

NOTICE

The **Third 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 12th day of July, 2016, at 12.30 p.m. to transact the following Business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Financial Statement of the Company for the financial year ended 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016, 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 third Annual General Meeting, until the conclusion of the fourth Annual General Meeting of the Company at a remuneration to be determined by 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."

NOTES:

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

Name of the Director	: V. Ravi
Category	Non-Executive Non-Independent Director
Director Identification No.	: 00307328
Age	: 57 years
Qualifications	: Chartered and Cost Accountant
Experience	: 32 years
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 MMFSL 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.

- 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.

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.

Terms and conditions of appointment / re-appointment : Liable to retire by rotation.

Remuneration sought to be paid and remuneration last drawn : Not Applicable

Date of first appointment on the Board : 20th June, 2013

Shareholding in the Company	: 1 (One) share jointly 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	: 5 (out of 5 Board Meetings held)																
Other Directorships, [Excluding Mahindra Asset Management Company Private Limited)	: <table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Sr. No.</th> <th style="text-align: left;">Name of the Company</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mahindra & Mahindra Financial Services Limited</td> </tr> <tr> <td>2</td> <td>Mahindra Insurance Brokers Limited</td> </tr> <tr> <td>3</td> <td>Mahindra Rural Housing Finance Limited</td> </tr> <tr> <td>4</td> <td>Mahindra Finance USA, LLC</td> </tr> <tr> <td>5</td> <td>Mahindra Solar One Private Limited</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	5	Mahindra Solar One Private Limited				
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Membership / Chairmanship of Committees of other Boards [excluding Mahindra Asset Management Company Private Limited)	: <table border="0" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Sr. No.</th> <th style="text-align: left;">Name of the Company</th> <th style="text-align: left;">Name of the Committee</th> <th style="text-align: left;">Position held (Chairman / Member)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Mahindra Insurance Brokers Limited</td> <td>Audit</td> <td>Member</td> </tr> <tr> <td>CSR</td> <td>Member</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Mahindra Rural Housing Finance Limited</td> <td>Audit</td> <td>Member</td> </tr> <tr> <td>ALCO</td> <td>Member</td> </tr> </tbody> </table> <p>(1) CSR : Corporate Social Responsibility Committee (2) ALCO : Asset Liability Committe</p>	Sr. No.	Name of the Company	Name of the Committee	Position held (Chairman / Member)	1	Mahindra Insurance Brokers Limited	Audit	Member	CSR	Member	2	Mahindra Rural Housing Finance Limited	Audit	Member	ALCO	Member
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1	Mahindra Insurance Brokers Limited	Audit	Member														
		CSR	Member														
2	Mahindra Rural Housing Finance Limited	Audit	Member														
		ALCO	Member														

- (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.

Registered Office:

"A" Wing, 4th Floor,
Mahindra Towers, 570 P.B. 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

By Order of the Board

**Abhijeet Gogate
Company Secretary**

12th April, 2016

- ROUTE MAP -

3rd 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 12th day of July, 2016, at 12.30 p.m.

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



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

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 **Third Annual General Meeting of Mahindra Asset Management Company Private Limited** to be held on Tuesday, 12th July, 2016 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 31st March, 2016 including the audited Balance Sheet as at 31st March, 2016 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.

Signed this ____ day of _____ 2016.

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.

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 Third Annual General Meeting of **Mahindra Asset Management Company Private Limited** held on Tuesday, 12th July, 2016 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.

DIRECTORS' REPORT

To,
The Members of
Mahindra Asset Management Company Private Limited

Your Directors are pleased to present their Third Report together with the audited Financial Statements of your Company for the Financial Year ended 31st March, 2016.

Financial Results

Particulars	Amount in Rs. Lacs	
	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Total Income	119.58	0.80
Less : Employee benefit expenses	357.00	–
Depreciation and Amortization expenses	3.57	–
Other expenses	204.03	6.58
Total Expenses	564.60	6.58
Profit/(Loss) Before Tax	(445.02)	(5.78)
Less : Provision for Tax		
Current Tax	0.00	0.00
Deferred Tax	0.00	0.00
Profit/(Loss) for the year	(445.02)	(5.78)
Profit/(Loss) brought forward from previous years	(6.27)	(0.49)
Transfer to Reserves	–	–

DIVIDEND

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

TRANSFER TO RESERVES

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

OPERATIONS

Your Company was incorporated with an objective to act as managers, consultants, advisors for mutual funds, unit trusts, venture Capital funds, etc. On 4th February, 2016, your Company received license from Securities and Exchange Board of India (SEBI) to act as an Asset Manager for Mahindra Mutual Fund. However, the approval to various Mutual Fund products is still awaited from SEBI. Considering the pending regulatory approvals, your Company could not commence business activities during the year under consideration. However, the whole superstructure of the business including all systems, processes, policies and personnel are in place and the Company is fully geared to enter the markets as soon as the necessary regulatory approvals are received.

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

Indian Economy

Despite global turmoil and a truant monsoon, the Indian Economy registered a robust growth of 7.60 percent in the

F.Y. 2015-16, thus becoming the fastest growing major economy in the world. The Budget had set fiscal deficit target of 3.90 per cent which was achieved.

With global commodity prices remaining benign, the previous year witnessed a continued moderation in general price levels. Headline Inflation based on Consumer Price Index (CPI) dipped to 4.91 percent (5.97 percent in the F.Y. 2014-2015) showing a persistent pressure on oil and commodity prices. Exchange rate movements and Current Account deficits too reflected a stable environment. The movement of exchange rate measured against the US dollar was orderly and the INR depreciated about 6.50 percent during the year under consideration.

The second year of the present government witnessed some policy actions like liberalization of FDI regime, including the much awaited Insurance Bill, crop insurance measures, financial inclusion through Jan Dhan Yojna and transferring subsidies through the Direct Benefit Transfer (DBT) platform.

However, stretched corporate balance sheets, asset quality constraints, delays in the passage of GST Bill and non-passage of Land Acquisition Bill negatively affected the mood in equity markets.

Equity Markets

As at 31st March, 2016, the S&P BSE Sensex ended 9.1% lower at 25,341, while the Nifty 50 closed 8.8% lower at 7,738 compared to their respective closing figures as on 31st March, 2015.

With corporate performance failing market expectation, the year 2015-16 did not bring much happiness to investors. The

momentum started to fade further after the announcement of the budget; actual earnings trajectory turned out to be flat or negative, contrasting the projections by consensus estimates.

The silver lining however was the continued flows received by domestic institutions, particularly mutual funds, from retail participants who saw great opportunity in exploiting the valuation arbitrage created from the earlier run-up in the benchmark indices and large cap stocks.

Among the emerging market (EM) peers, India remained in a bright spot amid a slowdown in global economy on the back of multiple rate cuts by the Reserve Bank of India (RBI) and its efforts to keep inflation under check and also due to the capital infusion by the domestic investors. Foreign Institutional Investors were however net sellers in Indian equities to the tune of Rs. 14,172 Crores, in the F.Y. 2015-16.

Fixed Income Markets

The Reserve Bank of India (RBI) continued its accommodative stance through the last fiscal year and cut the benchmark repo rate by 75 basis points. In response to the cumulative reduction of around 125 basis points (bps) cut since January 2015, banks have reduced their median deposit rate by 72 bps and median base rates by around 60 bps.

Long term benchmark 10 year Gilt rates however eased marginally by around 30 bps and closed around 7.45 per cent. A part of the reason for the muted fall in long term gilt rates could be on account of uncertainty on US rates, and also partly because of relatively robust incremental credit off take.

Global events

China's benchmark index, Shanghai Composite, decreased by nearly 24 per cent in this year and hit 2,655, its lowest level for the year. Meanwhile, the Greek crisis had a ripple effect on Indian equities in a reaction to the global risk-off trade. Another major event for the year was the 25 basis point hike in interest rates by the US Federal Reserve. The interest rates, which were maintained at zero, were raised for the first time in almost a decade since the Global Financial Crisis of 2008 indicating signs of a pickup in the world's biggest economy.

Overview of the Mutual Fund Industry

During the year under consideration, the mutual fund industry continued to witness robust growth. The total Assets Under Management (AUM) as on 31st March, 2016 were INR 12,32,824 crores as compared to INR 10,82,757 crores as on 31st March, 2015, thereby witnessing a growth of around 14 per cent.

What was remarkable was the resilience of the equity oriented schemes, which saw net inflows of around INR 93,000 crores (previous year INR 80,855 crores) despite a fall in the benchmark equity indices.

The value of assets held by individual investors in mutual funds also increased to Rs. 6.16 lakh crores, a rise of around 10.11 per cent.

As the nation becomes more financially inclusive and with financial literacy gaining traction, the adoption of technology lowering barriers to the last mile access, with benefits of low

cost and transparency, the Indian Mutual Fund industry has the possibility of becoming the primary vehicle of savings in the capital markets.

(Data Source: Economic Survey 2015-16, AMFI, Bloomberg)

Looking ahead

It is evident that India is still oozing potential. The Country's long run potential growth rate is still around 8-10 per cent.

The Economic survey had portrayed a latent growth potential. The Meteorological Department has predicted a normal monsoon this year. The right mix of reforms, governance and push from the rain gods, could witness the foundation for a stronger economy.

SHARE CAPITAL

During the year under review, the Authorised Share Capital was increased from Rs. 5,00,00,000 (Rupees Five Crores) divided into 50,00,000 (Fifty Lacs) Equity Shares of Rs. 10 (Rupees Ten) each to Rs. 76,00,00,000 (Rupees Seventy-Six Crores) divided into 7,60,00,000 (Seven Crores Sixty Lacs) Equity Shares of Rs. 10 (Rupees Ten) each. The increase in the Authorised Share Capital was pursuant to the approval of the Members granted at their Extraordinary General Meeting held on 15th June, 2015.

During the year under review, 5,95,00,000 (Five Crores Ninety-five Lacs) Equity Shares of the face value of Rs. 10 each aggregating to Rs. 59,50,00,000 (Rupees Fifty Nine Crores Fifty Lacs) were issued and allotted for cash at par to the existing Shareholders of the Company on a Rights basis. Post allotment of Equity Shares as aforesaid, the issued, subscribed and paid-up Share Capital of the Company stands at Rs. 60,55,00,000 (Rupees Sixty Crores Fifty-five Lacs) comprising of 6,05,50,000 (Six Crores Five Lacs Fifty Thousand) Equity Shares of Rs. 10 each, fully paid-up.

During the year under review, 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 review. 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, 2016, none of the Directors of the Company holds instruments convertible into Equity Shares of the Company.

DIRECTORS

Mr. Ramesh Iyer (DIN: 00220759) resigned as the Director of the Company with effect from 12th October, 2015. Consequent upon his resignation as the Director, Mr. Ramesh Iyer also ceased to be the Chairman of the Board. The Board acknowledged Mr. Ramesh Iyer's contribution to the Company and placed on record its deep appreciation of the invaluable counsel rendered by him to the Company and his immense contribution in guiding the management during his tenure as the Chairman and as a Director of the Company. The Board of Directors at its meeting held on 11th January, 2016, appointed Mr. V. Ravi as the Chairman of the Board of Directors.

The Board of Directors at its meeting held on 12th October, 2015, had, subject to the approval of the Members at the general meeting, appointed Mr. Ashutosh Bishnoi (DIN: 02926849) as an Additional Director. The Board of Directors at the said meeting also appointed Mr. Ashutosh Bishnoi as the Managing Director & Chief Executive Officer of the Company, upon the recommendation of the Nomination and Remuneration Committee and subject to the approval of Members at the general meeting. The Members at their Extraordinary General Meeting held on 4th November, 2015, approved the appointment of Mr. Ashutosh Bishnoi as the Director not liable to retire by rotation and also approved his appointment as the Managing Director & Chief Executive Officer of the Company, by way of a special resolution. Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013, the payment of remuneration to Mr. Ashutosh Bishnoi is subject to the approval of the Central Government. An application has been made to the Central Government in this regard and, as on the date of this Report, is pending for approval.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. V. Ravi (DIN:00307328), Chairman and Non-Executive Non-Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting scheduled to be held on 12th July, 2016 and being eligible, offers himself for re-appointment.

KEY MANAGERIAL PERSONNEL

Mr. Rajesh Vasudevan was appointed as the Chief Financial Officer of the Company with effect from 14th March, 2016.

Mr. Ashutosh Bishnoi, Managing Director & Chief Executive Officer; Mr. Rajesh Vasudevan, Chief Financial Officer and Mr. Abhijeet Gogate, 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 two 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.

None of the Independent Directors are due for re-appointment. 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 2015-16, the Board of Directors met five times; on 7th April, 2015, 8th July, 2015, 12th October, 2015, 11th January, 2016 and 14th March, 2016.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2015-16 and at the last Annual General Meeting (AGM) of the Company held on 8th July, 2015 are as follows:

Names of Directors	Category	Attendance at the Board Meetings held during F.Y. 2015-16		Attendance at the last Annual General Meeting held on 8 th July, 2015 (Yes/No/N.A.)
		Held	Attended	
Mr. Ramesh Iyer ⁽¹⁾ (Former Chairman)	Non-Executive Non-Independent Director	5	3	Yes
Mr. V. Ravi ⁽²⁾ (Chairman)	Non-Executive Non-Independent Director	5	5	Yes
Mr. Ashutosh Bishnoi ⁽³⁾ (Managing Director & Chief Executive Officer)	Executive Director	5	2	N.A.
Mr. Gautam Divan	Independent Director	5	5	Yes
Mr. Sethu Gururajan	Independent Director	5	5	Yes

Notes:

- ⁽¹⁾ Mr. Ramesh Iyer has resigned as Chairman and Member of the Board with effect from 12th October, 2015.
⁽²⁾ Mr. V. Ravi was appointed as the Chairman with effect from 11th January, 2016.
⁽³⁾ Mr. Ashutosh Bishnoi was appointed as the Managing Director & Chief Executive Officer with effect from 12th October, 2015.

COMMITTEES OF THE BOARD

a) Audit Committee

During the year under review, an adequately qualified and experienced Audit Committee of the Board of Directors was constituted. As on 31st March, 2016, 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 once during the year under review on 11th January, 2016. All the members of the Committee were present at the said Meeting 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 and 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 auditors' 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;
- (x) Monitoring the end use of funds raised through public offers and related matters, wherever it is necessary.

b) Nomination and Remuneration Committee

During the year under review, a Nomination and Remuneration Committee of the Board of Directors was constituted. As on 31st March, 2016, the Nomination and Remuneration Committee comprised of two Independent Directors and one Non-Executive Non-Independent Director.

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

The Nomination and Remuneration Committee met twice during the year under review on 12th October, 2015 and 11th January, 2016. 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;
- 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 and a Risk Management Committee. These are the committees of management formed in compliance of SEBI Regulations applicable to the Asset Management Companies.

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.

DECLARATION 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.

MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the year under review. The meeting was 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

The Company had two employees who were in receipt of remuneration of not less than Rs. 5,00,000 per month during part of the year under review.

Details of employees as required under the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure II**.

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, 2016 forms part of this Report and is appended as **Annexure III**.

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.

As on 31st March, 2016, the Company had 25 permanent employees.

CODE OF CONDUCT FOR CORPORATE GOVERNANCE

The Company has adopted Code of Conduct for Corporate Governance ("the Code") for its Senior Management and Employees. The Code enunciates 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.

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 of their appointment by shareholders at every Annual General Meeting.

As required under the provisions of Section 139(1) read with Section 141 of the Companies Act, 2013, the Company has obtained a written certificate from Messrs. B. K. Khare & Co., Chartered Accountants, to the effect that their appointment as the Statutory Auditors, if ratified by the 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 the 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 (Third AGM) till the conclusion of the next Annual General Meeting (Fourth AGM) of the Company.

The Report of Statutory Auditors forms part of this Annual Report. There is no qualification, reservation or adverse remark

in the Auditors' Report.

During the year under review, 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 appointed Ms. Neha Shroff, Practicing Company Secretary, 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 2015-16 furnished by the Secretarial Auditor is appended to this Report as **Annexure IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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.

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

In compliance with the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, Messrs. HariBhakti & Co. LLP, Chartered Accountants were appointed as the Internal Auditors of the Company during the year under review. The report(s) of the Internal Auditors are reviewed by the Audit Committee of the Board and wherever deemed necessary, the systems are strengthened and corrective actions taken.

PARTICULARS OF LOANS, GUARANTEES, SECURITIES, INVESTMENTS

During the year under review, the Company has not made investments under Section 186 of the Companies Act, 2013.

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, 2016, the applicable accounting standards have been followed and there are no material departures in 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, 2016 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, 2016 on a 'going concern' basis.
- 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)

During the year under review, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Pursuant to provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no transactions to be reported under Section 188(1) of the Companies Act, 2013.

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.

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 V**.

RISK MANAGEMENT POLICY

A Risk Management Policy for the proposed Asset Management Business is approved by the Board of Directors and is in place. The Risk Management Committee will design a well defined risk management framework and ensure its ongoing implementation. During the year under review, the Company did not commence any operations.

SUBSIDIARIES

The Company did not have any subsidiary as on 31st March, 2016 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 review. 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. During the year under review, there were no deposits which were not in compliance with the requirements of Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

GENERAL

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

- 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.

For and on behalf of the Board

Registered Office:
 "A" Wing, 4th Floor,
 Mahindra Towers, 570 P. B. Marg,
 P. K. Kurne Chowk, Worli
 Mumbai – 400018.
 CIN : U65900MH2013PTC244758
 Tel. : 91 22 6652 6000
 Fax: 91 22 2498 4170
 Email: mamc@mahindra.com
 Website: www.mahindramutualfund.com

V. Ravi
 Chairman

Mumbai, 12th April, 2016

ANNEXURE I TO THE DIRECTORS' 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 will be engaged as an investment manager to the Mahindra Mutual Fund and is currently in the process of obtaining regulatory approval for mutual fund products from the Securities and Exchange Board of India (SEBI).

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. 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 Companies Act, 2013.

The NRC while determining the remuneration shall ensure that the level and composition of remuneration to be 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 responsibly. 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 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 1/4% (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 (KRA). 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 cars, 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.

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 chose 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.

ANNEXURE II TO THE DIRECTORS' REPORT

Additional Information as required under Section 197(12) of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the year ended 31st March, 2016.

Name of Employee	Designation	Gross Remuneration (subject to income-tax) (Rs. in Lacs)	Qualifications	Experience (Years)	Age (Years)	Date of Commencement of Employment	Last Employment held, Designation and Organisation
Mr. Ashutosh Bishnoi	Managing Director and Chief Executive Officer	52.52	B.Com., M.B.A.	33	55	01.09.2015	L & T Investment Management Limited Designation: CEO
Mr. Rahul Pal	Head – Fixed Income	41.75	B.Com (H), A.C.A.	15	39	21.09.2015	Taurus Asset Management Company Limited Designation: Head – Fixed Income

Notes:

- In case of Mr. Rahul Pal, nature of employment is permanent, subject to termination on three months' notice on either side. The appointment of Mr. Ashutosh Bishnoi as an employee is effective from 1st September, 2015 and is permanent in nature, subject to termination on three months' notice on either side. The appointment of Mr. Ashutosh Bishnoi as Managing Director & Chief Executive Officer is effective from 12th October, 2015 and is for a period of three years from that date. Remuneration paid to Mr. Ashutosh Bishnoi is as the Managing Director & Chief Executive Officer.
- Both the employees mentioned above were appointed during the F.Y. 2015-16 and hence were employed for part of the year.
- Terms and conditions of employment are as per Company's Rules.
- Information about qualifications and last employment is based on particulars furnished by the concerned employee.
- None of the employees mentioned above is related to any Director of the Company.
- No employee was in receipt of remuneration more than the remuneration drawn by the Managing Director and holds by himself or alongwith his spouse and dependent children 2% or more of the equity shares of the Company.
- Remuneration means Remuneration as defined in Section 2(78) of the Companies Act, 2013.

For and on behalf of the Board

V. Ravi
Chairman

Mumbai, 12th April, 2016

ANNEXURE III TO THE DIRECTORS' REPORT

FORM NO. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2016[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, Mahindra Towers, A Wing, P. B. Marg, 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% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	N.A.*	N.A.*	N.A.*

* The company has not commenced any business activities during the year under consideration.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai - 400 001	L65990MH1945PLC004558	Ultimate Holding Company	100*	Section 2(46)
2.	Mahindra & Mahindra Financial Services Limited. Gateway Building, Apollo Bunder, Mumbai - 400 001	L65921MH1991PLC059642	Holding Company	100	Section 2(46)

* There is no direct Shareholding in the Company by Mahindra & Mahindra Limited, the Ultimate Holding Company. Shares are held through Mahindra & Mahindra Financial Services Limited, Subsidiary of Mahindra & Mahindra Limited.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	10,50,000	10,50,000	100	-	6,05,50,000	6,05,50,000	100	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10,50,000	10,50,000	100	-	6,05,50,000	6,05,50,000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Mahindra & Mahindra Financial Services Limited	10,49,998	100	-	6,05,49,998	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	10,50,000	100	-	6,05,50,000	100	-	-

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

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
Mahindra & Mahindra Financial Services Limited along with joint holders				
At the beginning of the year	10,50,000	100	6,05,50,000	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	26.08.2015	5,25,00,000	Nil
	Allotment on a Rights basis	15.03.2016	70,00,000	Nil
	Total	-	5,95,00,000	Nil
At the end of the year	10,50,000	100	6,05,50,000	100

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

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
At the beginning of the year				
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Not Applicable			
At the End of the year (or on the date of separation, if separated during the year)				

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	⁽¹⁾ Mr. Ramesh Iyer - 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):		N.A.		
	At the End of the year	1	-	1	-
2	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):		N.A.		
	At the End of the year	1	-	1	-
3	⁽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):		N.A.		
	At the End of the year	-	-	-	-
4	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):		N.A.		
	At the End of the year	-	-	-	-
5	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):		N.A.		
	At the beginning of the year	-	-	-	-
6	⁽³⁾ Mr. Rajesh Vasudevan – 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):		N.A.		
	At the End of the year	-	-	-	-
7	Mr. Abhijeet Gogate – 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):		N.A.		
	At the End of the year	-	-	-	-

Notes :

- (1) Mr. Ramesh Iyer has resigned as Chairman and Member of the Board with effect from 12th October, 2015.
- (2) Mr. Ashutosh Bishnoi was appointed as the Managing Director & Chief Executive Officer of the Company with effect from 12th October, 2015.
- (3) Mr. Rajesh Vasudevan was appointed as the Chief Financial Officer of the Company with effect from 14th March, 2016.

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)	-	-	-	-

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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)	–	–	–	–

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lacs)

Sr. 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	52.52	–	–	52.52
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-Tax Act, 1961	–	–	–	–
2.	Stock option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
	– as % of profit				
	– others, specify...				
5.	Others, please specify	–	–	–	–
	Total (A)	52.52	–	–	52.52
	Ceiling as per the Act				56.39*

B. Remuneration to other directors:

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Names of Directors		Total Amount
		Mr. Gautam Divan	Mr. Sethu Gururajan	
1.	Independent Directors			
	Fee for attending board/committee meetings	1.20	1.20	2.40
	Commission	–	–	–
	Others	–	–	–
	Total (1)	1.20	1.20	2.40
2.	Other Non-Executive Directors	Mr. Ramesh Iyer[#]	Mr. V. Ravi	
	Fee for attending board/committee meetings	–	–	–
	Commission	–	–	–
	Others	–	–	–
	Total (2)	–	–	–

(Rs. In Lacs)

Sl. No.	Particulars of Remuneration	Names of Directors		Total Amount
	Total (B)=(1+2)	1.20	1.20	2.40
	Total Managerial Remuneration [(A) + (B)]			54.92
	Overall Ceiling as per the Act**			

Mr. Ramesh Iyer has resigned as Chairman and Member of the Board with effect from 12th October, 2015.

* For the remuneration paid to the Managing Director during the F.Y. 2015-16, ceiling of Rs. 56.39 Lacs is applicable. The Ceiling is calculated as per the provisions of Section 197 read with Section II of Part II of Schedule V of the Companies Act, 2013.

** 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 fees 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.

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961.	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961.	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961.	-	-	-	-
2.	Stock option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others	-	-	-	-
	Total	-	-	-	-

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					

ANNEXURE IV TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

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

For the Financial Year ended 31st March, 2016

To,
The Members,
Mahindra Asset Management Company Private Limited
4th Floor, A-Wing, Mahindra Towers,
Dr. G. M. Bhosale Marg, P. K. Kurne Chowk, Worli.
Mumbai- 400 018.

I 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 for the financial year ended on 31st March, 2016 in a manner that provided me reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

On the basis of the above and on my verification of documents, books, papers, minutes, 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 the Audit, I hereby report that in my opinion, the Company has, during the period covered under the Audit as aforesaid, 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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of the Companies Act, 2013 and the Rules made there under.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company being an unlisted company, Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 does not apply. However, during the period under review, the company has made an application to Securities and Exchange Board of India (hereinafter referred to as "SEBI") for grant of registration to Mahindra Mutual Fund in accordance with the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996 as amended from time to time. Consequently, the Company was granted Registration Certificate by SEBI vide its letter dated 4th February, 2016. Further, the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made there under do not apply to the company.

During the period under review, the Company has complied with the provisions of the applicable Act/ Rules/Regulations/ Guidelines/Circulars/Standards etc mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period covered under the Audit were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on Agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting. Majority decision is carried through and recorded as part of the minutes. I understand that there were no dissenting members' views requiring to be captured in the minutes.

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

I further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc:

- i) Members, in their Extraordinary General Meeting held on 15th June, 2015 have consented to increase the Authorised Capital of the Company from Rs. 5,00,00,000 (Rupees Five Crores only) to Rs. 76,00,00,000 (Rupees Seventy-Six Crores only) pursuant to Section 61 and all other applicable provisions of the Companies Act, 2013 (the 'Act') read with Companies (Share Capital and Debentures) Rules, 2014. The Members have also given their consent for amendment of clause V(A) of the Memorandum of Association and Clause 2(A) of the Articles of Association w.r.t. the increase in the Authorised Capital of the Company as referred above.

- ii) Members, in their Annual General Meeting held on 8th July, 2015 have given their consent to adopt new set of Articles of Association of the Company in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.
- iii) The Board of Directors in their meeting dated 8th July, 2015 resolved to offer/issue/allot 5,67,00,000 Equity Shares of Rs. 10 each for cash at par aggregating Rs. 56,70,00,000 on a rights basis to the existing Members of the Company, in the ratio of 54 new Equity Shares for every 1 Equity Share held in the Company. Consequently, 5,25,00,000 equity shares were allotted raising the paid up capital of the Company to Rs. 53,55,00,000.
- iv) The Board of Directors in their meeting dated 11th January, 2016 resolved to offer/issue/allot 1,78,50,000 Equity Shares of Rs. 10 each for cash at par aggregating Rs. 17,85,00,000 on a rights basis to the existing Members of the Company, in the ratio of 1 new Equity Share for every 3 Equity Shares held in the Company. Consequently, 70,00,000 equity shares were allotted raising the paid up capital of the Company to Rs. 60,55,00,000.

Place: Mumbai
Date: 12th April, 2016

Neha Shroff
Company Secretary
(ACS 17456, CP -7302)

To,
The Members,
Mahindra Asset Management Company Private Limited
4th Floor, A-Wing, Mahindra Towers,
Dr. G. M. Bhosale Marg, P. K. Kurne Chowk,
Worli, Mumbai- 400 018.

My Secretarial Audit 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
5. 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.

Place: Mumbai
Date: 12th April, 2016

Neha Shroff
Company Secretary
(ACS 17456, CP -7302)

ANNEXURE V TO THE DIRECTORS' 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.

(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

Place: Mumbai
Date: 12th April, 2016

V. Ravi
Chairman

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, 2016, and the statements of profit and loss and cash flow for the period from April 1, 2015 to March 31, 2016, 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, 2016, and its profit and its cash flows for the period from April 1, 2015 to March 31, 2016.

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:
 - (a) 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;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - (d) 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);
 - (e) on the basis of written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors

is disqualified as on March 31, 2015, 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts. The Company did not have any derivative contracts.

- iii. 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 12, 2016.

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, 2016.

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. In our opinion and according to the information and explanations given to us the provisions of Section 186 of the Companies Act, 2013 have been complied with. During the year, the Company has not provided loan to any of its directors', therefore, provisions of section 185 were not applicable during the year.
- 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 undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other applicable statutory dues with the appropriate authorities.
- (b) According to the records of the company and information and explanations given to us there are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the relevant authority.
- 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 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. On the basis of examination of relevant records and according to the information and explanations given to us, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- 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

Padmini Khare Kaicker

Partner

Membership Number: 044784

Place: Mumbai

Date: April 12, 2016.

ANNEXURE 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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the period from April 1, 2015 to March 31, 2016.

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

FOR B. K. KHARE & CO.

Chartered Accountants

Firm's Registration Number: 105102W

Padmini Khare Kaicker

Partner

Membership Number: 044784

Place: Mumbai

Date: April 12, 2016.

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	Amount in ₹	
		March 2016	March 2015
I. EQUITY & LIABILITIES			
1) Shareholders' funds			
a) Share Capital.....	1	605,500,000	10,500,000
b) Reserves and Surplus.....	2	(45,128,976)	(626,818)
		560,371,024	9,873,182
2) Non-current liabilities			
a) Long term provisions.....	3	612,018	–
3) Current liabilities			
a) Trade payables.....	4	1,576,223	16,854
b) Other current liabilities.....	5	1,737,614	–
c) Short term provisions.....	6	8,035,504	–
		11,349,341	16,854
Total.....		572,332,383	9,890,036
II. ASSETS			
1) Non-current assets			
a) Fixed Assets.....	7		–
i) Tangible assets.....		2,896,004	–
b) Long-term loans and advances.....	8	2,312,500	2,312,500
		5,208,504	2,312,500
2) Current assets			
a) Current investments.....	9	556,966,355	7,480,386
b) Cash and bank balance.....	10	896,363	75,369
c) Short-term loans and advances.....	11	5,500,000	–
d) Other current assets.....	12	3,761,161	21,781
		567,123,879	7,577,536
Total.....		572,332,383	9,890,036

Summary of significant accounting policies and notes to the financial statements I & II

The notes referred to above form 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 : 12th April, 2016

For and on behalf of the Board

V. Ravi
Chairman

Sethu Gururajan
Director

Abhijeet Gogate
Company Secretary

Ashutosh Bishnoi
Managing Director & CEO

Gautam Divan
Director

Rajesh Vasudevan
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	Amount in ₹	
		March 2016	March 2015
I. Revenue from operations.....		–	–
II. Other income.....	13	11,957,758	80,386
III. Total Revenue (I + II).....		11,957,758	80,386
IV. Expenses:			
Employee benefits expense.....	14	35,699,859	–
Depreciation and amortization expense.....		357,518	–
Other expenses	15	20,402,539	657,986
Total expenses		56,459,916	657,986
V. Profit before tax (III - IV)		(44,502,158)	(577,600)
VI. Tax expense:			
(1) Current tax		–	–
(2) Deferred tax		–	–
VII. Profit/(Loss) for the period (V - VI)		(44,502,158)	(577,600)
VIII. Earnings per equity share (Rupees):	16		
(1) Basic.....		(1.35)	(0.01)
(2) Diluted		(1.35)	(0.01)
Summary of significant accounting policies and notes to the financial statements	I & II		

The notes referred to above form 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 : 12th April, 2016

For and on behalf of the Board

V. Ravi
Chairman

Sethu Gururajan
Director

Abhijeet Gogate
Company Secretary

Ashutosh Bishnoi
Managing Director & CEO

Gautam Divan
Director

Rajesh Vasudevan
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

		Amount in ₹	
		March 2016	March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxes and contingencies.....		(44,502,158)	(577,600)
Add/Less :			
Non Cash Expenses:			
Depreciation.....		357,518	-
Amortisation on Intangible Assets.....		-	-
Provision for Non-Performing Assets (net).....		-	-
Employee Compensation Expense on account of ESOS.....		-	-
		357,518	-
Add: Items considered separately:			
Income on investing activities.....		-	-
Interest expense.....		-	-
(Profit)/Loss on sale of assets.....		-	-
(Profit)/Loss on sale of Investment.....		-	-
		-	-
Operating profit before working capital changes.....	(I)	(44,144,640)	(577,600)
Add/Less:			
(Increase)/Decrease in interest accrued others.....		(251,296)	-
(Increase)/Decrease in Loans & Advances.....		-	-
(Increase)/Decrease in Current Assets.....		(3,488,084)	(19,927)
		(3,739,380)	(19,927)
Add: Increase in Current Liabilities & Provisions.....		11,944,505	-
	(II)	8,205,125	(19,927)
Cash generated from operations.....	(I+II)	(35,939,515)	(597,527)
Advance taxes paid.....		-	-
NET CASH FROM OPERATING ACTIVITIES (A)		(35,939,515)	(597,527)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets.....		(3,253,522)	-
Sale of Fixed Assets.....		-	-
Purchase of Investments.....		(562,466,355)	(8,680,386)
Sale of Investments.....		7,480,385	1,200,000
Purchase of Software.....		-	(2,312,500)
Income received on investments.....		-	-
NET CASH FROM INVESTING ACTIVITIES (B)		(558,239,492)	(9,792,886)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Issue of Equity Shares.....		595,000,000.00	10,000,000
NET CASH FROM FINANCING ACTIVITIES (C)		595,000,000	10,000,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)		820,993	(390,413)
CASH AND CASH EQUIVALENTS AS AT:			
Beginning of the period.....		75,369	465,782
End of the period.....		896,363	75,369

Examined and found correct.

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 : 12th April, 2016

For and on behalf of the Board

V. Ravi
Chairman

Sethu Gururajan
Director

Abhijeet Gogate
Company Secretary

Ashutosh Bishnoi
Managing Director & CEO

Gautam Divan
Director

Rajesh Vasudevan
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1) BASIS OF PREPARATION OF ACCOUNTS

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on 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.

All assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realization 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 & liabilities.

2) USE OF ESTIMATES

The preparation of financial statements 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 recognized prospectively in current and future years.

3) 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.

4) PROVISIONS AND CONTINGENT LIABILITIES

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 certain future events not wholly within the control of the company.

5) REVENUE RECOGNITION

- (i) Dividend from investments is accounted for as income when the right to receive dividend is established.
- (ii) Interest income is accounted on accrual basis.

6) 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.

7) FIXED ASSETS

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

8) 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:

- (i) Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and
- (ii) Fixed assets having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably 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 INR 5000	– < 1 year

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets comprises of computer software which is amortized over the estimated useful life. The maximum period for such amortization is 36 months based on estimates of useful life.

9) EMPLOYEE BENEFITS

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

a) Defined Contribution Plans –

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

b) Defined Benefit Plan –

Company's liabilities towards gratuity & 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 recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

10) IMPAIRMENT 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 recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor.

11) TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, 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 recognized 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 realized

12) 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.

13) EARNING PER SHARE

Basic earnings per share are 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 equity shares outstanding, 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.

14) FOREIGN EXCHANGE TRANSACTIONS AND TRANSLATIONS

a. Initial recognition:

Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a 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 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. Realized gains and losses on settlement of foreign currency transactions are recognized in 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 recognized in the Statement of profit and loss

15) BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 amortized over the tenure of the respective borrowings

16) LEASE

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

I) GENERAL 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 license from SEBI on 4th February 2016 and is awaiting product approvals from SEBI.

II. NOTES TO THE FINANCIAL STATEMENTS:

1) Share Capital:

Particulars	Amount in ₹	
	March 2016	March 2015
Authorised Capital:		
7,60,00,000 Equity shares of Rs. 10/- each	76,00,00,000	5,00,00,000
(March 2015 : 50,00,000 shares)		
Issued Capital:		
6,05,50,000 Equity shares of Rs. 10/- each	60,55,00,000	1,05,00,000
(March 2015 : 10,50,000 shares)		
Subscribed and Paid-up Capital:		
6,05,50,000 Equity shares of Rs. 10/- each	60,55,00,000	1,05,00,000
(March 2015 : 10,50,000 shares)		
Total	60,55,00,000	1,05,00,000

Particulars	Amount in ₹			
	March 2016		March 2015	
	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 period	10,50,000	1,05,00,000	50,000	5,00,000
Add : Fresh allotment of shares during the period :	5,95,00,000	59,50,00,000	10,00,000	100,00,000
Less : Shares bought back during the period	-	-	-	-
Number of equity shares outstanding	<u>6,05,50,000</u>	<u>60,55,00,000</u>	<u>10,50,000</u>	<u>1,05,00,000</u>
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)	6,05,50,000	60,55,00,000	10,50,000	1,05,00,000
Percentage of holding (%)	100	100	100	100
c) Shareholders holding more than 5 percent shares :				
Mahindra & Mahindra Financial Services Limited	6,05,50,000	60,55,00,000	10,50,000	1,05,00,000

2) Reserves & Surplus:

Particulars	Amount in ₹	
	March 2016	March 2015
Surplus:		
Balance Profit as per last Balance Sheet	(6,26,818)	(49,218)
Add : Loss for the current period transferred from Statement of Profit & Loss	(4,45,02,158)	(5,77,600)
Balance Loss carried to Balance Sheet	(4,51,28,976)	(6,26,818)
Less: Allocations & Appropriations:	-	-
Balance Loss as at the end of the period	(4,51,28,976)	(6,26,818)
Total	(4,51,28,976)	(6,26,818)

3) Long Term Provisions:

Particulars	Amount in ₹	
	March 2016	March 2015
Provision for employee benefits	6,12,018	-
Total	6,20,018	-

4) Trade Payables:

Particulars	Amount in ₹	
	March 2016	March 2015
Trade payables for expenses	15,76,223	16,854
Total	15,76,223	16,854

5) Other current liabilities:

Particulars	Amount in ₹	
	March 2016	March 2015
TDS Payable	13,56,306	-
Profession Tax Payable	4,000	-
Contribution to Provident Fund Payable	3,77,308	-
Total	17,37,614	-

6) Short Term Provisions:

Particulars	Amount in ₹	
	March 2016	March 2015
Provision for Employee Benefits	79,58,647	-
Provision for Expenses	76,857	-
Total	80,35,504	-

Note/Schedule: 7
Fixed Assets:

Amount in ₹

Asset Description	GROSS BLOCK AT COST			DEPRECIATION & AMORTISATION			NET BLOCK			
	Balance as at 1 st April, 2015	Additions for purchase/transfer	Deductions for Sale/transfer	Balance as at 31 st March, 2016	Balance as at 1 st April, 2015	Additions for purchase/transfer	Deductions for Sale/transfer	Balance as at 31 st March, 2016	Balance as at 1 st April, 2015	Balance as at 31 st March, 2016
i) Tangible Assets:										
Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Computers	-	143,824.00	-	143824.00	-	28440.00	-	28440.00	-	115384.00
Furniture and Fixtures	-	98291.00	-	98291.00	-	1772.00	-	1772.00	-	96519.00
Vehicles	-	2801569.00	-	2801569.00	-	315998.00	-	315998.00	-	2485571.00
Office Equipment	-	209838.00	-	209838.00	-	11308.00	-	11308.00	-	198530.00
Others (specify nature)	-	-	-	-	-	-	-	-	-	-
Total (i)	-	3253522.00	-	3253522.00	-	357518.00	-	357518.00	-	2896004.00
ii) Intangible Assets:										
Computer software	-	-	-	-	-	-	-	-	-	-
Any Other (specify)*	-	-	-	-	-	-	-	-	-	-
Total (ii)	-	-	-	-	-	-	-	-	-	-
Total (i+ii)	-	3253522.00	-	3253522.00	-	357518.00	-	357518.00	-	2896004.00

8) Long-term loans and advances:

Particulars	Amount in ₹	
	March 2016	March 2015
Capital Advance	23,12,500	23,12,500
Total	23,12,500	23,12,500

9) Current Investments:

Particulars	Amount in ₹	
	March 2016	March 2015
Unquoted (at cost)		
Investment in Schemes of Mutual Fund	55,69,66,355	74,80,386
Total (Market Value Rs 56,33,85,315)	55,69,66,355	74,80,386

10) Cash and bank balance:

Particulars	Amount in ₹	
	March 2016	March 2015
Balance with Scheduled Banks in Current Accounts	8,96,363	75,369
Total	8,96,363	75,369

11) Short-term loans and advances:

Particulars	Amount in ₹	
	March 2016	March 2015
Inter Corporate Deposits Given (MRHFL)	55,00,000	0
Total	55,00,000	0

12) Other Current Assets:

Particulars	Amount in ₹	
	March 2016	March 2015
Interest accrued on ICD's	2,51,297	0
Deposits for office premises/others	15,25,716	0
Prepaid Expenses	3,40,623	0
Service Tax Credit	12,84,897	21,781
Other Current Assets	2,32,322	0
TDS Receivable	1,26,306	0
Total	37,61,161	21,781

13) Other Income:

Particulars	Amount in ₹	
	March 2016	March 2015
Interest accrued on ICD's	2,79,219	-
Dividend Income Mutual Funds	1,15,62,860	80,386
Profit/Premium on Sale/Redemption of Investment	1,15,679	-
Total	1,19,57,758	-

14) Employee Benefit Expense:

Particulars	Amount in ₹	
	March 2016	March 2015
Salary, Bonus & Incentives	3,41,70,921	-
Company's Contribution to Provident Funds. & other funds	14,89,509	-
Staff Welfare	39,429	-
Total	3,56,99,859	-

15) Other Expenses:

Particulars	Amount in ₹	
	March 2016	March 2015
Electricity Charges	12,37,170	-
Rent Office Premises	48,78,796	-
Rates and Taxes	11,200	(3,708)
Repairs and Maintenance	74,973	-
Insurance	66,821	-
Legal and Professional Charges	11,97,467	44,050
Telephone Expenses	2,17,433	-
Directors sitting fees	2,40,000	50,000
Filing fees	8,39,200	42,790
Bank Charges	2,049	213
Travelling Expenses	4,87,094	42,031
Share Issue Expenses	73,40,000	4,67,610
Auditor Expenses	35,175	15,000
General Administration Expenses	3,52,178	0
Conference & Advertisement	96,167	0
Membership and Subscription	30,32,989	0
Software License Expenses	2,93,827	0
Total	20,402,539	657,986

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

Particulars	Amount in ₹	
	FY2015-16	FY 2014-15
Net Profit/(Loss) attributable to Equity Share Holders	(4,45,02,158)	(5,77,600)
Weighted Average Numbers of Shares (*)	3,30,07,313	53,879,500
EPS – (Basic)	(1.35)	(0.01)
EPS – (Diluted)	(1.35)	(0.01)

(*) The No of shares outstanding for previous year has been adjusted on account of issue of rights shares during the current year as per guidelines of AS-20.

17) Related Party Disclosure as per Accounting Standard 18:

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

Holding Company:	Mahindra & Mahindra Financial Services Limited
Fellow Subsidiary Companies:	Mahindra Rural Housing Finance Limited
Key Management Personnel:	Mr. Ashutosh Bishnoi

B) Related party transactions are as under:

Sr. No.	Nature of Transactions	₹ in Lacs		
		Holding Companies	Fellow Subsidiary Companies	Key Management Personnel
1	Interest Income on Inter Corporate Deposits given (Gross)	Mahindra Rural Housing Financial Ltd	2.79	(0.00)
2	Expenses	Mahindra and Mahindra Financial Services Ltd	9.83	(0.00)
	Salary Exp Reimbursement from parties		1.89	(0.00)
	Employee Benefit reimbursement to parties			
3	Issue of Equity Shares	Mahindra and Mahindra Financial Services Ltd	5950	(100)
4	Purchase of Fixed Assets	Mahindra and Mahindra Financial Services Ltd	11.35	(0.00)
5	Inter Corporate Deposits given (including interest accrued but not due)	Mahindra Rural Housing Financial Ltd	57.51	(0.00)
6	Remuneration to KMP's	Mr. Ashutosh Bishnoi		52.52
				(0.00)

Notes:

- Mr. Ashutosh Bishnoi has been appointed as Managing Director & CEO of the Company with Effect from 12th October 2015 on annual remuneration not exceeding ₹ 252.80 lacs. The company does not have profits for the year and hence has sought Central Government approval for remuneration being paid to Managing Director as required by Sections 197 to 200 of Companies Act, 2013. The remuneration is being paid within the limit specified as per the Provisions of Schedule V of the Companies Act, 2013.

- Figures in bracket represent corresponding figure of previous year.

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

(Rupees in Lacs)

Particulars	Amount in ₹		Gratuity	Sick Leave	Privilege Leave
	March 2016	March 2015	(Funded)	(Non-Funded)	(Non-Funded)
			Mar-16	Mar-15	Mar-16 Mar-15
i. Commitments					
a) Estimated amount of contracts remaining to be executed on capital account	29,47,500	23,12,500			
Total	29,47,500	23,12,500			

19) Employee Benefits

Defined Benefit Plans - As per Actuarial valuation.

(Rupees in Lacs)

Particulars	Gratuity (Funded)		Sick Leave (Non-Funded)		Privilege Leave (Non-Funded)	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
I. Expenses recognized in the Statement of Profit and Loss Account for the year ending 31st March						
1. Current Service Cost	3.23	-	1.23	-	11.78	-
2. Interest Cost	0.07	-	0.01	-	0.16	-
3. Expected Return on Plan assets	0.13	-	-	-	-	-
4. Actuarial (Gains)/Losses	(3.46)	-	(0.66)	-	(8.25)	-
5. Adjustment due to change in opening balance of plan assets	(0.00)	-	-	-	-	-
6. Fund Amount to be transferred From MMFSL Gratuity Fund	2.14	-	-	-	-	-
7. Total Expenses	1.98	-	0.58	-	3.69	-
II. Net asset/(liability) recognised in the Balance Sheet as at 31st March						
1. Present Value of Defined Benefit obligation as 31 st March	1.98	-	0.58	-	3.69	-
2. Fair value of plan assets as at 31 st March	6.50	-	-	-	-	-
3. Funded status (surplus/(deficit))	4.52	-	(0.58)	-	(3.69)	-
4. Net asset/(liability) as at 31 st March	4.52	-	(0.58)	-	(3.69)	-
III. Change in the obligations during the period ending 31st March						
1. Present Value of Defined Benefit Obligation at the beginning of the year	-	-	-	-	-	-
2. Transfer of Projected Benefit obligation from MMFSL	2.14	-	-	-	-	-
3. Current Service Cost	3.23	-	1.23	-	11.78	-
4. Interest Cost	0.07	-	0.01	-	0.16	-
5. Actuarial (Gains)/Loss	(3.46)	-	(0.66)	-	(8.25)	-
6. Benefits Paid	-	-	-	-	-	-
7. Present Value of Defined Obligation at the end of the year	1.98	-	0.58	-	3.69	-
IV. Major category of plan assets as a percentage of total plan						
1. Fair value of plan assets at the beginning of the year	-	-	-	-	-	-
2. Expected Return on Plan assets	0.13	-	-	-	-	-
3. Contributions by employer	6.50	-	-	-	-	-
4. Actuarial Gains/(Losses)	(0.13)	-	-	-	-	-
5. Actual Benefits paid	0.00	-	-	-	-	-
6. Fair value of plan assets at the end of the period	-	-	-	-	-	-
V. Major category of plan assets as a percentage of total plan						
Funded with LIC	100%	-	-	-	-	-
VI. Actuarial Assumptions						
1. Discount Rate	8%	-	8%	-	8%	-
2. Expected Rate of return on plan assets	8%	-	-	-	-	-
3. Rate of Salary increase	5%	-	5%	-	5%	-
4. In-service Mortality	Indian Assured lives Mortality (2006-08) Ultimate	-	-	-	-	-
Experience Adjustments:						
					Year Ended 31st March (₹ In lacs)	
					2016	2015
1. Defined benefit obligations at end of the period					1.98	-
2. Plan assets at the end of period					6.50	-
3. Funded Status Surplus/(Deficit)					4.52	-
4. Experience adjustments on plan liabilities (gain)/loss					(3.46)	-
5. Experience adjustments on plan assets gain/(loss)					-	-
Note: During the year certain employees of Mahindra & Mahindra Financial Services Limited (MMFSL) were transferred to the payroll of the Company						
Signatures to Significant accounting policies and Notes to the financial statements – I and II						
For B. K. KHARE & CO.						
Chartered Accountants	V. Ravi		Ashutosh Bishnoi			
	Chairman		Managing Director & CEO			
	Sethu Gururajan		Gautam Divan			
	Director		Director			
	Padmini Khare Kaicker		Rajesh Vasudevan			
	Partner		Chief Financial Officer			
	Membership No. 44784					
	Abhijeet Gogate					
	Company Secretary					
Place : Mumbai						
Date : 12 th April, 2016						