

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present their Seventeenth Report together with the financial statements of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Particulars	(Amount in ₹)	
	For the year ended 31 st March, 2016	For the year ended 31 st March, 2015
Income	18,95,20,341	16,71,93,925
Profit before Depreciation and Tax	8,77,22,312	2,72,63,692
Less: Depreciation	7,48,431	13,74,116
Profit before Taxation	8,69,73,881	2,58,89,576
Less: Provision for Taxation		
Current Tax	3,08,07,509	2,71,49,660
Deferred Tax	(4,56,818)	(1,86,37,082)
Profit after Taxation	5,66,23,190	1,73,76,998
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life	-	11,21,808
Balance of Profit carried forward	5,66,23,190	1,62,55,190
Net Worth	50,17,72,764	44,51,49,574

No material changes and commitments have occurred after the closure of the year under review till the date of this report which would affect the financial position of the Company.

OPERATIONS

In the current year, the Company has rendered operation and maintenance services for the plant and facilities of New Tirupur Area Development Corporation Limited (NTADCL) at Tirupur under the operations and maintenance agreement. The Company consistently maintained high quality standards in its operations. As in the previous year, the water off-take this year too saw a steady improvement.

Your Company's income has gone up from Rs.1671.94 Lakhs to Rs.1895.20 Lakhs, recording an increase of 13% over the previous year and the Profit after Tax has increased from Rs.173.77 Lakhs to Rs.566.23 Lakhs.

DIVIDEND

With a view to conserve cash resources for the future growth of your Company, the Directors deem it prudent not to recommend a dividend for the year.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was Rupees 10 Lakhs divided into 1,00,000 Equity Shares of Rs. 10/- each. During the year under review the Company has not issued any shares or any convertible instruments.

The Company has on 29th April, 2015 entered into a Share Purchase Agreement with Mahindra Infrastructure Developers Limited, United Utilities International Limited and United Utilities Overseas Holdings Limited in order to enable Mahindra Infrastructure Developers Limited to purchase 48,999 Shares from United Utilities International Limited.

Accordingly, your Company has become the subsidiary Company of Mahindra Infrastructure Developers Limited with effect from 27th July, 2015.

BOARD OF DIRECTORS

Composition:

Sr. No.	Name of Director & DIN	Designation	Executive/ Non Executive	Independent/ Non Independent
1.	Narayan Shankar (DIN: 00109111)	Director	Non Executive	Non Independent
2.	Sundaram Venkatraman (DIN: 00077193)	Director	Non Executive	Non Independent
3.	Srinath Ramamurthy (DIN: 07063293)	Director	Non Executive	Non Independent

Mr. Sundaram Venkatraman (DIN: 00077193) retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

Mr. Simon Roger Gardiner (DIN: 03164125) resigned from the Board with effect from 29th April, 2015.

Your Directors place on record sincere appreciation of the valuable contribution made by Mr. Simon Roger Gardiner.

MEETINGS

The Board of Directors met four times during the year under review viz., on 29th April, 2015, 27th July, 2015, 19th October, 2015, and 25th January, 2016. The maximum interval between any two meetings did not exceed 120 days.

The attendance at the Meeting of the Board was as follows:

Name of the Director	No. of Meetings attended out of 4
Mr. Narayan Shankar	4
Mr. Sundaram Venkatraman	3
Mr. Srinath Ramamurthy#	3
Mr. Simon Gardiner*	1

#Appointed with effect from 29th April, 2015.

*Resigned with effect from 29th April, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) of the Companies Act, 2013, your Directors based on the representation received from the Operating Management and after due enquiry, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed;
- (b) That such accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31st March, 2016 and of the profit of the Company for the financial year ended on that date;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts have been prepared on a going concern basis; and
- (e) That proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODES OF CONDUCT

Your Company has in place Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of Company's ethos.

Your Company has for the year under review, received declarations under the Codes from the Directors, Senior Management Personnel and Employees affirming compliance with the respective Codes.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors of the Company presently comprises of Mr. Narayan Shankar and Mr. S. Venkatraman.

The Corporate Social Responsibility Committee met once during the year under review viz., on 25th January, 2016, which was attended by both the members.

CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company has adopted Corporate Social Responsibility (CSR) Policy, as formulated and recommended by the Corporate Social Responsibility Committee, in accordance with the provisions of Companies Act, 2013.

The objective of this policy is to promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact. The Policy also seeks to ensure an increased commitment at all levels in the organisation, by encouraging employees to

participate in the Company's CSR and give back to society in an organised manner.

Annual Report on Corporate Social Responsibility activities of the Company is furnished in Annexure I and forms part of this Report.

RISK MANAGEMENT POLICY

Your Company has formulated a Risk Management Policy including therein identification of elements of risk which in the opinion of Board may threaten the existence of the Company. Your Company's risk management policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

Implementation of Risk Management Policy is expected to be helpful in managing the risks associated with business of the Company.

KEY MANAGERIAL PERSONNEL

Your Company is not required to appoint any Key Managerial Person as it does not fall in the class of Companies which shall have whole-time key managerial personnel in accordance with Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, were appointed as Auditors for a period of 5 years i.e. from the conclusion of the Fifteenth Annual General Meeting until the conclusion of the Twentieth Annual General Meeting subject to ratification by the Members of the Company at every Annual General Meeting. In view of the same ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. The Board of Directors of the Company recommends ratification of their appointment at the ensuing Annual General Meeting of the Company.

M/s. Deloitte Haskins & Sells, Chartered Accountants, have given written consent to act as Statutory Auditor of your Company if their appointment is ratified and have also confirmed that the said appointment would be in conformity with the provisions of Sections 139 and Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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

REPORTING OF FRAUDS BY AUDITOR

During the year under review, the Statutory Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Board under section 143 (12) of the Companies Act 2013, details of which need to be mentioned in this report.

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

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo,

as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Account) Rules, 2014 is furnished in Annexure II and forms part of this Report.

PARTICULARS OF PUBLIC DEPOSITS, LOANS, GUARANTEES OR INVESTMENTS

Your Company has not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) and 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V applicable to the ultimate Parent Company Mahindra and Mahindra Limited.

Your Company has neither given any loans, guarantee or provided any security in connection with a loan nor made any investments covered under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no contracts/ arrangements / transactions entered, into by the Company, with related parties referred to in sub section 1 of Section 188 of Companies Act, 2013, and Rules made thereunder during the year under review.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT 9 is provided as Annexure III which forms part of this Report.

INTERNAL CONTROLS

Your Company has an adequate system of internal controls and monitoring procedures as well as internal financial controls on financial statements commensurate with the size and the nature of its business. Besides the Company regularly conducts reviews to assess the adequacy of financial and operating controls for various businesses of the Company. Significant issues, if any, are brought to the attention of the Board.

SAFETY, HEALTH AND ENVIRONMENTAL PERFORMANCE

Your Company's commitment towards safety, health and environment is being continuously enhanced and persons working at all locations are given adequate training on safety and health. The requirements relating to various environmental legislations and environment protection have been duly complied with by your Company.

SUSTAINABILITY

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

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year under review no complaints were received under the The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as they were not applicable to your Company during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
3. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
4. 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.
5. Disclosure of remuneration of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, since your Company is an unlisted Company.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors, all the other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Narayan Shankar
Director
(DIN: 00109111)

S. Venkatraman
Director
(DIN: 00077193)

Mumbai, 25th April, 2016

ANNEXURE I TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

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

The objective of your Company's CSR policy is to –

- Promote a unified and strategic approach to CSR across the Company by incorporating under one 'Rise for Good' umbrella the diverse range of its philanthropic giving, identifying select constituencies and causes to work with, thereby ensuring a high social impact.
- Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner.

During the year under review your Company has contributed to CSR through one Implementation Agency viz;

- K C Mahindra Education Trust: Providing education support to 500 girl children

- (2) The Composition of the CSR Committee.

Mr. Narayan Shankar

Mr. S. Venkatraman

- (3) Average net profit of the company for last three financial years (in lakhs): 589.13

- (4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)(in lakhs): 11.78

- (5) Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year (in lakhs)- 11.78

(b) Amount unspent, if any- NIL

(c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	Particulars	Amt in Rs (1)	Amt in Rs TOTAL
(1)	CSR project or activity identified	Contribution to K.C. Mahindra Education Trust	
(2)	Sector in which the project is covered	Education of the girl child	
(3)	Projects or programme		
	(1) Local area or other	Other	
	(2) Specify the state and district where projects or programs were undertaken	Chhattisgarh	
(4)	Amount outlay (budget project or programme wise	12,00,000	12,00,000
(5)	Amount spent on the project or programme Sub Heads;		
	(1) Direct expenditure on projects or programmes	12,00,000	12,00,000
	(2) Overheads	--	--
(6)	Cumulative expenditure up to the reporting period	12,00,000	12,00,000
(7)	Amount Spent direct or through implementing agency	Paid to implementing Agency – K.C. Mahindra Education Trust	

*Details of implementing agency:

- (1) K C Mahindra Education Trust: Providing education support to girl child

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

- (7) Your Company's CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board

Narayan Shankar
Director
(DIN: 00109111)

S. Venkatraman
Director
(DIN: 00077193)

Mumbai, 25th April, 2016

ANNEXURE II TO THE DIRECTORS' REPORT

PARTICULARS AS PER RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

(A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy:

Though the activities of the Company are not power intensive, various measures are taken to contain and bring about saving in power consumption through improved operational methods, better house-keeping and awareness programs.

- (ii) the steps taken by the company for utilizing alternate sources of energy: Not Applicable
- (iii) the capital investment on energy conservation equipment: 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) : 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: Nil

The Foreign Exchange outgo during the year in terms of actual outflows: Nil

For and on behalf of the Board

Narayan Shankar Director (DIN: 00109111)	S. Venkatraman Director (DIN: 00077193)
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Mumbai, 25th April, 2016

ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURNas on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN:-	U45205MH1999PLC121235
2	Registration Date	10/08/1999
3	Name of the Company	MAHINDRA WATER UTILITIES LIMITED
4	Category/Sub-Category of the Company	Company Limited by Shares (Indian Non-Government Company)
5	Address of Registered office and contact details	Gateway Building, Apollo Bunder, Mumbai, Maharashtra. Tel: +9122 22021031 Fax: +9122 22875485
6	Whether listed Company	No
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

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 product/services	NIC Code of the Product/service	% to total turnover of the company
1	Operation & Maintenance of water collection, treatment & distribution	36000	100%

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 Infrastructure Developers Limited* Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	U45201MH2001PLC131942	Holding	98.99	2(46)
2.	Mahindra Lifespace Developers Limited* Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	L45200MH1999PLC118949	Intermediate holding	–	2(46)
3.	Mahindra and Mahindra Limited* Gateway Building , Apollo Bunder, Mumbai 400001	L65990MH1945PLC004558	Ultimate holding	–	2(46)

*with effect from 27th July, 2015.

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.	–	–	–	–	–	–	–	–	–

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. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp.	-	50,000*	50,000*	50%	-	98999	98999	99	49
e. Bank/Fl	-	-	-	-	-	-	-	-	-
f. Any Other...	-	-	-	-	-	-	-	-	-
Sub-Total A-(1)	-	50,000*	50,000*	50%	-	98999	98999	99	49
2. Foreign	-	-	-	-	-	-	-	-	-
a. NRIs-Individuals	-	-	-	-	-	-	-	-	-
b. Other-Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corp.	-	50,000	50,000	50%	-	1001	1001	1%	49
d. Banks/Fl	-	-	-	-	-	-	-	-	-
e. Any Others...	-	-	-	-	-	-	-	-	-
Sub Total-A (2):-	-	50,000	50,000	50%	-	1001	1001	1%	49
Total shareholding of Promoter (A)= (A)(1) + (A)(2)	-	1,00,000	1,00,000	100%	-	1,00,000	1,00,000	100%	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Body Corp. (i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1,00,000	1,00,000	100%	-	1,00,000	1,00,000	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 Infrastructure Developers Limited	49,994	50%	–	98993	99	–	49
2.	Mahindra Infrastructure Developers Limited jointly with Mr. M. A. Nazareth**	1	0.00%	–	1	0.00%	–	–
3.	Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman**	1	0.00%	–	1	0.00%	–	–
4.	Mahindra Infrastructure Developers Limited jointly with Mr. A. K. Nanda**	1	0.00%	–	1	0.00%	–	–
5.	Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar**	1	0.00%	–	1	0.00%	–	–
6.	Mahindra Infrastructure Developers Limited jointly with Mr. Suhas Kulkarni**	1	0.00%	–	1	0.00%	–	–
7.	Mahindra Infrastructure Developers Limited jointly with Mr. Roshan Gandhi**	1	0.00%	–	1	0.00%	–	–
8.	United Utilities International Limited	50,000	50%	–	1001	1%	–	49
	Total	1,00,000	100%	–	1,00,000	100%	–	–

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

Sr. No.		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				
1.	Mahindra Infrastructure Developers Limited	50000*	50%		
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	48999	49%	98999*	99%
	Transfer of Shares from United Utilites International Limited on 29th April, 2015.				
	At the end of the year			98999*	99%
2.	United Utilities International Limited	50000	50%	50000	50%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	48999	49%	1001	1%
	Transfer of shares to Mahindra Infrastructure Developers Limited on 29th April, 2015.				
	At the end of the year			1001	1%

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

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of 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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable		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:

Sr. 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
	At the beginning of the year	–	–	–	–
	Directors				
1	Mr. Sundaram Venkatraman**	1	0.00%	1	0.00%
2	Mr. Narayan Shankar**	1	0.00%	1	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the end of the year	No Change	No Change	No Change	No Change

* Includes 6 shares held by nominees of Mahindra Infrastructure Developers Limited jointly with Mahindra Infrastructure Developers Limited.

** Jointly held with Mahindra Infrastructure Developers Limited to comply with the statutory provisions of Companies Act with regard to minimum number of members.

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
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) Income Tax Act, 1961		–
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		–
2.	Stock Option		–
3.	Sweat Equity		–
4.	Commission		
	– As % of Profit		–
	– Others, specify...		–
5.	Others, please specify		–
	Total (A)		–
	Ceiling as per the Act		–

B. Remuneration of other directors:

Particulars of Remuneration	Name of Directors				Total Amount
	Mr. Narayan Shankar	Mr. Sundaram Venkatraman	Mr. Simon Roger Gardiner (upto 29 th April, 2015)	Mr. Srinath Ramamurthy (from 29 th April, 2015)	
1. Independent Directors					
• Fee for attending board/committee meetings	–	–	–	–	–
• Commission	–	–	–	–	–
• Others, please	–	–	–	–	–
Total (1)	–	–	–	–	–
2. Other Non-Executive Directors					
• Fee for attending board/committee meetings	–	30,000	–	–	30,000
• Commission	–	–	–	–	–
• Others, please specify	–	–	–	–	–
Total (2)	–	30,000	–	–	30,000
Total B = (1+2)	Nil	30,000	Nil	Nil	30,000
Total Managerial Remuneration	–	30,000	–	–	30,000
Overall Ceiling as per the Act					

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel	Total
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) Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	–	–
2.	Stock option	–	–
3.	Sweat Equity	–	–
4.	Commission		
	– As % of profit	–	–
	– others, specify	–	–
5.	Others, please specify	–	–
	Total	–	–

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	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board

Narayan Shankar
Director
(DIN: 00109111)

S. Venkatraman
Director
(DIN: 00077193)

Mumbai, 25th April, 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Water Utilities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, 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 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 prescribed under Section 133 of the Act, as applicable. 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 financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 auditors' 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.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

7. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 21 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Ketan Vora
Partner
Membership No. 100459

Mumbai, 25th April, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 7(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended 31st March, 2016)

Report on the Internal Financial Controls Over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mahindra Water Utilities Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
Firm’s Registration No. 117364W

Ketan Vora
Partner
Membership No. 100459

Mumbai, 25th April, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 8 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of Mahindra Water Utilities Limited on the financial statements for the year ended 31st March, 2016).

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees to which Sections 185 and 186 of the Act apply, and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company’s business/activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, Value Added Tax and other material statutory dues applicable to it to the appropriate authorities. We have been informed that the provisions of Customs Duty, Excise Duty, Sales Tax, Value Added Tax and Cess are not applicable to the Company for the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Service Tax, and other material statutory dues in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable. We have been informed that the provisions of Sales Tax, Customs Duty, Excise Duty, Value Added Tax and Cess are not applicable to the Company for the year.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved ₹	Amount Unpaid ₹
Income Tax Act, 1961	Income tax and interest, penalties	Appellate Authority – Bombay High Court	FY 2006-07	2,471,948	1,615,031
		Appellate Authority – Bombay High Court	FY 2007-08	2,654,400	2,654,400
		Appellate Authority – Commissioner (Appeals)	FY 2008-09	5,764,820	5,764,820
		Appellate Authority – Asst. Commissioner (CPC)	FY 2009-10	2,099,010	2,099,010
		Appellate Authority – Asst. Commissioner (CPC)	FY 2011-12	87,260	87,260
		Appellate Authority – Asst. Commissioner (CPC)	FY 2012-13	598,430	598,430
Income Tax Act, 1961	Income tax and interest, penalties	Appellate Authority – Assessing Officer	FY 2013-14	48,040	48,040
Service Tax Laws	Service Tax	Appellate Authority – Tribunal Level	FY 2003-04 to 2008-09	8,939,479	8,939,479

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not appointed any Key management personnel and hence the provisions of Section 197 of the Act do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 117364W

Ketan Vora
Partner
Membership No. 100459

Mumbai, 25th April, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at	
		31 st March, 2016	31 st March, 2015
		₹	₹
A. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	1,000,000	1,000,000
(b) Reserves and surplus	4	<u>500,772,764</u>	<u>444,149,574</u>
		501,772,764	445,149,574
Non-Current Liabilities			
(a) Long-term provisions	5	5,364,139	4,086,970
Current Liabilities:			
(a) Trade payables			
– total outstanding dues of micro enterprises and small enterprises	24	–	–
– total outstanding dues of creditors other than micro enterprises and small enterprises		26,520,939	44,898,168
(b) Other current liabilities	6	12,780,449	10,508,029
(c) Short-term provisions	7	<u>15,489,610</u>	<u>16,021,995</u>
		54,790,998	71,428,192
TOTAL		<u>561,927,901</u>	<u>520,664,736</u>
B. ASSETS			
Non-Current Assets:			
(a) Fixed assets			
– Tangible assets	8	3,095,861	1,655,629
(b) Deferred tax assets (net)	26	21,990,758	21,533,940
(c) Long-term loans and advances	9	13,938,423	15,422,848
(d) Other non-current assets	10	<u>331,375,063</u>	<u>256,457,435</u>
		370,400,105	295,069,852
Current Assets:			
(a) Current investments	11	280,962	267,536
(b) Trade receivables	12	100,300,000	160,300,000
(c) Cash and bank balances	13	83,617,059	60,418,383
(d) Short-term loans and advances	14	3,820,126	3,242,953
(e) Other current assets	15	<u>3,509,649</u>	<u>1,366,012</u>
		191,527,796	225,594,884
TOTAL		<u>561,927,901</u>	<u>520,664,736</u>
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Firm's Registration No.: 117364W

Ketan Vora

Partner

Membership No.: 100459

Place: Mumbai

Date : 25th April, 2016**For and on behalf of the Board of Directors****S. Venkatraman** Director (DIN: 00077193)**Narayan Shankar** Director (DIN: 00109111)

Place: Mumbai

Date : 25th April, 2016

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

Particulars	Note No.	For the	For the
		year ended 31 st March, 2016	year ended 31 st March, 2015
		₹	₹
I. Revenue from operations	16	164,993,172	164,844,614
II. Other Income	17	24,527,169	2,349,311
III. Total Revenue (I + II)		<u>189,520,341</u>	<u>167,193,925</u>
IV. Expenses:			
(a) Employee benefits expense	18	54,029,736	48,181,817
(b) Finance costs	19	626,617	991,549
(c) Depreciation expense	8	748,431	1,374,116
(d) Other expenses	20	47,141,676	90,756,867
Total expenses		<u>102,546,460</u>	<u>141,304,349</u>
V. Profit before tax (III - IV)		86,973,881	25,889,576
VI. Tax expense:			
(a) Current tax		29,863,721	27,149,660
(b) Short provision for tax relating to prior years		943,788	–
(c) Deferred tax credit		(456,818)	(18,637,082)
		<u>30,350,691</u>	<u>8,512,578</u>
VII. Profit for the year (V - VI)		56,623,190	17,376,998
VIII. Earnings per equity share (of Rs. 10 each)	25		
(a) Basic		566.23	173.77
(b) Diluted		566.23	173.77
See accompanying notes forming part of the financial statements	1-32		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)

Narayan Shankar Director (DIN: 00109111)

Place: Mumbai
Date : 25th April, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31 st March, 2016		For the year ended 31 st March, 2015	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Profit before tax		86,973,881		25,889,576
Adjustments for:				
Depreciation	748,431		1,374,116	
Gain on sale of assets	(240,000)		–	
Finance Cost	626,617		991,549	
Liabilities no longer payable written back	(18,984,584)		–	
Dividend Income on current investment	(13,426)		(14,775)	
Interest Income	(5,289,159)	(23,152,121)	(2,193,824)	157,066
Operating Profit before Working Capital changes		63,821,760		26,046,642
Changes in:				
Trade and other receivables	(14,925,878)		38,506,907	
Loan and advances	(568,923)		(485,770)	
Trade and other payables	5,512,004	(9,982,797)	(3,167,489)	34,853,648
Cash generated from operations		53,838,963		60,900,290
Income-tax paid (net of refunds)		(31,159,049)		(18,555,353)
NET CASH GENERATED FROM OPERATING ACTIVITIES		22,679,914		42,344,937
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(2,193,394)		(191,918)	
Sale of fixed Assets	244,731		–	
Interest received	3,145,522		1,121,730	
Increase in other bank deposits and Margin account	(646,372)		(4,765,176)	
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		550,487		(3,835,364)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance costs paid	(678,097)		(930,371)	
Repayment of borrowings	–		(8,000,000)	
NET CASH USED IN FINANCING ACTIVITIES		(678,097)		(8,930,371)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		22,552,304		29,579,202
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		52,213,920		22,634,718
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		74,766,224		52,213,920

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

Notes:

1. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 'Cash Flow Statement'.

	As at 31st March, 2016	As at 31st March, 2015
	₹	₹
2. Cash and cash equivalents	74,766,224	52,213,920
Add: Other bank balances	8,850,835	8,204,463
Cash and Bank balances (Note 13)	<u>83,617,059</u>	<u>60,418,383</u>

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)
Narayan Shankar Director (DIN: 00109111)

Place: Mumbai
Date : 25th April, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Corporate information:

Mahindra Water Utilities Limited (the Company) is a public company incorporated in India on 10th August, 1999 under the provisions of Companies Act, 1956. The Company is engaged in operation & maintenance of water and sewage system for M/s. New Tirupur Area Development Corporation Limited, Tirupur. The Company is a subsidiary of Mahindra Infrastructure Developers Limited.

Note 2. Significant accounting policies:

a. Basis for preparation of financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with the relevant Rules thereunder and the relevant provisions of the Companies Act, 2013 as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates:

The preparation of financial statements, in conformity with Indian GAAP, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known/materialised.

c. Fixed assets and depreciation:

- Fixed Assets are carried at cost less depreciation and impairment losses, if any. Costs comprise purchase price and attributable costs, if any.
- Depreciation on assets is calculated on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing individually less than ₹ 5,000 is fully depreciated in the year of purchase.

d. Investments:

Current investments are carried at lower of cost and fair value.

e. Revenue recognition:

- Income for services is accounted for as and when services are rendered as per terms of the agreement and there exists no significant uncertainty as to ultimate realisation.
- Interest income is accounted on time proportion basis, and there exists no significant uncertainty as to ultimate realisation. Dividend income is accounted for when the right to receive it, is established.

f. Translation of foreign currency:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year, is recognized as income or expense, as the case may be, in the Statement of Profit and Loss.

g. Employee benefits:

Defined contribution plan – Company's contributions paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are recognised in the statement of profit & loss.

Defined benefit plan – Company's liability towards gratuity and compensated absences are determined by an independent actuary using the projected unit credit method. Actuarial gains & losses are recognised immediately in the statement of profit & loss as income or expense. Obligation is measured at the present value of estimated future cash flows using the discounted rate that is determined by reference to the market yields at the balance sheet date on government bonds where

the currency and the terms of the government bonds are consistent with the currency and the estimated terms of the defined benefit obligation.

h. Lease:

In respect of operating lease, lease payments are recognised as expense on a straight line basis over the lease term.

i. Taxes on income:

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

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

j. Contingent liabilities:

Contingent liabilities, if any, are disclosed in the notes to the financial statements. Provision is made in the accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Note 3. Share capital:

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Nos	₹	Nos	₹
Authorised shares:				
Equity Shares of ₹ 10 each	100,000	1,000,000	100,000	1,000,000
	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>
Issued, subscribed and fully paid-up shares:				
Equity Shares of ₹ 10 each	100,000	1,000,000	100,000	1,000,000
	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity:	As at 31 st March, 2016		As at 31 st March, 2015	
	Nos	₹	Nos	₹
Opening Balance	100,000	1,000,000	100,000	1,000,000
Closing Balance	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shares held by the holding company:

As at March 31, 2016, 98,999 equity shares are held by Mahindra Infrastructure Developers Limited, the holding Company.

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	98,999	99%	50,000	50%
United Utilities International Limited	*	*	50,000	50%

*Holding is less than 5%, hence not disclosed.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 4. Reserves and surplus:

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
	₹	₹
Surplus in the statement of profit and loss		
Opening balance	444,149,574	427,894,384
Less: Depreciation on account of transition to Schedule II to the Companies Act, 2013 net of Deferred tax: Nil. (Previous year ₹ 538,777)	-	(1,121,808)
Add: Profit for the year	56,623,190	17,376,998
Closing balance	500,772,764	444,149,574

Note 5. Long-term provisions:

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
	₹	₹
Provision for employee benefits		
- Provision for compensated absences	5,364,139	4,086,970
	5,364,139	4,086,970

Note 6. Other current liabilities:

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
	₹	₹
Security deposits received	255,000	255,000
Statutory remittances	2,437,464	1,266,136
Payable to employees	9,625,351	8,472,779
Interest payable	462,634	514,114
	12,780,449	10,508,029

Note 7. Short-term provisions:

Particulars	As at	As at
	31 st March, 2016	31 st March, 2015
	₹	₹
Provision for employee benefits		
- Provision for compensated absences	1,613,337	309,757
Provision for income tax [net of advance tax ₹ 46,143,375/- (As at 31 st March, 2015 ₹ 42,482,338/-)]	13,876,273	15,712,238
	15,489,610	16,021,995

Note 8. Fixed Assets:

	Gross Block				Depreciation					Net Block
	01 st April, 2015	Addition	Disposal	31 st March, 2016	01 st April, 2015	Transitional adjustments	For the year	Disposal/ adjustments	31 st March, 2016	31 st March, 2016
1. Plant and Equipment	1,374,915 (1,200,247)	431,093 (174,668)	4,866 (-)	1,801,142 (1,374,915)	545,521 (431,790)	- (-)	123,928 (113,731)	134 (-)	669,315 (545,521)	1,131,827 (829,394)
2. Furniture and Fixtures	2,827,859 (2,823,609)	84,400 (4,250)	- (-)	2,912,259 (2,827,859)	2,476,333 (1,732,837)	- (19,515)	142,214 (723,981)	- (-)	2,618,547 (2,476,333)	293,712 (351,526)
3. Vehicles	8,140,847 (8,140,847)	1,568,436 (-)	761,800 (-)	8,947,483 (8,140,847)	7,753,721 (6,426,150)	- (851,772)	425,981 (475,799)	761,800 (-)	7,417,902 (7,753,721)	1,529,581 (387,126)
4. Office equipment	1,732,570 (1,719,570)	3,610 (13,000)	- (-)	1,736,180 (1,732,570)	1,653,409 (830,574)	- (766,442)	40,149 (56,394)	- (-)	1,693,558 (1,653,410)	42,622 (79,160)
5. Computer	3,818,152 (3,818,152)	105,855 (-)	56,320 (-)	3,867,687 (3,818,152)	3,809,729 (3,782,662)	- (22,856)	16,159 (4,211)	56,320 (-)	3,769,568 (3,809,729)	98,119 (8,423)
Total	17,894,343	2,193,394	822,986	19,264,751	16,238,713	-	748,431	818,254	16,168,890	3,095,861
Previous year	(17,702,425)	(191,918)	(-)	(17,894,343)	(13,204,013)	(1,660,585)	(1,374,116)	(-)	(16,238,714)	(1,655,629)

(Previous year's figures are in brackets)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9. Long-term loans and advances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Other loans and advances		
– Unsecured, considered good		
Advance income tax including fringe benefit tax [net of provision for taxation ₹ 172,781,630/- (As of 31 st March, 2015, ₹ 166,549,638)]	13,919,423	15,403,848
Deposit	19,000	19,000
	<u>13,938,423</u>	<u>15,422,848</u>

Note 10. Other non-current assets:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
(a) Trade receivables		
Trade receivables outstanding for less than six months from the date they are due for payment		
Unsecured, considered good	73,408,227	91,425,046
Trade receivables outstanding for more than six months from the date they are due for payment		
Unsecured, considered good	257,257,231	164,314,534
Doubtful	57,871,519	57,871,519
	<u>388,536,977</u>	<u>313,611,099</u>
Less: Provision for doubtful debts	(57,871,519)	(57,871,519)
	<u>330,665,458</u>	<u>255,739,580</u>
(b) Gratuity Plan Asset (net) [Refer Note 22]	709,605	717,855
	<u>331,375,063</u>	<u>256,457,435</u>

Note 11. Current investments:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Investment in others:		
Unquoted – at lower of cost and fair value 28,006.615 Units (Previous year 26,669.626) of HDFC Cash Management Fund of ₹ 10/- each fully paid up	280,962	267,536
	<u>280,962</u>	<u>267,536</u>

Note 12. Trade receivables:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Trade receivables outstanding for less than six months from the date they are due for payment		
Unsecured, considered good	300,000	300,000
Trade receivables outstanding for more than six months from the date they are due for payment		
Unsecured, considered good	100,000,000	160,000,000
	<u>100,300,000</u>	<u>160,300,000</u>

Note 13. Cash and bank balances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Cash and cash equivalents		
Balances with banks		
In current accounts	2,021,224	1,378,920
Deposits with original maturity for less than 3 months	72,745,000	50,835,000
	<u>74,766,224</u>	<u>52,213,920</u>
Other Bank Balances		
Deposits with original maturity for more than 3 months	8,146,372	7,500,000
In margin accounts	704,463	704,463
	<u>8,850,835</u>	<u>8,204,463</u>
	<u>83,617,059</u>	<u>60,418,383</u>

Note 14. Short-term loans and advances:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Security deposits		
– Unsecured, considered good	220,000	220,000
Other loans and advances		
– Unsecured, considered good		
Service Tax Receivable	3,400,126	3,022,953
Other Recoverables	200,000	–
	<u>3,820,126</u>	<u>3,242,953</u>

Note 15. Other current assets:

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Others:		
Interest accrued on term deposits	3,509,649	1,366,012
	<u>3,509,649</u>	<u>1,366,012</u>

Note 16. Revenue from operations:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Income from services	162,000,000	162,000,000
Income from ancillary services	2,993,172	2,844,614
	<u>164,993,172</u>	<u>164,844,614</u>

Note 17. Other income:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Interest on bank deposits	5,289,159	2,193,824
Dividend on current investments	13,426	14,775
Exchange fluctuation – gain	–	136,933
Liabilities no longer payable written back	18,984,584	–
Gain/(Loss) on sale of Assets	240,000	–
Miscellaneous income	–	3,779
	<u>24,527,169</u>	<u>2,349,311</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
Note 18. Employee benefits expense:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Salaries, wages, bonus, etc	49,803,115	44,534,740
Contribution to provident & other funds	2,556,020	2,149,252
Staff welfare	1,670,601	1,497,825
	<u>54,029,736</u>	<u>48,181,817</u>

Note 19. Finance costs:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Interest on delayed/deferred payment of income tax	462,634	514,114
Interest on delayed/deferred payment of service tax	163,983	15,861
Interest on Inter corporate deposits	–	461,574
	<u>626,617</u>	<u>991,549</u>

Note 20. Other expenses:

Particulars	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Rent	299,100	264,000
Rates & taxes	611,880	382,125
Repairs and maintenance:		
(a) Plant & equipments	934,416	1,186,867
(b) Vehicles	1,283,731	1,184,428
(c) Others	412,882	287,825
Legal and professional charges	411,016	1,146,987
Security and service charges	29,185,637	18,221,242
Travelling expenses	364,119	379,256
Printing and stationery	627,951	752,910
Insurance	1,754,768	1,564,617
Postage and telephone	919,664	898,558
Payment to auditors [Refer note (i) below]	1,151,053	903,210
Vehicle running expense	6,154,229	6,128,357
Expenditure for CSR (Donation)	1,200,000	1,500,000
Provision for doubtful debts	–	54,342,420
Director's fee	30,000	–
Miscellaneous expenses	1,801,230	1,614,065
	<u>47,141,676</u>	<u>90,756,867</u>

Note (i)

	For the Year ended 31 st March, 2016 ₹	For the Year ended 31 st March, 2015 ₹
Payment to auditors (net of service tax input credit)		
For Statutory audit	820,000	600,000
For Certification and other services	330,000	300,000
For Out of pocket expenses	1,053	3,210
	<u>1,151,053</u>	<u>903,210</u>

Note 21. Contingent liabilities

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Items in respect of which the Company has succeeded in appeal, but the Service Tax Department is pursuing an appeal	8,939,479	9,018,138
Income tax demands disputed for various assessment years, on account of disallowance of certain expenses, where the Company has preferred appeal with the higher authorities	10,891,168	10,978,088
	<u>19,830,647</u>	<u>19,996,226</u>

In respect of items mentioned above the timing of outflow of economic benefits cannot be ascertained.

Note 22. The disclosures as required under Accounting Standard 15 (AS-15) on "Employee Benefits (Revised)" regarding Gratuity (funded plan) are as follows:-

a. General description of defined benefit plans:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is greater of the amount calculated as per the Payment of Gratuity Act or the Company Scheme applicable to the employees. The benefits vest upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

b. Principal actuarial assumptions:

Particulars	2016	2015
Discount rate	7.65%	7.95%
Rate of increase in compensation levels of covered employees	7.00%	7.00%
Expected rate of return on plan assets	9.00%	9.00%
Estimate of Amount of Contribution in the immediate next year	600,000	550,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Other disclosures:

 Net Asset/Liability recognised in the Balance Sheet as at 31st March

In ₹

Particulars	2016	2015
Present Value of defined benefit Obligations	5,292,339	4,331,427
Fair Value of Plan Assets	(6,023,517)	(5,216,027)
Funded Status [Surplus/(Deficit)]	731,178	884,600
Less: Effect of the Limit in Para 59(b)	21,573	48,449
Asset recognized in the Balance Sheet	709,605	717,855

Expense recognised in the Statement of Profit and Loss for the year ended March 31.

(In ₹)

Particulars	2016	2015
Current Service Cost	454,543	357,778
Interest Cost	371,792	341,544
Expected Return on Plan Assets	(459,601)	(353,820)
Net Actuarial Losses/(Gains)	308,858	187,716
Effect of the limit in Para 59(b)	(26,876)	30,770
Total expenses included in "Employee Benefits Expense"	648,716	563,988
Actual Return on Plan Assets	433,589	417,025

Experience Adjustments

For the year ended	2016	2015	2014	2013	2012
Defined Benefit Obligation	5,292,339	4,331,427	3,473,492	3,195,772	2,533,123
Plan Assets	6,023,517	5,216,027	4,029,884	3,685,244	3,122,482
Surplus/(Deficit)	731,178	884,600	556,392	489,472	589,359
Exp. Adj. on Plan Liabilities	131,342	(213,265)	92,472	222,262	(20,876)
Exp. Adj. on Plan Assets	(26,012)	63,205	90,390	28,276	(3,412)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

In the absence of detailed information regarding plan assets which is funded with LIC, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The Company's contribution to Provident Fund aggregating ₹ 1,733,141 (previous year ₹ 1,559,434) has been recognized in the statement of profit and loss under the head "Employee benefit expense".

Note 23. As required under Accounting Standard 18 (AS-18), following are details of transactions during the year with the related parties of the Company as defined in AS-18:

a) List of related parties where control exists

Name of the related party	Relationship
Mahindra & Mahindra Limited	Ultimate Holding Company (w.e.f. 29 th April, 2015)
Mahindra Lifespace Developers Limited	Parent of the Holding Company (w.e.f. 29 th April, 2015)
Mahindra Infrastructure Developers Limited	Holding Company (w.e.f. 29 th April, 2015)

Reconciliation of Benefit Obligations and Plan Assets for the year

In ₹

Particulars	2016	2015
Change in Defined Benefit Obligation		
Present Value of Opening Defined Benefit Obligation	4,331,427	3,473,492
Current Service Cost	454,543	357,778
Interest Cost	371,792	341,544
Actuarial Losses/(Gain)	282,846	250,921
Benefits Paid	(148,269)	(92,308)
Present Value of Closing Defined Benefit Obligation	5,292,339	4,331,427

Particulars	2016	2015
Change in the Fair Value of Assets		
Opening Fair Value of Plan Assets	5,216,027	4,029,884
Expected Return on Plan Assets	459,601	353,820
Actuarial Gains/(Losses)	(26,012)	63,205
Contributions by Employer	522,170	861,426
Benefits Paid	(148,269)	(92,308)
Closing Fair Value of Plan Assets	6,023,517	5,216,027

In ₹

b) List of other related parties & relationships

Name of the related party	Relationship
Mahindra Infrastructure Developers Limited	Joint venturer (upto 28 th April, 2015)
United Utilities International Limited	Joint venturer (upto 28 th April, 2015)

c) Related party transactions:

Nature of transactions	Mahindra & Mahindra Limited ₹	Mahindra Infrastructure Developers Limited ₹	United Utilities International Limited ₹	Total ₹
Insurance	6,700	-	-	6,700
	(-)	(-)	(-)	(-)
Travelling Expenses	72,000	-	-	72,000
	(-)	(-)	(-)	(-)
Professional charges	150,000	-	-	150,000
	(-)	(-)	(-)	(-)
Liabilities no longer payable written back	-	-	18,981,386	18,981,386
	(-)	(-)	(-)	(-)
Interest expenses	-	(48,205)	(-)	(48,205)
	(-)	(-)	(-)	(-)
Trade payables	161,085	21,913,260	-	22,074,345
	(-)	(21,913,260)	(18,981,386)	(40,894,646)
Other Recoverable	-	200,000	-	200,000
	(-)	(-)	(-)	(-)

(Previous year's figures are in brackets)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24. As per the information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small & Medium Enterprise Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

Note 25. Earnings Per Share is calculated as follows:

Sr. No.	Particulars	2016	2015
A.	Net profit after tax available for equity shareholders (₹)	56,623,190	17,376,988
B.	Par value per share (₹)	10	10
C.	Weighted average number of equity shares (No.) for Basic EPS:	100,000	100,000
D.	Earnings per share from continuing operations: Basic (₹)	566.23	173.77
E.	Total Weighted average number of equity shares (No.) for Diluted EPS:	100,000	100,000
F.	Earnings per share from continuing operations: Diluted (₹)	566.23	173.77

Note 26. Deferred tax asset (net) comprises of:

	2016	2015
Deferred tax asset		
Employee allowances under Income tax in year of payment	2,379,704	1,623,203
Depreciation	711,610	776,677
Provision for doubtful debts	19,134,060	19,134,060
	<u>22,225,374</u>	<u>21,533,940</u>
Deferred tax liabilities		
Gratuity Plan Asset (net)	234,616	-
	<u>234,616</u>	<u>-</u>
Deferred tax asset (net)	<u>21,990,758</u>	<u>21,533,940</u>

Note 27. The year-end foreign currency exposures for amounts payable in foreign currency that have not been specifically hedged by a derivative instrument or otherwise are given below:-

	2016	2016	2015	2015
	In ₹	In Foreign Currency	In ₹	In Foreign Currency
Creditors (Net)	-	-	1,713,236	GBP 18,529

Note 28. Trade receivables include amounts due from New Tirupur Area Development Corporation Limited (NTADCL).

As per the operation and maintenance agreement with NTADCL, the Company has been raising invoices on NTADCL for the services rendered to them. The Company and NTADCL have been re-discussing the arrangement and these discussions have reached an advanced stage at which the company is very confident that the outstanding receivable including the invoices currently being raised at ₹ 135 lakhs per month except for the amount already provided in the books of the Company, will be settled in instalments as mutually agreed over a period of 36 months. In view of this understanding, the dues outstanding, barring the amounts already provided for in the books, are expected to be fully recovered over a period of time. Accordingly, some portion of the outstanding has been reflected under "Other non-current assets" in Note 10 to the financial statements, and no further provision towards receivable is considered necessary in the view of the management.

The Company has incurred expenses towards certain specified categories of maintenance of plant and facilities. As per the terms of the aforementioned agreement with NTADCL, the Company is entitled to reimbursement of the aforesaid expenses, which the Company has also claimed from NTADCL. Pending conclusion of discussions on the subject with NTADCL, out of abundant caution, the Company has written off such expenses incurred in the current year aggregating ₹ 2,020,406/- (Previous year ₹ 1,545,818/-) to the Statement of Profit and Loss.

Note 29. The Company's business activity is that of an Operations and Maintenance (O&M) Contractor. All activities of the company revolve around its main business. The Company operates only in India. Hence, there are no separate reportable primary and secondary segments as defined by Accounting Standard 17 on "Segment Reporting".

Note 30. The Company has entered into operating lease arrangements for warehouse. The lease is cancellable and for a period of 11 months, renewable by mutual consent. Lease payments recognised in the Statement of Profit and loss is ₹ 299,100.

Note 31. The Employee benefits expenses include ₹ 1,664,709 towards provision for leave encashment relating to prior period.

Note 32. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No.: 117364W

Ketan Vora
Partner
Membership No.: 100459

Place: Mumbai
Date : 25th April, 2016

For and on behalf of the Board of Directors

S. Venkatraman Director (DIN: 00077193)

Narayan Shankar Director (DIN: 00109111)

Place: Mumbai
Date : 25th April, 2016