up.

During the year under consideration, the Company has neither issued shares with differential voting rights as to dividend, voting or otherwise nor has issued any sweat equity. The Company has not formulated any Employees' Stock Option Scheme during the year under consideration. There were no Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which, loan was given by the Company.

As on 31st March, 2018, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. V. Ravi (DIN:00307328), Non-Executive Non-Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting scheduled to be held on 18th July, 2018, and being eligible, offers himself for re-appointment.

Mr. Gautam Divan was appointed by the Board of Directors as an Independent Director with effect from 17th July, 2013 and his tenure as an Independent Director will end on 16th July, 2018.

The Board of Directors, at its Meeting held on 28th March, 2018, upon the recommendation of the Nomination and Remuneration Committee, appointed Mrs. Chitra Andrade as an Additional Director (Independent and Non-Executive) of the Company. The Company has received from one of its Shareholders, Notice of Candidature of Mrs. Chitra Andrade as an Independent Director of the Company under section 160 of the Companies Act, 2013. The appointment of Mrs. Chitra Andrade as an Independent Director of the Company is proposed for the approval of the Members at their forthcoming 5th Annual General Meeting.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

KEY MANAGERIAL PERSONNEL

Mr. Basavraj Loni resigned as the Company Secretary with effect from 31st October, 2017

Mr. Ravi Dayma was appointed as the Company Secretary with effect from 28th March, 2018.

Mr. Ashutosh Bishnoi, Managing Director & Chief Executive Officer; Mr. Sanjay Parikh, Chief Financial Officer and Mr. Ravi Dayma, Company Secretary are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

COMPOSITION OF THE BOARD

The composition of the Board of Directors of your Company is in conformity with the provisions of the Companies Act, 2013, as amended from time to time. The Company has a Non-Executive Non-Independent Chairman, a Managing Director and three Independent Directors. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long term objectives of enhancing stakeholders' value are met.

The appointment of Mrs. Chitra Andrade as an Independent Director for a period of five years with effect from 28th March, 2018 (the date of appointment by the Board) is proposed for the approval of Shareholders at their forthcoming 5th Annual General Meeting.

None of the Directors hold directorships in more than 10 public companies. None of the Directors are related to each other.

Board Meetings and Annual General Meeting

During the Financial Year 2017-18, the Board of Directors met seven times: on 15th April, 2017, 22nd June, 2017, 14th July, 2017, 13th October, 2017, 5th December, 2017, 17th January, 2018 and 28th March, 2018.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2017-18 and at the last Annual General Meeting (AGM) of the Company held on 14th July, 2017, are as follows:

Names of Directors	Category	Attendance at the Board Meetings held during F.Y. 2017-18		Attendance at the last Annual General Meeting held on 14 th July, 2017 (Yes / No / N.A.)
		Held	Attended	
Mr. V. Ravi (Chairman)	Non-Executive Non-Independent Director	7	7	Yes
Mr. Ashutosh Bishnoi (Managing Director & Chief Executive Officer)	Executive Director	7	7	Yes
Mr. Gautam Divan	Independent Director	7	7	Yes

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Mr. Sethu Gururajan	Independent Director	7	7	Yes
*Mrs. Chitra Andrade	Additional Director	7	1	N.A.

* Mrs. Chitra Andrade was appointed by the Board as an Additional Director at its Meeting held on 28th March, 2018.

COMMITTEES OF THE BOARD

a) Audit Committee

As on 31st March, 2018, the Audit Committee comprised of two Independent Directors and one Non-Executive Non-Independent Director. The Committee is comprised of Mr. Gautam Divan (Chairman) and Mr. Sethu Gururajan, both Independent Directors and Mr. V. Ravi, Non-Executive Non-Independent Director.

The Audit Committee met five times during the year under consideration: on 15th April, 2017, 22nd June, 2017, 14th July, 2017, 13th October, 2017 and 17th January, 2018. All the members of the Committee were present at the said Meetings of the Audit Committee. All the recommendations made by the Audit Committee have been accepted by the Board.

The terms of reference of the Audit Committee are as follows:

- (i) To recommend the appointment, remuneration and terms of appointment of auditors of the company;
- (ii) To review and monitor the auditor's independence, performance and effectiveness of audit process;
- (iii) To meet the Internal Auditors and the Statutory Auditors periodically and to discuss the scope of audit, observations of the Auditors and other related matters;
- (iv) To have discussion with the Internal Auditors periodically about internal control systems and to ensure compliance of internal control systems;
- (v) Examination of the financial statement and the auditor's report thereon;
- (vi) Approval or any subsequent modification of transactions of the Company with related parties;
- (vii) Scrutiny of inter-corporate loans and investments;
- (viii) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (ix) Evaluation of internal financial controls and risk management systems; and
- (x) Monitoring the end use of funds raised through public offers and related matters, wherever it is necessary.

b) Nomination and Remuneration Committee

As on 31st March, 2018, the Nomination and Remuneration Committee comprised of two Independent Directors and one Non-Executive Non-Independent Director.

The Committee comprises of Mr. Sethu Gururajan (Chairman) and Mr. Gautam Divan, both Independent Directors and Mr. V. Ravi, Non-Executive Non-Independent Director.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

The Nomination and Remuneration Committee met twice during the year under consideration on 15th April, 2017, and 13th October, 2017. All the members of the Committee were present at the said Meetings of the Nomination and Remuneration Committee.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be laid down, recommend to the Board their appointment and removal;
- b) To carry out evaluation of every director's performance;
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- d) To govern, administer, control and manage from time to time the schemes for rewarding employees by way of stock options, stock appreciation rights or in such other manner as may be determined by the appropriate authority from time to time; and
- e) To discharge from time to time such other acts, duties and functions as may be assigned by the Board of Directors or prescribed under the Companies Act, 2013 or any other applicable law and Rules made thereunder.

The Company has adopted the Policy to determine qualifications, positive attributes and independence of Directors and evaluation of the Board, Committees and individual Directors; the 'Policy on Remuneration of Directors' and 'Remuneration Policy for Key Managerial Personnel and Employees' as required under sub-section (3) of Section 178 of the Companies Act, 2013. The 'Policy on Remuneration of Directors' and 'Remuneration Policy for Key Managerial Personnel and Employees' of the Company are appended as **Annexure I** to this Report in accordance with the provisions of sub-section (4) of Section 178 of the Companies Act, 2013.

Besides the aforesaid Board Committees, the Company also has an Investment Committee, a Valuation Committee, an Anti-money Laundering Committee and a Risk Management Committee. These are the committees of management formed in compliance of SEBI Regulations applicable to the Asset Management Companies.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013, the Board has adopted the Evaluation Framework and carried out an annual performance evaluation of its own performance, the performance of directors individually as well as the evaluation of the working of Committees of the Board.

Well-defined and structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, areas of responsibility, execution and performance of specific duties, obligations, governance and compliance perspectives etc.

The evaluation process involves self-evaluation by the Board members and subsequent assessment by the Nomination and Remuneration Committee and the Board of Directors based on the inputs received from all the Directors through the questionnaires. In general, the Directors have expressed their satisfaction with the evaluation process.

DECLARATIONS BY INDEPENDENT DIRECTORS

The Company has received declarations from the Independent Directors confirming that they fulfil the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

MEETINGS OF INDEPENDENT DIRECTORS

The Independent Directors met twice during the year under consideration. The meetings were conducted in an informal manner without the presence of the Managing Director, the Non-Executive Non-Independent Director and any of the Key Managerial Personnel.

PARTICULARS OF REMUNERATION

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 are not applicable to your Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2017 forms part of this Report and is appended as **Annexure II**.

HUMAN RESOURCES

Your Company strongly believes in maintaining the dignity of all its employees, irrespective of their gender or seniority. Discrimination and harassment of any type are strictly prohibited. The Company has taken the necessary steps to enhance awareness amongst its employees in respect of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder. During the year, the Company has not received any complaints of sexual harassment.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

As on 31st March, 2018, the Company had 141 permanent employees as compared to 91 employees as on 31st March, 2017.

CODE OF CONDUCT FOR CORPORATE GOVERNANCE

The Company has adopted Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management and Employees. The Codes enunciate the underlying principles governing the conduct of the Company's business and seeks to reiterate the fundamental precept that good governance must and would always, be an integral part of the Company's ethos.

Declarations have been received from the Directors towards the compliance with the provisions of the Code of Conduct for Directors, for the financial year 2017-18.

AUDITORS

Statutory Auditors

Messrs. B. K. Khare & Co., Chartered Accountants [ICAI Firm Registration No. 105102W], hold the office of the Statutory Auditors of the Company for a period of 5 years from the conclusion of the Annual General Meeting (AGM) held on 7th August, 2014 till the conclusion of the Sixth AGM of the Company to be held in the year 2019. The appointment is subject to the ratification by shareholders at every Annual General Meeting.

Messrs. B. K. Khare & Co., Chartered Accountants, have issued a certificate to the effect that their appointment as the Statutory Auditors, if ratified by shareholders, would be in conformity of the criteria specified in the said Sections.

Pursuant to the recommendation of the Audit Committee, the Board of Directors recommend to shareholders ratification of the appointment of Messrs. B. K. Khare & Co., Chartered Accountants as the Statutory Auditors of the Company from the forthcoming Annual General Meeting (fifth AGM) till the conclusion of the next Annual General Meeting (sixth AGM) of the Company.

The Report of Statutory Auditors forms part of this Annual Report.

During the year under consideration, there were no frauds on or by the Company which were required to be reported by the Statutory Auditors of the Company to the Central Government.

Secretarial Auditor

The Board of Directors of the Company, at their Meeting held on 28th March, 2018, appointed M. Siroya & Company, Company Secretaries (CP No. 4157), to conduct the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In accordance with the provisions of sub-section (1) of Section 204, the Secretarial Audit Report for the Financial Year 2017-18 furnished by the Secretarial Auditor is appended to this Report as **Annexure III**.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Observation by the Auditors towards excess managerial remuneration paid

The Statutory Auditors in the statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, annexed to the Independent Auditor's Report on the Standalone Financial Statements of the Company for the Financial Year ended 31st

March, 2018, and the Secretarial Auditor in his report issued pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have observed payment of excess managerial remuneration to Managing Director and Chief Executive Officer (the MD & CEO) for the Financial Year ended on 31st March, 2018.

In this regard the Board would like to explain that, the remuneration payable to the MD & CEO was revised by the Members, at their Extraordinary General Meeting held on 17th October, 2016, upon the recommendation by the Nomination and Remuneration Committee and the approval of Board of Directors, as a "managerial person functioning in professional capacity" under the provisions of clause (B) of section II of part II of schedule V of the Companies Act, 2013 as the MD & CEO satisfied all the conditions mentioned therein for the managerial person functioning in professional capacity. However, in February, 2018, the MD & CEO acquired small number of shares of Mahindra & Mahindra Financial Services Limited (the Holding Company), acquiring interest in the Holding Company, and thus ceasing to comply with one of the conditions mentioned in the said clause (B). Due to this, remuneration paid to the MD & CEO during the Financial Year ended on 31st March, 2018, over and above the remuneration allowed under clause (A) of the said schedule V, is treated as excess managerial remuneration paid. The Board of Directors at their Meeting held on 17th April, 2018, upon the recommendation of the Nomination and Remuneration Committee, and subject to the approval of Members and Central Government, approved the waiver of excess managerial remuneration paid to the MD & CEO. An Extraordinary General Meeting of Members is being convened for considering the waiver of excess managerial remuneration paid to the MD & CEO and for making application to the Central Government in this regard. The Companies Amendment Act, 2017 has amended section 197 of the Companies Act, 2013, granting the power to waive the excess managerial remuneration paid to the shareholders and thus doing away with the approval of Central Government in this regard. However, the said amendment is pending notification in the official gazette. The MD & CEO shall hold the excess managerial remuneration paid in trust till the disposal of application by the Central Government or waiver of the same by the Shareholders under the provisions of section 197 of the Companies Act, 2013, as amended by the Companies Amendment Act, 2017 as and when notified, whichever is earlier.

ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

INTERNAL FINANCIAL CONTROL SYSTEM

Your Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and nature of its operations.

The Management is responsible for establishing and maintaining internal controls for financial reporting. The effectiveness of the internal control systems of the Company pertaining to financial reporting is reviewed by the Statutory Auditors and the Audit Committee to ensure that Financial Statements of the Company present a true and fair view of the state of affairs of the Company.

During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

INTERNAL AUDITORS

M/s. Haribhakti & CO. LLP, Chartered Accountants are the Internal Auditors of the Company in compliance with the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014. The report(s) of the Internal Auditors are reviewed by the Audit Committee and wherever required, the systems are strengthened and corrective actions taken.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES, INVESTMENTS

The Company has not made any loan / advance in the nature of loan which is otherwise required to be disclosed in the annual accounts of the Company, the Holding Company (Mahindra & Mahindra Financial Services Limited) or the ultimate Holding Company (Mahindra & Mahindra Limited), pursuant to the provisions of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with schedule V annexed to the said Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- i. In the preparation of the annual accounts for the Financial Year ended 31st March, 2018, the applicable accounting standards have been followed and there are no material departures in the adoption of these standards.
- ii. The Directors have 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 as at 31st March, 2018 and of the loss of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts for Financial Year ended 31st March, 2018 on a 'going concern' basis.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

- v. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)

Pursuant to provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the related party transactions have been disclosed in the relevant notes to the Accounts.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

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

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in **Annexure IV**.

RISK MANAGEMENT POLICY

A Risk Management Policy for the Asset Management Business is approved by the Board of Directors and is in place. The Risk Management Committee has implemented a risk management framework and will ensure its ongoing implementation.

SUBSIDIARIES

The Company did not have any subsidiary as on 31st March, 2018 nor during the Financial Year ended on that date.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public or its employees during the year under consideration. The Company did not have any deposits falling under Rule 2(i)(c) of the Companies (Acceptance of Deposits) Rules, 2014, during the year under consideration. There were no deposits which were not in compliance with the requirements of Chapter V of the Companies Act, 2013.

**MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED
SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as, during the year under consideration, there were no transactions/ events pertaining to these items and / or they were not applicable:

- Change in the nature of business carried out by the Company during the year under consideration.
- Payment of Remuneration or Commission to the Managing Director or the Whole Time Director of the Company from its Holding Company or from any of its subsidiaries.
- Details about the policy developed and implemented by the Company on Corporate Social Responsibility initiative taken during the year.

Registered Office:

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Mahindra Towers, Dr. G M Bhosale Marg,
P. K. Kurne Chowk, Worli
Mumbai – 400018.
CIN : U65900MH2013PTC244758
Tel. : 91 22 6652 6000 Fax: 91 22 2498 4170
E-mail: mamc@mahindra.com
Website: www.mahindramutualfund.com

For and on behalf of the Board

V. Ravi
Chairman

Mumbai, April 17, 2018

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

ANNEXURE I TO THE BOARD'S REPORT

Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel and Employees of the Company

POLICY ON REMUNERATION OF DIRECTORS

Prelude

The Company is engaged as an investment manager to Mahindra Mutual Fund.

This Policy shall be effective from the Financial Year 2015 - 16.

Intent of the Policy

The intent of the Remuneration Policy of Directors of Mahindra Asset Management Company Private Limited ("the Company") is to focus on enhancing the value and to attract and retain quality individuals with requisite knowledge and excellence as Executive and Non-Executive Directors for achieving objectives of the Company and to place the Company in a leading position.

The Nomination and Remuneration Committee (NRC) of the Board shall, while formulating the policy ensure that —

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

While deciding the policy on remuneration of Directors, the Committee may consider, amongst other things, the duties and responsibilities cast by the Companies Act, 2013, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company etc. 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 Companies Act, 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors etc.

Directors

The Managing Director /Executive Director is an executive of the Company and draws remuneration from the Company. The Non-Executive and Independent Directors may receive sitting fees for attending the meetings of the Board and the Committees thereof, if fixed by the Board of Directors from time to time subject to statutory provisions.

The Non-Executive 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 a Group Company will not be 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.

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Payment of Remuneration to Nominee Directors, if any, shall be governed by the agreement with the Financial Institution/Bank appointing the Nominee Director and by the Articles of Association of the Company.

The Managing Director /Executive Director and other eligible Director(s) as per extant statutory provisions may be granted Employees Stock Options, Stock Appreciation Rights or any other Share based Employee benefits pursuant to any scheme that may be approved by the Board of Directors and Shareholders of the Company subject to such other approvals as may be required.

Non-Executive Directors may be paid remuneration either by way of monthly payment or at a specified percentage of net profits of the Company or partly by one way and partly by another, subject to the provisions of the Companies Act, 2013.

The NRC while determining the remuneration shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the persons to ensure the quality required to run the Company successfully. While considering the remuneration, the NRC shall also ensure a balance between fixed and performance-linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC shall consider that a successful Remuneration Policy must ensure that some part of the remuneration is linked to the achievement of corporate performance targets.

Managing Director /Executive Director

The term of office and remuneration of Managing Director/Executive Director are subject to the approval of the Board of Directors, Shareholders and the Central Government, as may be required, and the limits laid down under the Companies Act, 2013, 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 Managing Director/Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

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

Remuneration of the Managing Director/Executive Director reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director/Executive Director, 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.

Remuneration for Managing Director/Executive Director is designed subject to the limits laid down under the Companies Act, 2013, to remunerate them fairly and reasonably.

The remuneration to the Managing Director/Executive Director comprises of salary, perquisites and performance based incentive apart from retirement benefits like Provident Fund, Superannuation, Gratuity, Leave Encashment etc., as per the Rules of the Company. Salary is paid

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

within the range approved by the Shareholders. Increments are effective annually, as recommended / approved by the NRC/ Board. In terms of the Shareholders' approval, the Commission may be paid to Managing Director / Executive Director in any Financial Year at a rate not exceeding ¼ percent (one fourth percent) per annum of the profits of the Company computed in accordance with the applicable provisions of the Companies Act, 2013 as may be recommended by NRC and approved by the Board.

The total remuneration will have a flexible component with a bouquet of allowances to enable the Managing Director/Executive Director to choose the allowances as well as the quantum based on laid down limits as per the Company policy. The flexible component can be varied only once annually.

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

Remuneration also aims to motivate the Personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director/Executive Director is entitled to customary non-monetary benefits such as company car, health care benefits, leave travel, communication facilities, etc., as per the policies of the Company. The Managing Director / Executive Director is entitled to grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director /Executive Director and Key Managerial Personnel/Senior Management Personnel may be disclosed in the Board's Report as per statutory requirements laid down in this regard.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

REMUNERATION POLICY FOR KEY MANAGERIAL PERSONNEL AND EMPLOYEES

This Policy shall be effective from the Financial Year 2015 - 16.

Objective

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

Definition(s)

“Key Managerial Personnel” (KMP) as defined in section 2(51) of the Companies Act, 2013 means:

- i) the Chief Executive Officer or the Managing Director or Manager;
- ii) the Company Secretary;
- iii) the Whole-time Director;
- iv) the Chief Financial Officer; and
- v) such other officer as may be prescribed.

Standard

The broad structure of compensation payable to employees is as under:

- Fixed pay which has components like basic salary & other allowances / flexi pay as per the grade where the employees can choose allowances from bouquet of options.
- Variable pay (to certain grades) in the form of annual / half yearly performance pay based on Key Result Areas agreed – as applicable.
- Incentives, either monthly or quarterly, based on targets in the lower grades.
- Retirals such as Provident Fund, Gratuity & Superannuation (for certain grades).
- Benefits such as Employee Stock Option Scheme, car scheme, medical & dental benefit, loans, insurance etc. as per grades.

Increments

Salary increase is given to eligible employees based on position, performance & market dynamics as decided from time to time.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

ANNEXURE II TO THE BOARD'S REPORT

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2018

**[Pursuant to section 92(3) and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS :

i.	CIN	U65900MH2013PTC244758
ii.	Registration Date	20 th June, 2013
iii.	Name of the Company	Mahindra Asset Management Company Private Limited
iv.	Category / Sub-Category of the Company	Public Limited Company (being a subsidiary of a Public Limited Company)
v.	Address of the Registered office and contact details	4 th Floor, A - Wing, Mahindra Towers, Dr. G M Bhosale Marg, P. K. Kurne Chowk, Worli Mumbai – 400018. Tel. : 91 22 6652 6000 Fax: 91 22 2498 4170
vi.	Whether listed company Yes / No	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Investment Management	66301	100

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c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	9,10,00,000	9,10,00,000	100	-	12,00,00,000	12,00,00,000	100	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mahindra & Mahindra Financial Services Limited	9,09,99,998	100	-	11,99,99,998	100	-	-
2.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. Ramesh Iyer	1	-	-	1	-	-	-
3.	Mahindra & Mahindra Financial Services Limited Jointly with Mr. V. Ravi	1	-	-	1	-	-	-
	Total	9,10,00,000	100	-	12,00,00,000	100	-	-

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

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1.	Mahindra & Mahindra Financial Services Limited along with joint holders					
	At the beginning of the year	9,10,00,000	100	9,10,00,000	100	
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Reason for increase / decrease	Date	No. of shares	% increase/ decrease	
		Allotment on a Rights basis	30.06.2017	1,00,00,000	Nil	
		Allotment on a Rights basis	08.11.2017	90,00,000	Nil	
		Allotment on a Rights basis	16.02.2018	1,00,00,000		
		Total	-	2,90,00,000	Nil	
At the end of the year	12,00,00,000	100	12,00,00,000	100		

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Not Applicable			
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):				

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	At the End of the year (or on the date of separation, if separated during the year)	

(V) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SI. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. V. Ravi - Director (jointly with Mahindra & Mahindra Financial Services Ltd.)				
	At the beginning of the year	1	-	1	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year	1	-	1	-
2	Mr. Ashutosh Bishnoi – Managing Director & Chief Executive Officer				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			

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	At the End of the year	-	-	-	-
3	Mr. Gautam Divan – Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year	-	-	-	-
4	Mr. Sethu Gururajan – Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year	-	-	-	-
5	⁽¹⁾ Mrs. Chitra Andrade – Additional Director				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	NIL			

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	equity etc):				
	At the End of the year	-	-	-	-
	⁽²⁾ Mr. Basavraj Loni – Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year	N.A.	N.A.	N.A.	N.A.
7	Mr. Sanjay Parikh– Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	No Change			
	At the End of the year	-	-	-	-
8	⁽³⁾ Mr. Ravi Dayma – Company Secretary				
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase	No Change			

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	/decrease (e.g. allotment /transfer /bonus/ sweat equity etc):				
	At the End of the year	-	-	-	-

Notes:

- 1) Appointed as an Additional Director with effect from 28th March, 2018.
- 2) Resigned as the Company Secretary with effect from 31st October, 2017.
- 3) Appointed as the Company Secretary with effect from 28th March, 2018.

(V) INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	--	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
• Addition	--	--	--	--
• Reduction	--	--	--	--
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--	--	--	--
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

**MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED
(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Amount in Rs. Lakhs

SI. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Managing Director – Mr. Ashutosh Bishnoi (Managing Director & Chief Executive Officer)	Whole time Director	Manager	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	123.80*	NA	NA	123.80
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.32	NA	NA	0.32
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0.00	NA	NA	0.00
2.	Stock Option	0.00	NA	NA	0.00
3.	Sweat Equity	0.00	NA	NA	0.00
4.	Commission - as percent of profit - others, specify...	0.00	NA	NA	0.00
5.	Others, please specify	0.00	NA	NA	0.00
	Total (A)	124.12	NA	NA	124.12
	Ceiling as per the Act [Please see note (a)]				120.00

*Includes provident fund which is to be excluded from the ceiling on managerial remuneration

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B. Remuneration to other directors:

Amount in Rs. Lakhs

Sl. No.	Particulars of Remuneration	Names of Directors			Total Amount
1.	Independent Directors	Mr. Gautam Divan	Mr. Sethu Gururajan	Mrs. Chitra Andrade	
	^(b) Fee for attending board / committee meetings	7.00	7.00	0.90	14.90
	Commission	0.00	0.00	0.00	0.00
	Others	0.00	0.00	0.00	0.00
	Total (1)	7.00	7.00	0.90	14.90
2.	Other Non-Executive Directors	Mr. V. Ravi			
	Fee for attending board / committee meetings	0.00	0.00	0.00	0.00
	Commission	0.00	0.00	0.00	0.00
	Others	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	7.00	7.00	0.90	14.90
	Total Managerial Remuneration [(A) + (B)]				139.04
	Overall Ceiling as per the Act [Please see notes]				--

Notes :

- (a) The excess managerial remuneration paid to the MD & CEO during the FY 2017-18 is held in trust by him and is considered as receivable from him pending approval of waiver by the shareholders and the Central Government, as may be required and hence not included above.
- (b) Pursuant to the provisions of Section 197 (2) of the Companies Act, 2013, the overall ceiling on the remuneration to directors is exclusive of sitting fee paid to directors for attending the meetings of the Board or committees thereof. The sitting fees paid to directors is within the limit prescribed therefor under Section 197(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary	-	0.42	93.7	94.12
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	0.00	0.40	0.4
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961.	-	0.00	0.00	0.00
2.	Stock Option	-	0.00	0.00	0.00
3.	Sweat Equity	-	0.00	0.00	0.00
4.	Commission - as percent of profit - others	-	0.00	0.00	0.00
5.	Others	-	0.42	94.10	94.52
	Total	-	0.42	93.7	94.12

Notes :

- 1) The remuneration details for Mr. Ashutosh Bishnoi who is the Managing Director & Chief Executive Officer (MD & CEO) are disclosed at A. above and hence not repeated in the column for CEO in C. above
- 2) The remuneration for the Company Secretary is for three days i.e. from 28th March, 2018 to 31st March, 2018 (both days inclusive) and was paid to Mr. Ravi Dayma, who was appointed as the Company Secretary with effect from 28th March, 2018. Amount paid to the Holding Company under the cost sharing arrangement which also covers secretarial function is not included in the above.

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(VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

ANNEXURE III TO THE BOARD'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Asset Management Company Private Limited

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

Based on our verification of the Company 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 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018, according to the relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (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; and
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate systems and processes in place for compliance under the following law applicable specifically to the Company:

- SEBI (Mutual Funds) Regulations, 1996

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India, and
2. Listing Agreement: The Company is an unlisted Company and therefore compliance with listing agreement is not applicable.

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observation:

During the financial year 2017-18, the Company has, pursuant to the requisite approval of members, paid managerial remuneration to Mr. Ashutosh Bishnoi, Managing Director & CEO (MD), under the provisions of Clause (B) of Section II of Part II of Schedule V read with other applicable provisions of the Companies Act, 2013. However, on February 20, 2018, the MD purchased equity shares of the holding company of the Company, thereby ceasing to comply with one of the conditions stipulated in Clause B. This has resulted in payment of excess remuneration of Rs. 144.94 lakhs to the MD during the financial year. The Company is in the process of making requisite application to the Central Government for waiver of the recovery of the excess payment. The MD has undertaken to hold the said amount in trust pending approval of the waiver.

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

1. Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Stamp Acts and Registration Acts;
4. Labour Welfare Act; and
5. Such other Local laws etc. as may be applicable.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the period under review, the Board of Directors of the Company at its Meeting held on 28th March, 2018, appointed Mrs. Chitra Andrade as an Additional Independent Director.

Adequate notice was given to all the 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 & deliberations at these meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken following significant & material corporate events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

- (i) The Board of Directors at their Meeting held on June 22, 2017, inter-alia, approved to offer/issue/allot, 1,00,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 10,00,00,000, on a Rights basis to the existing Members of the Company, in proportion to the Equity Shares held by them in the Company;
- (ii) The Allotment Committee of the Directors at their meeting held on June 30, 2017 approved to allot 1,00,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 10,00,00,000, on a Rights basis;
- (iii) The Board of Directors at their Meeting held on October 13, 2017, inter-alia, approved to offer/issue/allot, 90,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 9,00,00,000, on a Rights basis to the existing Members of the Company;
- (iv) The Allotment Committee of the Directors at their meeting held on November 8, 2017, approved to allot 90,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 9,00,00,000, on a Rights basis;
- (v) The Board of Directors at their Meeting held on December 5, 2017, inter-alia, noted the resignation by Mr. Basavraj Loni, Company Secretary w.e.f October 31, 2017;
- (vi) The Board of Directors at their Meeting held on January 17, 2018, inter-alia, approved issue of 1,00,00,000 (One Crore) Equity Shares of Rs. 10 each for cash at par aggregating to Rs. 10,00,00,000, on a Rights basis to the existing Members of the Company;
- (vii) The Allotment Committee of the Directors at their meeting held on 16th February, 2018, approved to allot 1,00,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 10,00,00,000, on a Rights basis ;
- (viii) The Board of Directors at their Meeting held on March 28, 2018, inter-alia approved:
 - a) Upon the recommendation of the Nomination and Remuneration Committee, the appointment of Mr. Ravi Dayma as Company Secretary and Key Managerial Personnel of the Company w.e.f. 28th March, 2018;
 - b) Upon the recommendation of the Nomination and Remuneration Committee the appointment of Mrs. Chitra Andrade as an Additional Director of the Company;
 - c) M/s. M Siroya and Company, Company Secretaries, (CP No. 4157), as the Secretarial Auditor for conducting the Secretarial Audit of the Company for the financial year ending 31st March, 2018; and
 - d) To offer/issue/allot, 1,00,00,000 Equity Shares of Rs.10 each for cash at par aggregating to Rs. 10,00,00,000, on a Rights basis to the existing Members of the Company;

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

- (ix) Members at their Extra-Ordinary General Meeting held on December 5, 2017 approved:
- a) The increase in the Authorised Share Capital from Rs. 110 crores to Rs. 150 crores; and
 - b) The alteration in the Memorandum of Association of the Company consequent upon the increase in the Authorised Share Capital.
- (x) During the year under review, the Company launched following Schemes of Mahindra Mutual Fund, in the market:
- (a) Mahindra Mutual Fund Badhat Yojana, Multi Cap Fund – An open ended scheme investing across large cap, mid cap, small cap stocks, launched on April 20, 2017;
 - (b) Mahindra Unnati Emerging Business Yojana, Mid Cap Fund – An open ended equity scheme predominantly investing in mid cap stocks, launched on January 8, 2018.

The Company also launched Mahindra Mutual Fund Bal Vikaas Yojana which was withdrawn.

**For M Siroya and Company
Company Secretaries**

Sd/-

**Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157**

**Date: April 17, 2018
Place: Mumbai**

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

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

'Annexure A'

To,
The Members,
Mahindra Asset Management Company Private Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For M Siroya and Company
Company Secretaries**

Sd/-

**Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157**

**Date: April 17, 2018
Place: Mumbai**

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

ANNEXURE IV TO THE BOARD'S REPORT

Information pursuant to section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo.

(A) Conservation of energy –

- i the steps taken or impact on conservation of energy : The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.
- ii the steps taken by the company for utilising alternate sources of energy : The operations of your company are not energy intensive.
- iii the capital investment on energy conservation equipments. : Nil

(B) Technology absorption-

- i the efforts made towards technology absorption. : None
- ii the benefits derived like product improvement, cost reduction, product development or import substitution. : Not applicable
- iii in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
 - a) the details of the technology imported. : None
 - b) the year of import. : Not applicable
 - c) whether the technology has been fully absorbed. : Not applicable
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and : Not applicable
- iv the expenditure incurred on Research and Development. : Nil

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

- (C) Foreign exchange earnings and Outgo – The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. : There were no foreign exchange earnings or outgo during the year under consideration.

For and on behalf of the Board

V. Ravi
Chairman

Mumbai, 17th April, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of

Mahindra Asset Management Company Private Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Mahindra Asset Management Company Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2018, and the statements of profit and loss and cash flow for the period from April 1, 2017 to March 31, 2018, and a summary of the 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 stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment

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

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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its loss and its cash flows for the period from April 1, 2017 to March 31, 2018.

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 terms 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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 Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
- in our opinion, the aforesaid standalone 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 as on March 31, 2018 taken on record

- by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses that need provision.
 - iii. The Company has been in existence for a period less than seven years and hence there is no requirement to transfer any amounts to the Investor Education and Protection Fund.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Padmini Khare Kaicker
Partner
Membership Number: 044784

Place: Mumbai
Date: April 17, 2018

ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the standalone financial statements of **Mahindra Asset Management Company Private Limited** for the year ended March 31, 2018

Annexure to the Auditor's Report referred to in our report of even date:

- I. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
(b) These fixed assets were physically verified by the Management during the year at reasonable intervals and discrepancies noticed during the verification were not material and have been properly dealt with in the books of accounts.
(c) The Company has no immovable properties and hence Clause 3(i)(c) is not applicable to the Company
- II. On facts, Clause 3(ii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- III. No parties are covered in the register maintained under section 189 of Companies Act, 2013 by the Company. Therefore, clause 3(iii) (a), (b) & (c) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- IV. As detailed in Note No 21 B (i) the excess remuneration paid to the Managing Director & CEO has been held in trust by him as permitted under Section 197 (9) which in the opinion of the management does not constitute a loan or an advance. Other than this aforementioned amount held in trust, in our opinion and according to the information and explanations given to us there are no loans or advances given to parties covered under Section 185 of the Companies Act 2013.

In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Section 186 of the Companies Act, 2013.
- V. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company. The clause 3(v), therefore is not applicable to the Company.
- VI. On facts, clause 3(vi) relating to maintenance of cost records is not applicable to the Company.
- VII. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax,, Excise Duty,

Service Tax, Goods and Service Tax, Customs Duty, value added tax, and other statutory dues applicable to it with the concerned authorities.

- (b) 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, Wealth Tax, Excise Duty, Service Tax, Goods and 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.
 - (c) According to the information and explanations given to us and records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, excise duty, customs duty and value added tax and cess which have not been deposited on account of any dispute.
- VIII. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not borrowed any money from financial institution, Government or bank or debenture holders as at the Balance Sheet date.
 - IX. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans.
 - X. On the basis of our examination of the relevant records of the Company, carried out in accordance with generally accepted auditing practices and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
 - XI. The remuneration of Managing Director & CEO (MD) of the Company was revised with effect from September 12, 2016 as a managerial person functioning in a professional capacity under the provisions of Clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013. The MD acquired, by way of purchase of equity shares of the Holding Company on February 20, 2018, an interest in the capital of the Holding Company and thus ceasing to comply with one of the conditions under the said (B). This has resulted in payment of an excess remuneration of Rs. 144.94 lakhs to him. The Company is in the process of making an application to the Central Government for the waiver of the recovery of this excess payment. Pending approval, MD will hold in trust the excess amount paid as permitted under Section 197(9) of the Act.
 - XII. The Company is not a 'Nidhi Company', therefore, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

XIII. On the basis of examination of relevant records and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable. The Company has disclosed the details of transactions with related parties in the Financial Statements as required by the applicable accounting standards.

XIV. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit; therefore, clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the company.

XV. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them.

XVI. On the basis of examination of relevant records and according to the information and explanations given to us, in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Mumbai
Date: April 17, 2018

Padmini Khare Kaicker
Partner
Membership Number: 044784

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE 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 Asset Management Company Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2017 to March 31, 2018.

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 operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 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 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 March 31, 2018, 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 ICAI.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number: 105102W

Padmini Khare Kaicker
Partner

Place: Mumbai
Date: April 17, 2018

Membership Number: 044784

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	In Rupees	
		March 31, 2018	March 31, 2017
I. EQUITY & LIABILITIES			
1) Shareholders' funds			
a) Share Capital	1	1,200,000,000	910,000,000
b) Reserves and Surplus	2	(630,838,404)	(249,864,624)
		<u>569,161,596</u>	<u>660,135,376</u>
2) Non-current liabilities			
a) Long term provisions	3	7,718,878	4,203,872
		<u>7,718,878</u>	<u>4,203,872</u>
3) Current liabilities			
a) Trade payables	4		
i) Micro and Small Enterprises		-	-
ii) Other Trade Payables		71,173,180	23,663,932
b) Other current liabilities	5	11,119,917	4,392,742
c) Short term provisions	6	21,213,117	25,443,856
		<u>103,506,214</u>	<u>53,500,530</u>
TOTAL EQUITY AND LIABILITIES		<u>680,386,688</u>	<u>717,839,778</u>
II. ASSETS			
1) Non-current assets			
a) Fixed Assets	7		
i) Tangible assets		19,552,645	15,832,553
ii) Intangible assets		3,216,793	3,975,950
b) Non-current investments	8	500,960,000	490,000,000
c) Long term loans and advances	9	30,843,198	10,735,028
		<u>554,572,636</u>	<u>520,543,531</u>
2) Current assets			
a) Current investments	10	32,159,295	144,778,130
b) Trade Receivable	11	30,008,975	1,603,700
c) Cash and bank balance	12	340,531	411,496
d) Short-term loans and advances	13	13,408,041	21,788,554
e) Other current assets	14	49,897,210	28,714,367
		<u>125,814,052</u>	<u>197,296,247</u>
TOTAL ASSETS		<u>680,386,688</u>	<u>717,839,778</u>

Summary of significant accounting policies and notes to the financial statements

I & II

The accompanying statement of significant accounting policies and notes referred to above are an integral part of the Balance Sheet.

This is the Balance Sheet referred in our report of even date.

For B. K. KHARE & CO.

Chartered Accountants
Firm Regn No. 105102W

Padmini Khare Kaicker
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2018

For and on behalf of the Board

V. Ravi
Chairman

Gautam Divan
Director

Sanjay Parikh
Chief Financial Officer

Ashutosh Bishnoi
Managing Director & CEO

Sethu Gururajan
Director

Ravi Dayma
Company Secretary

Chitra Andrade
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	Year Ended	
		March 31, 2018	March 31, 2017
I. Revenue from operations	15	186,203,492	35,103,155
II. Other income	16	47,467,186	53,011,061
III. Total Revenue (I + II)		233,670,678	88,114,216
IV. Expenses:			
Employee benefits expense	17	185,942,113	140,108,341
Depreciation and amortisation expense	7	8,382,721	5,232,270
Other expenses	18	420,319,624	147,509,252
Total expenses		614,644,458	292,849,863
V. Loss before tax (III- IV)		(380,973,780)	(204,735,648)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII. Loss for the year (V - VI)		(380,973,780)	(204,735,648)
VIII. Earnings per equity share (Rupees):	19		
(1) Basic		(3.69)	(2.91)
(2) Diluted		(3.69)	(2.91)
Summary of significant accounting policies and notes to the financial statements	I & II		

The accompanying statement of significant accounting policies and notes referred to above are an integral part of the Statement of Profit & Loss.

This is the Statement of Profit & Loss referred in our report of even date.

For B. K. KHARE & CO.

Chartered Accountants
Firm Regn No. 105102W

Padmini Khare Kaicker
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2018

For and on behalf of the Board

V. Ravi
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Director

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Chief Financial Officer

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Managing Director & CEO

Sethu Gururajan
Director

Ravi Dayma
Company Secretary

Chitra Andrade
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	March 31, 2018	March 31, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxes and contingencies	(380,973,780)	(204,735,648)
Add/(Less):		
<u>Non Cash Expenses:</u>		
Depreciation/Amortisation	8,382,721	5,232,270
	8,382,721	5,232,270
<u>Add: Items considered separately:</u>		
Income on investing activities	(42,062,216)	(31,025,241)
(Profit)/Loss on sale of assets	25,386	-
(Profit)/Loss on sale of Investment	(5,404,970)	(21,980,765)
	(47,441,800)	(53,006,006)
Operating loss before working capital changes	(420,032,859)	(252,509,383)
Add/Less:		
(Increase)/Decrease in interest accrued others	654,189	(16,818,007)
(Increase)/Decrease in Loans & Advances	(11,727,657)	(21,430,506)
(Increase)/Decrease in Current Assets	(50,242,307)	(13,019,477)
	(61,315,774)	(51,267,989)
Add: Increase in Current Liabilities & Provisions	53,520,690	45,743,043
	(7,795,084)	(5,524,947)
Cash used in operations	(427,827,944)	(258,034,330)
Advance taxes paid	-	-
NET CASH USED IN OPERATING ACTIVITIES (A)	(427,827,944)	(258,034,330)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,369,043)	(22,144,769)
Purchase of Investments	(493,660,000)	(1,028,600,000)
Sale of Investments	600,723,806	972,768,991
Income received on investments	42,062,216	31,025,241
NET CASH USED IN INVESTING ACTIVITIES (B)	137,756,979	(46,950,537)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Shares	290,000,000	304,500,000
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	290,000,000	304,500,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(70,965)	(484,867)
CASH AND CASH EQUIVALENTS AS AT:		
Beginning of the year	411,496	896,363
End of the year	340,531	411,496

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3) 'Cash Flow Statements'.

For B. K. KHARE & CO.

Chartered Accountants
Firm Regn No. 105102W

Padmini Khare Kaicker
Partner

Membership No. 44784

Place : Mumbai

Date : April 17, 2018

For and on behalf of the Board

V. Ravi
Chairman

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Director

Sanjay Parikh
Chief Financial Officer

Ashutosh Bishnoi
Managing Director & CEO

Sethu Gururajan
Director

Ravi Dayma
Company Secretary

Chitra Andrade
Director

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

CORPORATE INFORMATION

The Company, Mahindra Asset Management Company Private Limited ('the Company'), was incorporated under the Companies Act, 1956 on June 20, 2013. The company is a subsidiary of Mahindra & Mahindra Financial Services Ltd. The Company is incorporated to function as an Investment Manager to "Mahindra Mutual Fund". The Company has received a license from SEBI on February 4, 2016. The Company earns fees from investment management activities of the schemes of Mahindra Mutual Fund. As on March 31, 2018, the Company was managing six schemes of Mahindra Mutual Fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of accounts

The financial statements have been prepared and presented in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on an accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Company's (Accounts) Rules 2014 and other accounting principles generally accepted in India to the extent applicable.

2. Current and Non-current classification

All assets and liabilities have been classified as current and 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 services and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

3. Use of estimates

The preparation of financial statements in conformity with (IGAAP) requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in future years.

4. Investments

Investments held as Long –Term Investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Investments other than Long Term investments are classified as Current Investments and valued at cost or fair value whichever is less.

Provision for diminution in value of investments is made if management perceives that there is permanent diminution in value of investments in accordance with the Accounting Standard on 'Accounting for Investments' (AS 13) notified by Companies (Accounting Standards) Rules, 2006.

5. Segment Reporting

The Company has a single reporting segment viz investment management/advisory services. Accordingly, for the purpose of Accounting Standard 17 on segment reporting, the financial statements of the Company show the results of the Company for this single segment only.

6. Revenue Recognition

Investment Management Fees are recognised on an accrual basis and are billed to each mutual fund scheme in accordance with the terms of the Scheme Information Document of each Scheme managed by the Company.

Portfolio Management Fees and Fees for Advisory Services will be recognised on an accrual basis when the services are rendered and

an enforceable right to receive the fees has arisen in accordance with the terms of the Agreement between the Company and its clients.

Dividend from investments is accounted as income when the right to receive dividend is established.

Interest income is accounted on an accrual basis.

The difference between the cost of investments and the redemption/sale proceeds (net of expenses) is recognised in the statement of Profit and Loss. For calculation of profit/loss on investment, cost is calculated on weighted average basis.

7. Share issue expenses

Expenses incurred in connection with fresh issue of share capital is charged to Profit and Loss account in the year in which they are incurred.

8. Fixed Assets

Fixed assets are stated at cost of acquisition (including incidental expenses) less depreciation.

9. Depreciation

Depreciation on fixed assets is calculated by the straight line method at rates determined with reference to the useful life of fixed assets and in the manner provided for in Schedule II to the Companies Act, 2013 except:

- a) Motor vehicles where useful life is estimated at four years as against eight years as per Schedule II since the employees to whom these vehicles have been allotted in accordance with their terms of employment are entitled to change their vehicles every four years, and
- b) Fixed assets having value individually less than Rs 5,000 are fully depreciated in the year of purchase.

Further, residual value for all assets is considered as zero due to the difficulty in estimating the same and in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

Accordingly, useful life of assets is estimated as follows:

Employee vehicles	–	4 Years
Computer	–	3 Years
Furniture	–	10 Years
Office Equipment	–	5 Years
Assets costing less than Rs 5,000		< 1 year

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets comprise of computer software which is amortised over its estimated useful life. The maximum period for such amortisation is 36 months.

10. Employee benefits

Retirement Benefits in respect of gratuity at retirement/resignation are provided for based on valuations, as on the Balance Sheet date, made by independent actuaries.

a) Defined Contribution Plans –

The Company's contribution paid/payable during the year to Provident Fund, Superannuation and Labour Welfare Fund, etc are recognised in the Statement of Profit and Loss.

b) Defined Benefit Plan –

The Company's liabilities towards gratuity and leave encashment is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains 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 flows 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. Benefits in respect of gratuity, a defined benefit scheme as applicable to the employees of the Company is annually funded with Life Insurance Corporation of India.

11. Scheme related expenses

Expenses of schemes of Mahindra Mutual Fund in excess of the limits provided by the Securities and Exchange Board of India Mutual Fund Regulations, 1996 are borne by the Company and are recognised in the Statement of Profit and Loss.

12. Impairment of Assets

The carrying value of assets/cash generating units at each Balance Sheet date is reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount.

13. Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

14. Provisions and Contingent Liabilities

- a) Provision for doubtful debts is made on the basis of standard norms and also, where required, on actual evaluation.
- b) Provisions are recognized in accounts in respect of present probable obligations, 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 only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

15. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares, etc that have changed the number of outstanding equity shares, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

16. Foreign Exchange Transactions and Translations

a) Initial recognition

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and the foreign currency on the transaction dates.

b) Conversion

- i. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

- ii. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- i. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.
- ii. Foreign currency monetary assets and liabilities at the year-end are translated at the year – end exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss

17. Borrowing cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss. Ancillary expenditure incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings

18. Lease

Lease rentals in respect of assets taken on operating lease arrangements are recognised as per the terms of the lease.

19. New Fund Offer ('NFO')

Expenses pertaining to NFO are charged to the statement of profit and loss in the year in which these expenses are incurred which is in compliance with SEBI (Mutual Fund) Regulations 1996, as amended from time to time.

II. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Share Capital:

Particulars	In Rupees	
	March 2018	March 2017
Authorised Capital :		
150,000,000 Equity Shares of Rs.10 each	1,500,000,000	1,100,000,000
(March 2017 : 110,000,000 shares)		
Issued Capital :		
120,000,000 Equity Shares of Rs.10 each	1,200,000,000	910,000,000
(March 2017 : 91,000,000 shares)		
Subscribed and Paid-up Capital :		
120,000,000 Equity Shares of Rs.10 each	1,200,000,000	910,000,000
(March 2017 : 91,000,000 shares)		
Total	1,200,000,000	910,000,000

Particulars	March 2018		March 2017	
	Number of Shares	Rupees	Number of Shares	Rupees

a) Reconciliation of the number of shares -

Number of equity shares outstanding at the beginning of the year	91,000,000	910,000,000	60,550,000	605,500,000
Add : Fresh allotment of shares during the year:	29,000,000	290,000,000	30,450,000	304,500,000

MAHINDRA ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Particulars	March 2018		March 2017	
	Number of Shares	Rupees	Number of Shares	Rupees
Less : Shares bought back during the year	-	-	-	-
Number of equity shares outstanding	120,000,000	1,200,000,000	91,000,000	910,000,000
b) Number of equity shares held by holding company or ultimate holding company including shares held by its subsidiaries/associates				
Holding company : Mahindra & Mahindra Financial Services Limited (Equity shares of Rs. 10/- each)	12,000,000	1,200,000,000	91,000,000	910,000,000
Percentage of holding (%)	100	100	100	100
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Financial Services Limited	12,000,000	1,200,000,000	91,000,000	910,000,000

2. Reserves & Surplus:

Particulars	In Rupees	
	March 2018	March 2017
Surplus :		
Balance Loss as per last Balance Sheet	(249,864,624)	(45,128,976)
Add : Loss for the current period transferred from Statement of Profit & Loss	(380,973,780)	(204,735,648)
Balance Loss carried to Balance Sheet	(630,838,404)	(249,864,624)
Less : Allocations & Appropriations :	-	-
Balance Loss as at the end of the period	(630,838,404)	(249,864,624)

3. Long term Provisions:

Particulars	In Rupees	
	March 2018	March 2017
Provision for compensated absences	6,954,657	2,840,646
Provision for gratuity	764,221	1,363,226
Total	7,718,878	4,203,872

4. Trade Payables:

Particulars	In Rupees	
	March 2018	March 2017
Trade payables for expenses		
Micro and Small Enterprises (Refer Note No 24)	-	-
Other than Micro and Small Enterprises	71,173,180	23,663,932
Total	71,173,180	23,663,932

5. Other current liabilities (Unsecured):

Particulars	In Rupees	
	March 2018	March 2017
TDS Payable	38,30,767	3,490,068
Profession Tax Payable	101,203	42,518
Contribution to Provident Fund & Other Funds Payable	1,067,617	799,349
Service Tax Payable	-	4,116
Goods and Services Tax Payable	5,579,421	-
Other Current Liabilities	540,909	56,691
Total	11,119,917	4,392,742

6. Short Term Provisions:

Particulars	In Rupees	
	March 2018	March 2017
Provision for employee benefits	20,851,633	25,373,957
Provision for gratuity	129,705	-
Provision for compensated absences	231,779	69,899
Total	21,213,117	2,54,43,856

Note/Schedule: 7

Fixed Assets:

Asset Description	GROSS BLOCK AT COST				DEPRECIATION & AMORTISATION				NET BLOCK	
	Balance as at April 1, 2017	Additions for purchase/transfer	Deductions for Sale/transfer	Balance as at March 31, 2018	Balance as at April 1, 2017	For the year	Deductions for Sale/transfer	Balance as at March 31, 2018	Balance as at April 1, 2017	Balance as at March 31, 2018
i) Tangible Assets:										
Computers	5,798,747	2,346,798	31,588	8,113,957	873,505	2,330,734	6,202	3,198,037	4,925,242	4,915,920
	<i>143,824</i>	<i>5,654,923</i>	-	<i>5,798,747</i>	<i>23,787</i>	<i>849,718</i>	-	<i>873,505</i>	-	<i>4,925,242</i>
Furniture and Fixtures	1,700,612	1,145,021	-	2,845,633	125,222	253,544	-	378,766	1,575,390	2,466,867
	<i>98,291</i>	<i>1,602,321</i>	-	<i>1,700,612</i>	<i>1,772</i>	<i>123,450</i>	-	<i>125,222</i>	-	<i>1,575,390</i>
Vehicles	10,881,278	5,927,237	-	16,808,515	2,863,328	3,556,184	-	6,419,512	8,017,950	10,389,003
	<i>2,801,569</i>	<i>8,079,709</i>	-	<i>10,881,278</i>	<i>315,998</i>	<i>2,547,330</i>	-	<i>2,863,328</i>	-	<i>8,017,950</i>
Office Equipment	1,557,414	869,910	-	2,427,324	243,443	403,025	-	646,468	1,313,971	1,780,856
	<i>209,838</i>	<i>1,347,576</i>	-	<i>1,557,414</i>	<i>15,961</i>	<i>227,482</i>	-	<i>243,443</i>	-	<i>1,313,971</i>
Total (i)	19,938,051	10,288,966	31,588	30,195,429	4,105,498	6,543,487	6,202	10,642,783	15,832,553	19,552,645
As on 31-3-2017	3,253,522	16,684,529	-	19,938,051	357,518	3,747,980	-	4,105,498	-	15,832,553
ii) Intangible Assets:										
Computer software	5,460,240	1,080,077	-	6,540,317	1,484,290	1,839,234	-	3,323,524	3,975,950	3,216,793
	-	<i>5,460,240</i>	-	<i>5,460,240</i>	-	<i>1,484,290</i>	-	<i>1,484,290</i>	-	<i>3,975,950</i>
Total (ii)	5,460,240	1,080,077	-	6,540,317	1,484,290	1,839,234	-	3,323,524	3,975,950	3,216,793
As on 31-3-2017	-	<i>5,460,240</i>	-	<i>5,460,240</i>	-	<i>1,484,290</i>	-	<i>1,484,290</i>	-	<i>3,975,950</i>
Total (i+ii)	25,398,291	11,369,043	31,588	36,735,746	5,589,788	8,382,721	6,202	13,966,307	19,808,503	22,769,439
As on 31-3-2017	3,253,522	22,144,769	-	25,398,291	357,518	5,232,270	-	5,589,788	-	19,808,503

Previous year figures are in italics.

8. Non-Current Investments:

Particulars	In Rupees	
	March 2018	March 2017
Quoted (at cost) – Non-traded		
Debtures :		
8.9% NCD Mahindra Rural Housing Finance Ltd.	300,000,000	300,000,000
8.4% NCD Mahindra Rural Housing Finance Ltd.	170,000,000	170,000,000
Equity Investment		
MF Utilities India Pvt Ltd	960,000	–
Mutual Fund Investments (Unquoted):		
Mahindra Kar Bachat Yojana – Direct Growth	5,000,000	5,000,000
Mahindra Liquid Fund – Direct Growth	5,000,000	5,000,000
Mahindra Dhan Sanchay Yojana - Direct Growth	5,000,000	5,000,000
Mahindra Low Duration Bachat Yojana - Direct Growth	5,000,000	5,000,000
Mahindra Badhat Yojana - Direct Growth	5,000,000	–
Mahindra Unnati Emerging Business Yojana – Direct Growth	5,000,000	–
Total	500,960,000	490,000,000
Aggregate amount of quoted investments	470,000,000	470,000,000
Market value of quoted investments	470,000,000	470,000,000
Aggregate amount of unquoted investments	30,960,000	20,000,000
Net Asset Value of Mutual Fund Units	32,635,254	21,027,816

9. Long-term loans and advances:

Particulars (Unsecured, Considered good unless otherwise stated)	In Rupees	
	March 2018	March 2017
Capital Advance	–	8,72,003
Deposits for office premises	6,118,406	3,587,316
Deposit – Others	39,441	29,941
Prepaid Expenses	2,236,126	2,537,625
TDS Receivable	22,449,225	3,708,143
Total	30,843,198	10,735,028

10. Current Investments :

Particulars	In Rupees	
	March 2018	March 2017
Unquoted (at cost)		
Investment in Schemes of Mutual Fund		
Mahindra Low Duration Bachat Yojana - Direct Growth	25,071,262	94,000,000
Mahindra Liquid Fund - Direct Growth	7,088,033	50,778,130
Total	32,159,295	144,778,130
Net Asset Value of Mutual Fund Units	33,129,873	145,555,628

11. Trade Receivable:

Particulars	In Rupees	
	March 2018	March 2017
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months	–	–
Others	30,008,975	1,603,700
Total	30,008,975	1,603,700

12. Cash and Bank Balance:

Particulars	In Rupees	
	March 2018	March 2017
Balance with Scheduled Banks in Current Accounts	296,889	4,11,496
Branch Petty Cash	43,642	–
Total	340,531	411,496

13. Short-term loans and advances :

Particulars	In Rupees	
	March 2018	March 2017
Inter corporate deposits (Mahindra Rural Housing Finance Ltd)	10,000,000	20,000,000
Prepaid expenses	3,408,041	1,788,554
Total	13,408,041	21,788,554

14. Other Current Assets:

Particulars	In Rupees	
	March 2018	March 2017
Interest accrued on:		
– Non-convertible debentures (Not due)	15,687,779	15,614,631
– Inter corporate deposits (Not due)	727,336	1,454,673
Service Tax Input Credit	–	4,644,721
GST Input Credit	18,391,852	–
Receivable from Managing Director & CEO (Refer Note 21 B (i))	14,494,158	–
Other Current Assets	596,085	7,000,342
Total	49,897,210	28,714,367

15. Revenue from Operations:

Particulars	In Rupees	
	March 2018	March 2017
Investment Management Fees from Management of Mutual Fund Schemes (Gross)	218,881,782	40,368,628
Less: Taxes	32,678,290	5,265,473
Investment Management Fees from Management of Mutual Fund Schemes (Net)	186,203,492	35,103,155
Total	186,203,492	35,103,155

16. Other Income:

Particulars	In Rupees	
	March 2018	March 2017
Interest Income		
– Interest on Inter corporate deposits	1,082,219	1,804,584
– Interest on Non Convertible debentures	40,979,997	29,220,657
– Interest on Income tax refund	–	5,055
Profit on Sale/Redemption of Current Investment in Mutual Funds	5,404,970	21,980,765
Total	47,467,186	53,011,061

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17. Employee Benefit Expense:

Particulars	In Rupees	
	March 2018	March 2017
Salary, Bonus & Incentives	175,546,261	133,622,990
Company's Contribution to Provident Fund & other funds	9,552,563	6,034,649
Staff Welfare	843,289	450,702
Total	185,942,113	140,108,341

18. Other Expenses:

Particulars	In Rupees	
	March 2018	March 2017
Electricity Charges	1,213,202	1,104,557
Rent for Office Premises	12,492,963	7,694,601
Repairs and Maintenance Expenses	1,961,967	453,937
Insurance	2,951,127	1,201,225
Rates and Taxes	4,214,711	168,259
Legal and Professional Charges	9,076,498	1,804,569
Directors' Sitting Fees	1,492,100	1,147,800
Travelling and Conveyance Expenses	15,682,696	8,243,860
Advertisement and Publicity	51,337,299	7,406,199
Marketing Expenses	20,869,367	31,585,705
Payment to Auditor-		
– For Audit	300,000	301,500
– Tax Audit	25,000	25,125
– Taxation Matters	25,000	-
– Other Services	90,000	-
– Out of pocket expenses	24,017	-
Distributor Related Expenses (Refer Note No 24)	228,373,347	47,508,092
General and Administrative Expenses	70,190,330	38,863,823
Total	420,319,624	147,509,252

19. In Accordance with the Accounting Standard 20 on "Earning Per Share" (EPS) issued by the Institute of Chartered Accountants of India, the EPS is as follows:

Particulars	In Rupees	
	FY 2017-17	FY 2015-16
Net Profit/(Loss) attributable to Equity Share Holders	(380,973,780)	(204,735,648)
Weighted Average Numbers of Shares	103,290,411	70,394,110
EPS – (Basic)	(3.69)	(2.91)
EPS – (Diluted)	(3.69)	(2.91)

20. Contingent Liabilities and Commitments (to the extent not provided for)

Particulars	In Rupees	
	March 2018	March 2017
i. Commitments		
a) Estimated amount of contracts remaining to be executed on capital account	-	3,72,750
Total	-	3,72,750

21. Related Party Disclosure as per Accounting Standard 18:

A) List of the related parties which have transactions with the Company during the year:

Ultimate Holding Company	Mahindra & Mahindra Ltd
Holding Company	Mahindra & Mahindra Financial Services Limited
Fellow Subsidiary Companies	Mahindra Rural Housing Finance Limited Mahindra Holidays and Resorts India Ltd Mahindra Retail Pvt Ltd Mahindra Integrated Business Solutions Pvt Ltd
Key Management Personnel (KMP)	Mr Ashutosh Bishnoi

B) Related party transactions are as under:

Sr No	Nature of Transactions	Name of Related Party	Ultimate/ Holding Companies	Fellow Subsidiary/ Group Companies	KMP	₹ in Lakhs
1	Income					
	Interest Income on Inter Corporate Deposits given (Gross)					10.82 (18.05)
	Interest Income on Non-convertible Debentures (Gross)	Mahindra Rural Housing Finance Ltd				409.80 (292.21)
2	Expenses					
	Conference Expenses	Mahindra Holidays and Resorts India Ltd				6.73 (6.69)
	Purchase of electronic items	Mahindra Retail Pvt Ltd				8.06 (-)
	Call Centre Services	Mahindra Integrated Business Solutions Pvt Ltd				3.61 (-)
	Administration Support Charges	Mahindra and Mahindra Financial Services Ltd	20.04 (17.10)			
	Distributor Commission		40.13 (8.29)			
	Staff Training	Mahindra and Mahindra Ltd	15.20 (13.70)			
	Event expenses		2.98 (1.14)			
	Mahindra Group Conference		4.58 (-)			
	IT Support Charges		1.67 (0.80)			
	HR Employee Survey		0.03 (-)			
	Insurance		0.01 (0.19)			
	Remuneration to Key Managerial Personnel	Managing Director & Chief Executive Officer				124.12 (177.25)

₹ in Lakhs

22. Employee Benefits

Defined Benefit Plans - As per Actuarial valuation

Sr No	Nature of Transactions	Name of Related Party	Ultimate/Holding Companies	Fellow Subsidiary/Group Companies	KMP	Defined Benefit Plans - As per Actuarial valuation					
						Gratuity (Funded)		Exigency Leave (Non-Funded)		Earned Leave (Non-Funded)	
						Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
3	Purchase of Fixed Assets	Mahindra and Mahindra Ltd	18.95 (12.40)								
4	Issue of Equity Shares	Mahindra and Mahindra Financial Services Ltd	2900 (3045)								
5	Balances at the end of the period										
	Mutual Fund Distributor Commission payable	Mahindra and Mahindra Financial Services Ltd	– (2.69)								
	Administration Support Charges payable	Mahindra and Mahindra Financial Services Ltd	4.62 (4.49)								
	Call Centre Services Charges payable	Mahindra Integrated Business Solutions Pvt Ltd		0.36 (-)							
	Receivable from Key Managerial Personnel	Managing Director & Chief Executive Officer			144.94 (-)						
	Staff Training Expense Payable		0.06 (7.19)								
	Mahindra Group Conference		4.20 (-)								
	Event Expenses	Mahindra and Mahindra Ltd	2.72 (-)								
	Insurance		0.01 (-)								
	IT Support Charges payable		0.44 (0.84)								
	Inter Corporate Deposits given (including interest accrued but not due)			107.27 (214.55)							
	Investment in Non-convertible debentures (including interest accrued but not due)	Mahindra Rural Housing Finance Ltd		4856.88 (4856.15)							
Notes:											
i. The Managing Director's Remuneration was revised with effect from 12th September, 2016 in accordance with the provisions of Clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013 ('Act'). The Managing Director acquired, by way of purchase of equity shares of the Holding Company on 20th February, 2018, an interest in the capital of the Holding Company, making him ineligible for the remuneration approved under the said Clause (B). This has resulted in payment of an excess remuneration of Rs. 144.94 lakhs to the Managing Director. The Company is in the process of making an application to the Central Government for the waiver of the recovery of this excess payment. The Managing Director will hold in trust the excess amount paid as permitted under Section 197(9) of the Act.											
ii. Figures in bracket represent corresponding figures of previous year.											
I. Change in Obligation during the year ended March 31											
1. Present value of obligation (PBO) as at the beginning of the year						13.81	1.98	3.96	0.58	25.14	3.69
2. Interest cost						1.04	0.16	0.30	0.05	1.90	0.30
3. Current Service Cost						18.87	9.68	6.65	2.70	29.02	17.54
4. Actuarial (Gains)/Losses						7.18	2.00	1.87	0.64	3.02	3.61
5. Benefits paid						–	–	–	–	–	–
6. Present Value of Defined Benefit obligation at the end of the year						40.90	13.81	12.78	3.96	59.08	25.14
II. Change in the Assets during the period ending 31st March											
1. Fair value of plan assets at the beginning of the year						6.50	6.50	–	–	–	–
2. Expected Return on Plan assets						0.49	0.52	–	–	–	–
3. Adjust due to opening balance						0.74	–	–	–	–	–
4. Contributions by employer						24.72	–	–	–	–	–
5. Actuarial (Gains)/Losses						(0.49)	(0.52)	–	–	–	–
6. Actual Benefits paid						–	–	–	–	–	–
7. Fair value of plan assets at the end of the period						31.96	6.50	–	–	–	–
III. Net asset/(liability) recognised in the Balance Sheet as at 31st March											
1. Present Value of Defined Benefit obligation as 31 st March						40.90	13.81	12.78	3.96	59.08	25.14
2. Fair value of plan assets as at 31 st March						31.96	6.50	–	–	–	–
3. Funded status (surplus/(deficit))						(8.94)	(7.31)	(12.78)	(3.96)	(59.08)	(25.14)
4. Net asset/(liability) as at 31 st March						(8.94)	(7.31)	(12.78)	(3.96)	(59.08)	(25.14)
IV. Expenses recognised in the Statement of Profit and Loss Account for the year ending 31st March											
1. Current Service Cost						18.87	9.68	6.65	2.70	29.02	17.54
2. Interest Cost						1.04	0.16	0.30	0.05	1.90	0.30
3. Expected Return on Plan assets						(0.49)	(0.52)	–	–	–	–
4. Adjustment						(0.74)	–	–	–	–	–
5. Actuarial (Gains)/Losses						7.67	2.52	1.87	0.64	3.02	3.62
6. Total Expenses						26.35	11.83	8.82	3.39	33.94	21.46
V. Major category of plan assets as a percentage of total plan											
1. Funded with LIC						100%	100%	–	–	–	–
VI. Actuarial Assumptions											
1. Discount Rate						7.84%	7.55%	7.84%	7.55%	7.84%	7.55%
2. Expected Rate of return on plan assets						7.55%	8%	–	–	–	–
3. Rate of Salary increase						7%	5%	7%	5%	7%	5%

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	Gratuity (Funded)		Exigency Leave (Non-Funded)		Earned Leave (Non-Funded)	
	Mar-18	Mar-17	Mar-18	Mar-17	Mar-18	Mar-17
4. In-service Mortality						
Indian Assured lives Mortality (2006-08) Ultimate						

the end of the year. The said provision is included in distributor related expenses. The movement in such provisions during this year is as under:

Particulars	In Rupees	
	FY 2017-18	FY 2016-17
Opening balance as on 1 st April 2017	-	-
Provision during the year	44,200,350	-
Closing balance as on 31st March 2018	44,200,350	-

Experience Adjustments:

(₹ in Lakhs)

	Year Ended 31 st March	
	2018	2017
1. Defined benefit obligations at end of the period	40.90	13.81
2. Plan assets at the end of period	31.96	6.50
3. Funded Status Surplus/ (Deficit)	(8.94)	(7.31)
4. Experience adjustments on plan liabilities (gain)/loss	6.23	0.89
5. Experience adjustments on plan assets gain/(loss)	(0.49)	(0.52)

23. Expenditure in foreign currency

Particulars	In Rupees	
	FY 2017-18	FY 2016-17
Foreign travel expenses	714,161	-
Employee training expenses	516,978	-
Total	1,231,139	-

24. The Company runs a Loyalty program for its distributors. Points are awarded to partners on the assets mobilized by them in specific schemes. These are redeemed by the Company after the end of the year. A provision for the estimated expenses for such redemption is made in the books at

25. None of the suppliers have submitted their confirmation towards Micro, Small and Medium Enterprises, thus there is no principal or interest dues thereon outstanding to any such supplier at the end of accounting year.

26. Previous year's figures have been regrouped/ reclassified wherever found necessary. The revenues from business operations of the Company started from July 2016, after the launch of the first scheme of Mahindra Mutual Fund. Since then, the Company has launched four equity schemes and one debt scheme at different times. Accordingly, the Company's revenues and expenses have correspondingly increased in the current year compared to the previous year.

Signatures to Significant accounting policies and Notes to the financial statements – I and II

For **B. K. KHARE & CO.** For and on behalf of the Board
Chartered Accountants

	V. Ravi Chairman	Ashutosh Bishnoi Managing Director & CEO
Padmini Khare Kaicker Partner Membership No. 44784	Gautam Divan Director	Sethu Gururajan Director
	Chitra Andrade Director	
Place : Mumbai Date : April 17, 2018	Sanjay Parikh Chief Financial Officer	Ravi Dayma Company Secretary