DIRECTORS' REPORT

Your Directors present their Eighteenth Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS AND COMPANY'S STATE OF AFFAIRS:

(Amount in ₹)

Particulars	**For the year ended 31st March, 2017**	*For the year ended 31st March, 2016
Total Income	**17,59,14,545**	18,95,20,341
Profit before Depreciation, Finance Cost and Taxation	**5,82,09,960**	8,85,73,440
Less: Depreciation & Amortization	**10,36,450**	7,48,431
Profit before Finance Cost & Taxation	**5,71,73,510**	8,78,25,009
Less: Finance Costs	**6,445**	6,26,617
Profit before Tax	**5,71,67,065**	8,71,98,392
Less: Taxation		
Current Tax	**2,01,48,244**	2,98,63,721
Short provision for tax relating to prior years	**–**	9,43,788
Deferred Tax	**30,03,511**	(3,82,588)
Profit after tax	**3,40,15,310**	5,67,73,471
Other Comprehensive Income Items that will not be reclassified to profit or loss		
Re-measurements of the defined benefit liabilities/(asset)	**(14,36,853)**	(2,24,511)
Tax relating to items that will not be reclassified to profit or loss	**3,83,525**	74,230
Total comprehensive income for the year	**3,29,61,982**	5,66,23,190
Balance of profit for earlier years	**50,07,72,764**	44,41,49,574
Less: Transfer to/(from) Reserve	**–**	–
Less: Depreciation on transition to Schedule II of the Companies Act, 2013	**–**	–
Profit available for appropriation	**53,37,34,746**	50,07,72,764
Proposed Dividend on Equity Shares	**–**	–
Income Tax on proposed Dividend	**–**	–
Balance of profit carried forward	**53,37,34,746**	50,07,72,764
Net Worth	**53,47,34,746**	50,17,72,764

* *The aforesaid financial highlights are based on the Company's first Ind AS audited financial statements for the year ended 31st March, 2017 which are required to be prepared in accordance with the Accounting Standards as notified under Section 133 of the Companies Act, 2013. Figures for the year ended 31st March, 2016 have been restated as per the new Accounting Standards Ind AS to make them comparable with the figures for the year ended 31st March, 2017.*

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

During the year under review, your 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. Your Company has consistently met its contracted performance targets with high quality standards in its operations. The water off-take during the year has gone up by 10%.

Your Company has recorded an income of Rs. 1759.15 Lakhs as against Rs. 1895.20 Lakhs in the previous year and the Profit after Tax has come down from Rs. 567.73 Lakhs to Rs. 340.15 Lakhs.

Your Company does not have Subsidiaries, Joint Ventures or Associates.

DIVIDEND

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

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2017 was Rs. 10 Lakhs divided into 1,00,000 Equity Shares of Rs. 10/- each. During the year under review, your Company has not issued any shares or any convertible instruments.

BOARD OF DIRECTORS

Composition:

Presently the Board comprises of the following Directors:

Sr. No.	Name of Director and DIN	Designation	Executive/ Non Executive	Independent/ Non Independent
1.	Mr. S. Venkatraman (DIN: 00077193)	Director	Non-Executive	Non-Independent
2.	Mr. Narayan Shankar (DIN: 00109111)	Director	Non-Executive	Non-Independent
3.	Mr. Srinath R. (DIN: 07063293)	Director	Non-Executive	Non-Independent

Mr. Srinath R. (DIN: 07063293) retires by rotation and being eligible, offers himself for re-appointment at the forthcoming 18th Annual General Meeting of the Company.

There has been no change in Directors during the year under review.

Your Company is not required to constitute Audit Committee and Nomination and Remuneration Committee of the Board.

Provisions relating to Annual Evaluation of Board, Committees and individual directors are not applicable to your Company.

BOARD MEETINGS AND ANNUAL GENERAL MEETINGS

The Board of Directors met four times during the year under review viz., on 25th April, 2016, 25th July, 2016, 20th October, 2016, and 17th January, 2017. The gap between two consecutive Board meetings did not exceed 120 days. The 17th Annual General Meeting of your Company was held on 25th July, 2016.

The attendance at the Meetings of the Board were as under:

Name of the Director	No. of Meetings attended
Mr. S. Venkatraman	4
Mr. Narayan Shankar	3
Mr. Srinath R.	2

KEY MANAGERIAL PERSONNEL

During the year under review, your Company was not required to appoint any Key Managerial Personnel as it does not fall within the class of Companies which are required to 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.

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:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures;

(ii) Accounting policies have been selected in consultation with the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the Profit of the Company for the year ended on that date;

(iii) 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;

(iv) The annual accounts have been prepared on a going concern basis.

(v) The Company has laid down internal financial controls. The Company has also assessed the adequacy of the Company's internal controls over financial reporting as of 31st March, 2017 and have found them to be adequate.

(vi) 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 its Directors, 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 the 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 your Company presently comprises of Mr. S. Venkatraman, Mr. Narayan Shankar and Mr. Srinath R.

The Corporate Social Responsibility Committee met twice during the year under review viz., on 25th April, 2016 and 17th January, 2017.

The attendance at the Meetings of the Corporate Social Responsibility Committee were as under:

Name of Director	No. of Meetings attended
Mr. S. Venkatraman	2
Mr. Narayan Shankar	1
Mr. Srinath R.	2

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 an 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.

The Annual Report on the CSR 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.

INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate internal financial controls with reference to Financial Statements, commensurate with the size and the nature of its business. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

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.

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

Your Company has in place a Policy on Prevention of Sexual Harassment of Women. Your Company has also constituted an “Internal Complaints Committee” to which employees can address their complaints. During the year, no complaints were received by the said Committee.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Baroda, were appointed as Auditors for a period of 5 years i.e. from the conclusion of the 15th Annual General Meeting until the conclusion of the 20th 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 Annual General Meeting of the Company. The Board of Directors of your Company recommends the ratification of appointment of the Statutory Auditors of your Company at the ensuing 18th Annual General Meeting.

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

The Auditors Report for the year ended 31st March, 2017 does not contain any qualification, reservation or adverse remark.

FRAUDS REPORTED BY AUDITORS

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.

SECRETARIAL AUDITOR, COST AUDITOR AND INTERNAL AUDITOR

During the year under review, the provisions relating to Secretarial Auditor, Cost Auditor and Internal Auditor were not applicable to your Company.

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

During the year under review, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013, from the public or its employees.

Your Company has not obtained 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 or arrangements under Section 188(1) of the Companies Act, 2013 with related parties of the Company which require reporting under Form AOC-2. Details of transactions with related parties as required to be reported in line with the applicable accounting standards may be referred to under notes to the financial statements.

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 as on 31st March, 2017 in Form MGT-9 is provided as ***Annexure III*** which forms part of this Report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

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. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any Scheme.
3. 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.
4. Provisions relating to Vigil Mechanism enumerated under Section 177 of the Companies Act, 2013.
5. Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and 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

S. Venkatraman
Director

Srinath R.
Director

Mumbai, 17th April, 2017

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 objectives of your Company's CSR policy are to –

- Promote an 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 400 girl children.

A reference to the web-link to the CSR Policy and projects or programs: Not Applicable.

(2) The Composition of the CSR Committee:

Mr. S. Venkatraman

Mr. Narayan Shankar

Mr. Srinath R.

(3) Average net profit of the company for last three financial years (Rs.in Lakhs): 597.61

(4) Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Rs.in Lakhs): 11.95

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

(a) Total amount spent for the financial year (Rs. in Lakhs) - 12.55

(b) Amount unspent, if any- NIL

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

Sr. No.	Particulars	Amount in Rs.
(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: Barabanki, UP	–
(4)	Amount outlay (budget project or programme wise Central CSR Sector CSR	 6,00,000 6,55,200
(5)	Amount spent on the project or programme Sub Heads; (1) Direct expenditure on projects or programmes (2) Overheads	 12,55,200 –
(6)	Cumulative expenditure up to the reporting period	12,55,200
(7)	Amount Spent direct or through implementing agency Paid to *implementing Agency – K.C. Mahindra Education Trust	–

* Details of implementing agency: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
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

S. Venkatraman Director

Srinath R. Director

Mumbai, 17th April, 2017

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):

a) The details of technology imported : Nil

b) The year of import : Nil

c) Whether the technology been fully absorbed : Nil

d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof : Nil

(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

S. Venkatraman	**Srinath R.**
Director	Director

Mumbai, 17th April, 2017

ANNEXURE III TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

As on the financial year ended on 31st March, 2017

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	Public Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office and contact details	Mahindra Water Utilities Limited Gateway Building, Apollo Bunder, Mumbai- 400001, 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:-

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 and Mahindra Limited Gateway Building, Apollo Bunder, Mumbai 400001	L65990MH1945PLC004558	Ultimate holding	99.00*	2(46)
2.	Mahindra Lifespace Developers Limited 5th floor, Mahindra Towers, Worli, Mumbai-400018.	L45200MH1999PLC118949	Intermediate holding	99.00*	2(46)
3.	Mahindra Infrastructure Developers Limited Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400018.	U45201MH2001PLC131942	Holding	99.00	2(46)

* Through Mahindra Infrastructure Developers 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 (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% 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 (As on 1st April, 2016)				No. of Shares held at the end of the year (As on 31st March, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) State Govt.	–	–	–	–	–	–	–	–	–
d) Bodies Corp	–	98999*	98999*	99	–	98999*	98999*	99	–
e) Banks/FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total A (1):-	**–**	**98999***	**98999***	**99**	**–**	**98999***	**98999***	**99**	**–**
(2) Foreign	–	–	–	–	–	–	–	–	–
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp	–	–	–	–	–	–	–	–	–
d) Banks/FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total A (2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)= (A)(1) +(A)(2)	**–**	**98999***	**98999***	**99**	**–**	**98999***	**98999***	**99**	**–**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	–	–	–	–	–	–	–	–	–
b) Banks/FI	–	–	–	–	–	–	–	–	–
c) Central Govt.	–	–	–	–	–	–	–	–	–
d) State Govt.(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
(2) Non-Institutions									
a) Body Corp. (i) Indian (ii) Overseas	–	1001#	1001#	1	–	1001#	1001#	1	–
b) Individuals	–	–	–	–	–	–	–	–	–
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	–	–	–	–	–	–	–	–	–
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	–	–	–	–	–	–	–	–	–
c) Others (Specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(2):-	**–**	**1001#**	**1001#**	**1**	**–**	**1001#**	**1001#**	**1**	**–**
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**	**–**

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

\# Pursuant to transfer of Shares held in the Company by United Utilities International Limited (UUIL) to Mahindra Infrastructure Developers Limited on 27th July, 2015, UUIL ceased to be the Promoter of the Company.

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2016)			Shareholding at the end of the year (As on 31st March, 2017)			% of change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra Infrastructure Developers Limited	98,993	99	–	98993	99	–	–
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	–	–
	Total	**98,999**	**99**	**–**	**98,999**	**99**	**–**	**–**

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

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1st April, 2016)		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 – 01.04.2016	–	–	–	–
	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.):	–	–	–	–
	At the end of the year – 31.03.2017	–	–	–	–

(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 (As on 1st April, 2016)		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 – 01.04.2016	–	–	–	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year – 31.03.2017	–	–	–	–

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding for each of the Directors and Key Managerial Personnel	Shareholding at the beginning of the year (As on 1st April, 2016)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	**Mahindra Infrastructure Developers Limited jointly with Mr. S. Venkatraman****				
	At the beginning of the year - 01.04.2016	**1**	–	**1**	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year - 31.03.2017	**1**	–	**1**	–
2.	**Mahindra Infrastructure Developers Limited jointly with Mr. Narayan Shankar****				
	At the beginning of the year - 01.04.2016	**1**	–	**1**	–
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	–	–	–	–
	At the end of the year - 31.03.2017	**1**	–	**1**	–

** 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 under Section 17(2) of Income Tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	–	–
2.	Stock Option	–	–
3.	Sweat Equity	–	–
4.	Commission – as % of Profit	–	–
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. S. Venkatraman	Mr. Narayan Shankar	Mr. Srinath R.	
1. Independent Directors				
• Fee for attending Board/Committee meetings	–	–	–	–
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total B(1)	–	–	–	–
2. Other Non-Executive Directors				
• Fee for attending Board/Committee meetings	1,00,000	–	–	1,00,000
• Commission	–	–	–	–
• Others, please specify	–	–	–	–
Total B(2)	**1,00,000**	–	–	**1,00,000**
Total B = (1+2)	**1,00,000**	–	–	**1,00,000**
Total Managerial Remuneration (A+B)	**1,00,000**	–	–	**1,00,000**
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 under Section 17(1) of the Income Tax Act, 1961	–	–
	(b) Value of perquisites under Section 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	–	–
5.	Others, please specify	–	–
	Total	–	–

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

S. Venkatraman
Director

Srinath R.
Director

Mumbai, 17th April, 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MAHINDRA WATER UTILITIES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Mahindra Water Utilities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in Annexure "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 23 to the Ind AS 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.

   iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. However, as stated in Note 31 to the Ind AS financial statements amounts aggregating Rs. 18,000 as represented to us by the Management have been utilized for other than permitted transactions.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Nilesh Shah
Partner
Membership No. 49660

Mumbai, 17th April, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date to the members of Mahindra Water Utilities Limited on the Ind AS financial statements for the year ended March 31, 2017)

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 March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 (ICAI) 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 March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Nilesh Shah
Partner
Membership No. 49660

Mumbai, 17th April, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Mahindra Water Utilities Limited on the Ind AS financial statements for the year ended March 31, 2017)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment 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 property, plant and equipment 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 Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order 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 or 186 of the Act apply, and hence reporting under clause (iv) of the Order 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) of the Order 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, 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 March 31, 2017 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 March 31, 2017 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved ₹**	**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
		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 nor has issued any debentures. Hence reporting under clause (viii) of the Order 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 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 material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act and hence, reporting under clause (xi) of the Order is not applicable to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the 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 Act, 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 the Order 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 directors of its holding, subsidiary or associate company 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-IA of the Reserve Bank of India Act, 1934.

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

Nilesh Shah
Partner
Membership No. 49660

Mumbai, 17th April, 2017

BALANCE SHEET AS AT MARCH 31, 2017

	Particulars	Note No.	As at March 31, 2017 ₹	As at March 31, 2016 ₹ Restated	As at April 1, 2015 ₹ Restated
A	**ASSETS**				
	1 Non-current assets				
	(a) Property, Plant and Equipment	5	**5,173,607**	3,095,860	1,655,629
	(b) Financial Assets				
	Trade receivables	6	**220,047,774**	330,665,458	255,739,580
	Loan and advances	7	**19,000**	19,000	19,000
	(c) Deferred tax assets (net)	24	**19,370,772**	21,990,758	21,533,940
	(d) Other non-current assets	8	**15,263,792**	14,629,028	16,121,703
	Total Non-Current Assets		**259,874,945**	370,400,104	295,069,852
	2 Current assets				
	(a) Financials Assets				
	(i) Investments	9	**297,289**	280,962	267,536
	(ii) Trade receivables	6	**140,145,893**	100,300,000	160,300,000
	(iii) Cash and cash equivalents	10	**94,879,166**	74,766,224	52,213,920
	(iv) Other Bank Balances	10	**69,664,450**	8,850,835	8,204,463
	(v) Loan and advances	7	**420,000**	420,000	220,000
	(vi) Other financial assets	11	**4,783,395**	3,509,649	1,366,012
	(b) Other Current Assets	8	**1,413,109**	3,400,126	3,022,953
	Total Current Assets		**311,603,302**	191,527,796	225,594,884
	Total Assets		**571,478,247**	561,927,900	520,664,736
B	**EQUITY AND LIABILITIES**				
	1 Equity				
	(a) Equity Share capital	12	**1,000,000**	1,000,000	1,000,000
	(b) Other Equity		**533,734,746**	500,772,764	444,149,574
	Total equity		**534,734,746**	501,772,764	445,149,574
	LIABILITIES				
	2 Current liabilities				
	(a) Financial Liabilities				
	(i) Trade payables	13	**4,515,871**	26,520,939	44,898,168
	(ii) Other financial liabilities	14	**10,786,771**	9,880,350	8,727,779
	(b) Provisions	15	**8,266,961**	6,977,476	4,396,727
	(c) Current Tax liabilities (net)	16	**11,527,871**	13,876,273	16,226,352
	(d) Other current liabilities	17	**1,646,027**	2,900,098	1,266,136
	Total Current Liabilities		**36,743,501**	60,155,136	75,515,162
	Total Equity and Liabilities		**571,478,247**	561,927,900	520,664,736
	See accompanying notes to the financial statements	1-36			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Nilesh Shah
Partner

Place: Mumbai
Date : April 17, 2017

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

Place: Mumbai
Date : April 17, 2017

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

Particulars	Note No.	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹ Restated
Continuing Operations			
I. Revenue from operations	18	**166,214,774**	164,993,172
II. Other Income	19	**9,699,771**	24,527,169
III. **Total Revenue (I + II)**		**175,914,545**	189,520,341
IV. **EXPENSES**			
(a) Employee benefit expense	20	**58,887,271**	53,805,225
(b) Finance costs	21	**6,445**	626,617
(c) Depreciation and amortisation expense	5	**1,036,450**	748,431
(d) Other expenses	22	**58,817,314**	47,141,676
Total expenses		**118,747,480**	102,321,949
V. **Profit before tax (III – IV)**		**57,167,065**	87,198,392
VI. **Tax expense**	24		
(i) Current tax		**20,148,244**	29,863,721
(ii) Short provision for tax relating to prior years		**–**	943,788
(iii) Deferred tax expense/(credit)		**3,003,511**	(382,588)
Total tax expense		**23,151,755**	30,424,921
VII. **Profit after tax**		**34,015,310**	56,773,471
VIII. **Profit for the year attributable to Owners of the Company**		**34,015,310**	56,773,471
IX. **Other comprehensive income**			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit liabilities/(asset)		**(1,436,853)**	(224,511)
Tax relating to items that will not be reclassified to profit or loss		**383,525**	74,230
		(1,053,328)	(150,281)
X. **Total comprehensive income for the year (VIII + IX)**		**32,961,982**	56,623,190
XI. **Earnings per equity share (for continuing operation):**	25		
(i) Basic		**340.15**	567.73
(ii) Diluted		**340.15**	567.73
See accompanying notes to the financial statements	1-36		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Nilesh Shah
Partner

Place: Mumbai
Date : April 17, 2017

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

Place: Mumbai
Date : April 17, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	Particulars		**For the year ended March 31, 2017**		For the year ended March 31, 2016
		₹	₹	₹	₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Profit before tax		**57,167,065**		87,198,392
	Adjustments for:				
	Depreciation and amortisation expense	**1,036,450**		748,431	
	Gain on disposal of property, plant and equipment	**(212,128)**		(240,000)	
	Finance Cost	**6,445**		626,617	
	Provision for doubtful trade receivables	**2,372,493**		–	
	Liabilities no longer payable written back	**–**		(18,984,584)	
	Service tax receivable written off	**2,535,171**		–	
	Dividend Income	**(16,327)**		(13,426)	
	Interest Income	**(9,468,316)**	**(3,746,212)**	(5,289,159)	(23,152,121)
	Operating Profit before Working Capital changes		**53,420,853**		64,046,271
	Movements in working capital				
	(Increase)/Decrease in Trade receivables	**68,399,298**		(14,925,878)	
	(Increase)/Decrease in Loan and advances, Other Financial assets and Other assets	**104,434**		(568,923)	
	Increase/(Decrease) Trade payables, Provisions, Other financial liabilities and other liabilities	**(22,500,086)**	**46,003,646**	5,287,493	(10,207,308)
	Cash generated from operations		**99,424,499**		53,838,963
	Income-tax paid (net of refunds)		**(23,783,998)**		(31,159,049)
	NET CASH GENERATED FROM OPERATING ACTIVITIES		**75,640,501**		22,679,914
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of property, plant and equipment	**(3,138,369)**		(2,193,394)	
	Proceeds from sale of property, plant and equipment	**236,300**		244,731	
	Interest received	**8,194,570**		3,145,522	
	Increase in other bank balances	**(60,813,615)**		(646,372)	
	NET CASH (USED IN)/GENERATED FROM INVESTING		**(55,521,114)**		550,487

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017 (Contd.)

Particulars		For the year ended March 31, 2017		For the year ended March 31, 2016
	₹	₹	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance costs paid	**(6,445)**		(678,097)	
NET CASH USED IN FINANCING ACTIVITIES		**(6,445)**		(678,097)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**20,112,942**		22,552,304
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**74,766,224**		52,213,920
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**94,879,166**		74,766,224

Note:

The above Cash flow statement has been prepared under the ‘Indirect Method’ as set out in Indian Accounting Standard (IND AS) 7 ‘Cash Flow Statement’.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Nilesh Shah
Partner

Place: Mumbai
Date : April 17, 2017

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

Place: Mumbai
Date : April 17, 2017

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 August 10, 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 and the ultimate holding company is Mahindra and Mahindra Limited.

Note 2. Significant accounting policies:

2.1 Statement of compliance

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

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

2.2 Basis for preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Property, Plant and Equipment

Property, Plant and Equipment held for use in supply of services or for administrative purposes, are stated in the Balance Sheet at cost less depreciation and accumulated impairment losses, if any. Costs comprise purchase price and attributable costs, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives as determined by the Management, using the straight-line method. Estimated useful life as determined by the Management is in line with that prescribed in Schedule II to the Companies Act 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets costing individually less than Rs. 5,000 is fully depreciated in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.4 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 Revenue recognition

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

(i) Income for services is accounted for as and when services are rendered as per terms of the agreement at the contractual rate and there exists no significant uncertainty as to ultimate realisation.

(ii) Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.6 Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.7 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.8 Taxation

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

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in the Statement of Profit and Loss except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax are also recognised in Other Comprehensive Income.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

Investments in units of Mutual Funds are classified as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety, the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Foreign exchange gains and losses on financial assets

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘Finance costs’ line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses on financial liabilities

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in ‘Other income’.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Note 3 First-time adoption – mandatory exceptions and optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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

The Company has elected the exemption of previous GAAP carrying value of all its Property, Plant and Equipment, Investment Property, and Intangible Assets recognised as of April 1, 2015 (transition date) as deemed cost.

Note 4 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the Company’s accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

At the end of the reporting period, there were no key assumptions concerning the future period that may have had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

A. Equity share capital

	₹
As at April 1, 2015	1,000,000
Changes in equity share capital during the year	–
As at March 31, 2016	1,000,000
Changes in equity share capital during the year	–
As at March 31, 2017	1,000,000

B. Other Equity

	Reserves and Surplus		
Particulars	**Retained earnings**	**Items of other comprehensive income - Remeasurements of the defined benefit liabilities/ (asset)**	**Total**
	₹	₹	₹
As at April 1, 2015	444,149,574	–	444,149,574
Profit for the year	56,773,471	–	56,773,471
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(150,281)	(150,281)
Total Comprehensive Income for the year	56,773,471	(150,281)	56,623,190
Balance as at March 31, 2016	500,923,045	(150,281)	500,772,764
Profit for the year	34,015,310	–	34,015,310
Other Comprehensive Income/(Loss) for the year (net of tax)	–	(1,053,328)	(1,053,328)
Total Comprehensive Income for the year	34,015,310	(1,053,328)	32,961,982
Balance as at March 31, 2017	**534,938,355**	**(1,203,609)**	**533,734,746**

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

Note 5. Property, Plant and Equipment

Description of Assets	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	₹	₹	₹	₹	₹
I. Gross carrying amount					
Deemed Cost as at April 1, 2015	**837,817**	**79,160**	**351,526**	**387,126**	**1,655,629**
Additions during the year ended March 31, 2016	536,948	3,610	84,400	1,568,436	2,193,394
Disposals of Assets during the year ended March 31, 2016	61,186	–	–	–	61,186
Balance as at March 31, 2016	**1,313,579**	**82,770**	**435,926**	**1,955,562**	**3,787,837**
II. Accumulated depreciation for the year 2015-16					–
Depreciation/amortisation expense for the year	140,087	40,149	142,214	425,981	748,431
Eliminated on disposal of assets	**56,454**	**–**	**–**	**–**	**56,454**
Balance as at March 31, 2016	**83,633**	**40,149**	**142,214**	**425,981**	**691,977**
Net carrying amount (I-II)					–
Balance as on March 31, 2016	1,229,946	42,621	293,712	1,529,581	3,095,860
I. Gross carrying amount					
Balance as at April 1, 2016 (Cost)	1,313,579	82,770	435,926	1,955,562	3,787,837
Additions during the year ended March 31, 2017	1,441,672	293,590	29,607	1,373,500	3,138,369
Disposals of Assets during the year ended March 31, 2017	76,928		57,616		134,544
Balance as at March 31, 2017	**2,678,323**	**376,360**	**407,917**	**3,329,062**	**6,791,662**
II. Accumulated depreciation for the year 2015-16					–
Balance as at April 1, 2016	83,633	40,149	142,214	425,981	691,977
Depreciation/amortisation expense for the year	463,632	74,521	157,101	341,196	1,036,450
Eliminated on disposal of assets	52,756		57,616		110,372
Balance as at March 31, 2017	**494,509**	**114,670**	**241,699**	**767,177**	**1,618,055**
Net carrying amount (I-II)					
Balance as at March 31, 2017	**2,183,814**	**261,690**	**166,218**	**2,561,885**	**5,173,607**
Balance as on March 31, 2016	1,229,946	42,621	293,712	1,529,581	3,095,860

Note 6. Trade receivables

	Particulars	**As at March 31, 2017**		As at March 31, 2016		As at April 1, 2015	
		Current	**Non Current**	Current	Non Current	Current	Non Current
		₹	₹	₹	₹	₹	₹
(a)	Unsecured, considered good	**140,145,893**	**220,047,774**	100,300,000	330,665,458	160,300,000	255,739,580
(b)	Doubtful	**–**	**60,244,012**	–	57,871,519	–	57,871,519
	Less: Allowance for Expected Credit Losses	**–**	**(60,244,012)**	–	(57,871,519)	–	(57,871,519)
	Total	**140,145,893**	**220,047,774**	100,300,000	330,665,458	160,300,000	255,739,580

Trade receivables

The entire trade receivables balance as at March 31, 2017, March 31, 2016 and March 31, 2015 is due from M/s. New Tirupur Area Development Corporation Ltd., the sole client of the Company

The average credit period on invoice for services is 30 days. No interest is charged on trade receivables.

The concentration of credit risk is high, since the entire trade receivables are due from only one client, M/s. New Tirupur Area Development Corporation Ltd.

The Company has been providing operations & maintenance services to the client on a long term contract basis. As per the operation and maintenance agreement with NTADCL, the Company has been raising invoices on NTADCL for the services rendered to them. During the year, the Company and NTADCL have formalised the settlement of dues and the revenue terms for future period. Per the arrangement, the dues will be settled in quarterly installments over a period of 3 years beginning from April 1, 2017. In view of this, no loss on account of shortfall in cash is expected by the Company. As the dues are expected to be settled over a period of time, the Company has derived the expected credit loss allowance towards the time value of money for fixed fee services. The provision carried in books is adequate to meet this loss.

The Company has provided Rs. 2,372,493/- towards Other Re-imbursements due from NTADCL.

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. The Company has received a confirmation on the payment due for such reimbursable services. However, as a matter of abundant caution, as well as pending receipt of such payments, the Company has expensed off such amounts in the current year aggregating to Rs. 2,403,607/- (Previous year Rs. 2,020,406/-) to the Statement of Profit and Loss.

Reconciliation of loss allowance provision for Trade Receivables

Particulars	**As at March 31, 2017** ₹	As at March 31, 2016 ₹
Balance as at beginning of the year	**57,871,519**	57,871,519
Impairment losses recognised in the year based on 12 month expected credit losses		
On receivables originated in the year	**–**	–
Other receivables	**2,372,493**	–
Balance at end of the year	**60,244,012**	57,871,519

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

Note 7. Loan and Advances

Particulars	As at March 31, 2017 Current	As at March 31, 2017 Non Current	As at March 31, 2016 Current	As at March 31, 2016 Non Current	As at April 1, 2015 Current	As at April 1, 2015 Non Current
	₹	₹	₹	₹	₹	₹
Unsecured, considered good						
(a) Security Deposits (Rent)	**220,000**	**19,000**	220,000	19,000	220,000	19,000
(b) Advance to related parties	**200,000**	**–**	200,000	–	–	–
Total	**420,000**	**19,000**	420,000	19,000	220,000	19,000

Note 8. Other assets

Particulars	As at March 31, 2017 Current	As at March 31, 2017 Non Current	As at March 31, 2016 Current	As at March 31, 2016 Non Current	As at April 1, 2015 Current	As at April 1, 2015 Non Current
	₹	₹	₹	₹	₹	₹
Advance income tax including fringe benefit tax	**–**	**15,206,775**	–	13,919,423	–	15,403,848
Others						
(a) Gratuity Assets (Net of provision)	**–**	**57,017**	–	709,605	–	717,855
(b) Balance with government authorities						
– Service tax receivables	**1,413,109**	**–**	3,400,126	–	3,022,953	–
Total	**1,413,109**	**15,263,792**	3,400,126	14,629,028	3,022,953	16,121,703

Note 9. Investment

Particulars	As at March 31, 2017 No. of units	As at March 31, 2017 ₹	As at March 31, 2016 No. of units	As at March 31, 2016 ₹	As at April 1, 2015 No. of units	As at April 1, 2015 ₹
Investments Carried at: Fair Value Through Profit and Loss						
Unquoted Investments						
Investments in Mutual Funds						
HDFC Cash Management Fund of ₹ 10/-each fully paid up	**29,310.263**	**297,289**	28,007.975	280,962	26,669.591	267,536
Total	**29,310.263**	**297,289**	28,007.975	280,962	26,669.591	267,536

Note 10. Cash and Bank Balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	₹	₹	₹
(a) Cash and Cash equivalents			
Balance with Banks			
(i) In Current Account	**6,079,166**	2,021,224	1,378,920
(ii) In Deposit Account	**88,800,000**	72,745,000	50,835,000
	94,879,166	74,766,224	52,213,920
(b) Other bank Balances			
Balance with Banks			
(i) On Margin Accounts	**874,050**	704,463	704,463
(ii) Fixed Deposits with maturity greater than 3 months	**68,790,400**	8,146,372	7,500,000
	69,664,450	8,850,835	8,204,463
Total	**164,543,616**	83,617,059	60,418,383

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

Note 11. Other Financial Assets

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Current	Non Current	Current	Non Current	Current	Non Current
	₹	₹	₹	₹	₹	₹
Financial assets at amortised cost						
– Interest accrued on deposits with banks	**4,783,395**	**–**	3,509,649	–	1,366,012	–
Total	**4,783,395**	**–**	3,509,649	–	1,366,012	–

Note 12. Equity Share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Nos	₹	Nos	₹	Nos	₹
Authorised shares:						
Equity Shares of Rs. 10 each	**100,000**	**1,000,000**	100,000	1,000,000	100,000	1,000,000
	100,000	**1,000,000**	100,000	1,000,000	100,000	1,000,000
Issued, subscribed and fully paid-up shares:						
Equity Shares of Rs. 10 each	**100,000**	**1,000,000**	100,000	1,000,000	100,000	1,000,000
Total	**100,000**	**1,000,000**	100,000	1,000,000	100,000	1,000,000

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

Equity:	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Nos	₹	Nos	₹	Nos	₹
Opening Balance	**100,000**	**1,000,000**	100,000	1,000,000	100,000	1,000,000
Closing Balance	**100,000**	**1,000,000**	100,000	1,000,000	100,000	1,000,000

Terms/rights attached to equity shares

The Company is having only one class of equity shares having par value of Rs. 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:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Number of shares	Number of shares	Number of shares
Mahindra Infrastructure Developers Limited, the holding company	**98,999**	98,999	50,000

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Mahindra Infrastructure Developers Limited	**98,999**	**99%**	98,999	99%	50,000	50%
United Utilities International Limited	*	*	*	*	50,000	50%

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

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

Note 13. Trade Payables

Particulars	**As at March 31, 2017 ₹**	As at March 31, 2016 ₹	As at April 1, 2015 ₹
Trade Payable - Micro and Small enterprises	**–**	–	–
Trade payable other than micro and small enterprises	**4,515,871**	26,520,939	44,898,168
Total	**4,515,871**	26,520,939	44,898,168

Note:

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

There are no dues to any enterprise under the Micro, Small and Medium Enterprises Development Act 2006.

Average credit period on purchase of certain goods from suppliers is one month. No interest is charged on the outstanding balance.

Note 14. Other financial Liabilities

Particulars	**As at March 31, 2017 ₹**	As at March 31, 2016 ₹	As at April 1, 2015 ₹
Measured at Amortised cost			
(a) Payable to employees	**10,531,771**	9,625,350	8,472,779
(b) Deposits received from Service providers	**255,000**	255,000	255,000
Total	**10,786,771**	9,880,350	8,727,779

Note:

Payable to employees represents amounts payable towards Salary, performance pay and bonus.

Deposits received from Service providers are security deposits received from the service providers as a security towards non-performance of their contract obligations if any.

Note 15. Provisions

Particular	**As at March 31, 2017 ₹**	As at March 31, 2016 ₹	As at April 1, 2015 ₹
(a) Provision for employee benefits Compensated absences	**8,266,961**	6,977,476	4,396,727
Total	**8,266,961**	6,977,476	4,396,727

Note 16 Current Tax Liabilities (net)

Particulars	**As at March 31, 2017 ₹**	As at March 31, 2016 ₹	As at April 1, 2015 ₹
Provision for tax (net of advance tax)	**11,527,871**	13,876,273	16,226,352
Total	**11,527,871**	13,876,273	16,226,352

Note 17. Other Current Liabilities

Particulars	**As at March 31, 2017 ₹**	As at March 31, 2016 ₹	As at April 1, 2015 ₹
(a) Statutory Dues - Taxes payable (other than income taxes)	**1,646,027**	2,437,464	1,266,136
(b) Interest payable U/s 234B of the Income Tax Act	**–**	462,634	–
Total	**1,646,027**	2,900,098	1,266,136

Note 18. Revenue from Operations

Particulars	**For the Year ended March 31, 2017 ₹**	For the Year ended March 31, 2016 ₹
(a) Revenue from rendering of services	**162,000,000**	162,000,000
(b) Revenue from ancillary services	**4,214,774**	2,993,172
Total	**166,214,774**	164,993,172

Note 19. Other Income

Particulars	**For the Year ended March 31, 2017 ₹**	For the Year ended March 31, 2016 ₹
(a) Interest Income on financial assets carried at amortised cost - bank deposits	**9,468,316**	5,289,159
(b) Dividend Income	**16,327**	13,426
(c) Liabilities no longer payable written back	**–**	18,984,584
(d) Gain on Sale of Property, plant and equipment	**212,128**	240,000
(e) Miscellaneous Income	**3,000**	–
Total	**9,699,771**	24,527,169

Note 20. Employee Benefits Expenses

Particulars	**For the Year ended March 31, 2017 ₹**	For the Year ended March 31, 2016 ₹
(a) Salaries and wages	**54,049,132**	49,803,115
(b) Contribution to provident and other funds (See below Note)	**2,674,273**	2,331,509
(c) Staff welfare expenses	**2,163,866**	1,670,601
Total	**58,887,271**	53,805,225

Note:

Salaries and wages include: Salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service/employment.

Contribution to provident fund and other funds include contributions to Provident Fund, ESI, Labour Welfare Fund and gratuity fund with LIC.

Note 21. Finance Cost

Particulars	**For the Year ended March 31, 2017 ₹**	For the Year ended March 31, 2016 ₹
Interest expense - interest on delayed/ deferred payment of income tax/service tax.	**6,445**	626,617
Total	**6,445**	626,617

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

Note 22. Other expenses:

Particulars		**For the Year ended 31st March, 2017 ₹**	For the Year ended 31st March, 2016 ₹
(a)	Rent including lease rentals	**300,000**	299,100
(b)	Rates and taxes	**543,921**	611,880
(c)	Insurance	**1,180,990**	1,754,768
(d)	Repairs and maintenance - Machinery	**1,082,846**	934,416
(e)	Repairs and maintenance - Others	**1,573,086**	1,696,613
(f)	Legal and professional charges	**754,305**	411,016
(g)	Travelling and Conveyance Expenses	**686,216**	364,119
(h)	Printing & Stationery	**730,830**	627,951
(i)	Postage and telephone	**926,094**	919,664
(j)	Subcontracting, Hire and Service Charges	**34,260,677**	29,185,637
(k)	Provision for doubtful trade receivables	**2,372,493**	–
(l)	Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013.	**1,255,200**	1,200,000
(m)	Service tax receivable written off	**2,535,171**	–
(n)	Vehicle running expenses	**7,169,658**	6,154,229
(o)	Payment to auditors (refer Note (i) below)	**1,356,245**	1,151,053
(p)	Directors Fee	**100,000**	30,000
(q)	Miscellaneous Expenses	**1,989,582**	1,801,230
Total		**58,817,314**	47,141,676

Note (i)

Payment to auditors:	**For the Year ended 31st March, 2017 ₹**	For the Year ended 31st March, 2016 ₹
Payment to auditors (net of service tax input credit)		
For Statutory audit	**870,000**	820,000
For Certification and other services	**480,000**	330,000
For Out of pocket expenses	**6,245**	1,053
	1,356,245	1,151,053

Note 23. Contingent liabilities, Contingent Assets and commitments

Contingent liabilities (to the extent not provided for)

	As at 31st March, 2017 ₹	As at 31st March, 2016 ₹	As at 1st April, 2015 ₹
Contingent liabilities			
Claims against the Company not acknowledged as debt			
Items in respect of which the Company has succeeded in appeal, but the Service Tax Department is pursuing an appeal	**8,939,479**	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**	10,891,168	10,978,088
	19,830,647	19,830,647	19,996,226

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

There are no Contingent Assets and Commitments at the end of each reporting periods

Note 24. Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

Particulars	**Year ended 31st March, 2017 ₹**	Year ended 31st March, 2016 ₹
Current Tax:		
In respect of current year	**20,148,244**	29,863,721
In respect of prior years	**–**	943,788
	20,148,244	30,807,509
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(661,283)**	(382,588)
Adjustments due to changes in tax rates	**3,664,794**	–
	3,003,511	(382,588)
Total income tax expense on continuing operations	**23,151,755**	30,424,921

(b) Income tax recognised in other Comprehensive income

Particulars	**Year ended 31st March, 2017 ₹**	Year ended 31st March, 2016 ₹
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit Liabilities/(assets)	**(383,525)**	(74,230)
Total	**(383,525)**	(74,230)
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**(383,525)**	(74,230)
Income taxes related to items that will be reclassified to profit or loss	**–**	–
Total	**(383,525)**	(74,230)

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

Particulars	**Year ended 31st March, 2017 ₹**	Year ended 31st March, 2016 ₹
Profit before tax from continuing operation	**57,167,065**	87,198,392
Income tax expense calculated at 30% (2016: 33.063%)#	**18,901,147**	28,830,404
Reduction in tax rate	**3,664,794**	–
Effect of income that is exempt from taxation	**(5,398)**	(4,439)
Effect of expenses that is non-deductible in determining taxable profit	**591,212**	655,168
	23,151,755	29,481,133

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

Particulars	Year ended 31st March, 2017 ₹	Year ended 31st March, 2016 ₹
Adjustments recognised in the current year in relation to the current tax of prior years	–	943,788
Income tax expense recognised In profit or loss from continuing operations	**23,151,755**	30,424,921

#The tax rate used for the March 31, 2017 and March 31, 2016 reconciliations above is the corporate tax rate of 33.063% (including surcharge and cess) payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(d) Movement of Deferred Tax

	For the Year ended 31 March, 2017			
Particulars	Opening Balance ₹	Recognised in profit and Loss ₹	Recognised in Other comprehensive income ₹	Closing Balance ₹
Tax effect of items constituting deferred tax liabilities				
Gratutity Assets	234,616	164,618	(383,525)	15,709
	234,616	164,618	(383,525)	15,709
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	711,610	(319,571)	–	392,039
Employee Benefits	72,741	44,872	–	117,613
Expenses allowable on actual payment	2,306,963	(29,167)	–	2,277,796
Provisions	19,134,060	(2,535,027)	–	16,599,033
	22,225,374	(2,838,893)	–	19,386,481
Net Tax Asset (Liabilities)	21,990,758	(3,003,511)	383,525	19,370,772

	For the Year ended 31 March, 2016			
Particulars	Opening Balance ₹	Recognised in profit and Loss ₹	Recognised in Other comprehensive income ₹	Closing Balance ₹
Tax effect of items constituting deferred tax liabilities				
Gratutity Assets	–	308,846	(74,230)	234,616
	–	308,846	(74,230)	234,616
Tax effect of items constituting deferred tax assets				
Property, Plant and Equipment	776,677	(65,067)	–	711,610
Employee Benefits	70,324	2,417	–	72,741
Expenses allowable on actual payment	1,453,690	853,273	–	2,306,963
Provisions	19,134,060	–	–	19,134,060
Others	99,189	(99,189)	–	–
	21,533,940	691,434	–	22,225,374
Net Tax Asset (Liabilities)	21,533,940	382,588	74,230	21,990,758

Note 25. Earnings per Share

Particulars	For the Year ended 31st March, 2017 ₹ Per Share	For the Year ended 31st March, 2016 ₹ Per Share
Basic Earnings per share	**340.15**	567.73
Diluted Earnings per share	**340.15**	567.73
	340.15	567.73

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the Year ended 31st March, 2017 ₹	For the Year ended 31st March, 2016 ₹
Profit for the year attributable to owners of the Company	**34,015,310**	56,773,471
Earning used in the calculation of basic and diluted earnings per share	**34,015,310**	56,773,471
Weighted average number of equity shares for the purposes of basic and earnings per share	**100,000**	100,000
Earnings per share - Basic & Diluted	**340.15**	567.73

Note 26. Financial Instruments

Capital management

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity presented on the face of the statement of financial position.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-17 ₹	31-Mar-16 ₹	1-Apr-15 ₹
Equity	**534,734,746**	501,772,764	445,149,574
Less: Cash and Bank Balances	**(164,543,616)**	(83,617,059)	(60,418,383)
	370,191,130	418,155,705	384,731,191

Categories of financial assets and financial liabilities

	As at March 31, 2017			
	Amortised Costs ₹	FVTPL ₹	FVOCI ₹	Total ₹
Non-current Assets				
Trade Receivables	220,047,774	–	–	220,047,774
Loans and advances	19,000	–	–	19,000
Current Assets				
Investments	–	297,289	–	297,289
Trade Receivables	140,145,893	–	–	140,145,893

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

	Amortised Costs ₹	FVTPL ₹	FVOCI ₹	Total ₹
			As at March 31, 2017	
Cash and Cash Equivalents	**94,879,166**	–	–	**94,879,166**
Other Bank Balances	**69,664,450**	–	–	**69,664,450**
Loans and advances	**420,000**	–	–	**420,000**
Other Financial Assets				
– Non Derivative Financial Assets	**4,783,395**	–	–	**4,783,395**
Current Liabilities				
Trade Payables	**4,515,871**	–	–	**4,515,871**
Other Financial Liabilities				
– Non Derivative Financial Liabilities	**10,786,771**	–	–	**10,786,771**

	Amortised Costs ₹	FVTPL ₹	FVOCI ₹	Total ₹
			As at March 31, 2016	
Non-current Assets				
Trade Receivables	330,665,458	–	–	330,665,458
Loans and advances	19,000	–	–	19,000
Current Assets				
Investments	–	280,962	–	280,962
Trade Receivables	100,300,000	–	–	100,300,000
Cash and Cash Equivalents	74,766,224	–	–	74,766,224
Other Bank Balances	8,850,835	–	–	8,850,835
Loans and advances	420,000	–	–	420,000
Other Financial Assets				
– Non Derivative Financial Assets	3,509,649	–	–	3,509,649
Current Liabilities				
Trade Payables	26,520,939	–	–	26,520,939
Other Financial Liabilities				
– Non Derivative Financial Liabilities	9,880,350	–	–	9,880,350

	Amortised Costs ₹	FVTPL ₹	FVOCI ₹	Total ₹
			As at March 31, 2015	
Non-current Assets				
Trade Receivables	255,739,580	–	–	255,739,580
Loans and advances	19,000	–	–	19,000
Current Assets				
Investments	–	267,536	–	267,536
Trade Receivables	160,300,000	–	–	160,300,000
Cash and Cash Equivalents	52,213,920	–	–	52,213,920
Other Bank Balances	8,204,463	–	–	8,204,463
Loans and advances	220,000	–	–	220,000
Other Financial Assets				
– Non Derivative Financial Assets	1,366,012	–	–	1,366,012
Current Liabilities				
Trade Payables	44,898,168	–	–	44,898,168
Other Financial Liabilities				
– Non Derivative Financial Liabilities	8,727,779	–	–	8,727,779

Fair value of investments

Investments represent investment by the Company in units of HDFC Cash Management Fund. The closing value at the end of each accounting period represents NAV as per HDFC Cash Management Fund and hence no separate fair valuation.

Financial Risk Management Framework

The Company's activities expose it to financial risks - credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

Credit risk management

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The company has only one client for whom the operation and maintenance services are rendered. The Company has reached a settlement with its customers and has a approved payment schedule in place and also revenue terms for the future period.

(ii) The Company has invested in units of HDFC Cash Management Fund which has the NAV of Rs. 0.03 Cr as at the end of the reporting period. HDFC has been regular in dividend payments and the credit risk on the investment is minimal.

The Company is not subject to any externally imposed capital requirements.

There is no change in estimation techniques or significant assumptions during the reporting period.

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Less than 1 Year ₹	1-3 Years ₹	3 Years to 5 Years ₹	5 years and above ₹
Non-derivative financial liabilities				
31-Mar-17				
Non-interest bearing	**15,302,642**	–	–	–
Total	**15,302,642**	–	–	–
31-Mar-16				
Non-interest bearing	36,401,289	–	–	–
Total	36,401,289	–	–	–
1-Apr-15				
Non-interest bearing	53,625,947	–	–	–
Total	53,625,947	–	–	–

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

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Less than 1 Year ₹	1-3 Years ₹	3 Years to 5 Years ₹	5 years and above ₹
Non-derivative financial assets				
31-Mar-17				
Non-interest bearing	**310,190,193**	**220,047,774**	–	**19,000**
Total	**310,190,193**	**220,047,774**	–	**19,000**
31-Mar-16				
Non-interest bearing	188,127,670	330,665,458	–	19,000
Total	188,127,670	330,665,458	–	19,000
1-Apr-15				
Non-interest bearing	222,571,931	255,739,580	–	19,000
Total	222,571,931	255,739,580	–	19,000

Note 27. Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities measured at Fair value	Fair value as at 31st March, 2017 ₹	31st March, 2016 ₹	1st April, 2015 ₹	Fair value hierarchy	Valuation technique(s) and key input(s)
Financial assets					
Investments					
Mutual fund investments	**297,289**	280,962	267,536	Level -1	Net asset value published by HDFC Mutual Fund
Total financial assets	**297,289**	280,962	267,536		

Note 28. Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund aggregating Rs. 1,874,922/- (2016 : Rs. 1,733,141/-) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests 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, the 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.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan particpants will increase the plan's liability.

Note: An entity shall disclose description of any plan amendments, curtailments and settlements.

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.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation as at **31-Mar-17**	31-Mar-16	1-Apr-15
Discount rate(s)	**7.30%**	7.65%	7.95%
Expected rate(s) of salary increase	**7.00%**	7.00%	7.00%
Expected rate of return on plan assets	**7.30%**	9.00%	9.00%
Attrition rate			
Age (Years)			
21 – 30	**10.00%**	10.00%	10.00%
31 – 40	**5.00%**	5.00%	5.00%
41 – 50	**3.00%**	3.00%	3.00%
51 – 59	**1.00%**	1.00%	1.00%

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

Defined benefit plans – as per actuarial valuation on March 31, 2017

Particulars	Funded Plan Gratuity **2017** ₹	2016 ₹
Amounts recognised in the Statement of Profit and Loss are as follows:		
1. Current service cost	**556,773**	490,679
2. Past Service Credit	**–**	–
3. Interest on net defined benefit liability/(asset)	**(54,285)**	(66,474)
Components of defined benefit costs recognised in profit or loss	**502,488**	424,205
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	**43,622**	(27,608)
Actuarial (gains) and losses arising from changes in financial assumptions	**219,087**	151,505
Actuarial (gains) and losses arising from experience adjustments	**1,197,367**	131,342
Change in asset ceiling, excluding amounts included in interest expenses	**(23,223)**	(30,728)
Components of defined benefit costs recognised in other comprehensive income	**1,436,853**	224,511
I. Net Asset/(Liability) recognised in the Balance Sheet as at March 31,		
1. Present value of defined benefit obligation as at March 31,	**5,574,480**	5,292,339
2. Fair value of plan assets as at March 31,	**5,631,497**	6,023,517
3. Surplus/(Deficit)	**57,017**	731,178
4. Amount not recognised due to asset limit	**–**	21,573
5. Current portion of the above	**–**	–
6. Non current portion of the above	**57,017**	709,605
II. Change in the obligation during the year ended March 31,		
1. Present value of defined benefit obligation at the beginning of the year	**5,292,339**	4,331,427
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**556,773**	490,679
– Past Service Cost	**–**	–
– Interest Expense (Income)	**359,068**	335,655
4. Recognised in Other Comprehensive Income		
Remeasurement (gains)/losses		
– Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	**–**	–
ii. Financial Assumptions	**219,087**	151,505
iii. Experience Adjustments	**1,197,367**	131,342
5. Benefit payments	**(2,050,154)**	(148,269)
6. Others (Specify)	**–**	–
7. Present value of defined benefit obligation at the end of the year	**5,574,480**	5,292,339

Particulars	Funded Plan Gratuity **2017** ₹	2016 ₹
III. Change in fair value of plan assets during the year ended March 31,		
1. Fair value of plan assets at the beginning of the year	**6,023,517**	5,216,027
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–
3. Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**415,003**	405,981
4. Recognised in Other Comprehensive Income		–
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**(43,622)**	27,608
5. Contributions by employer (including benefit payments)	**1,286,753**	522,170
6. Benefit payments	**(2,050,154)**	(148,269)
7. Fair value of plan assets at the end of the year	**5,631,497**	6,023,517
IV. The Major categories of plan assets		
– Insurer managed funds (Non Quoted Value)	**5,631,497**	6,023,517

Notes:

The current service cost and net interest expenses for the year is included in the “Employee benefits expenses” line item in the statement of profit and loss.

The remeasurernent of the net defined benefit liability is Included-in other comprehensive income.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption		**Changes in assumption**	**Impact on defined benefit obligation**	
			Increase in assumption	**Decrease in assumption**
Discount rate	2017	0.50%	(5.54)%	6.04%
	2016	0.50%	(4.69)%	5.11%
Salary growth rate	2017	0.50%	6.03%	(5.58)%
	2016	0.50%	5.03%	(4.66)%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. Nil, (Previous year Rs. 600,000/-) to the gratuity trusts during the next financial year of 2018.

Average logetivity at retirement for current beneficiaries of the plan

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

Maturity profile of defined benefit obligation:

	2017	2016
Expected benefits for year 1	**228,728**	1,197,286
Expected benefits for year 2	**238,065**	192,248
Expected benefits for year 3	**620,590**	199,203
Expected benefits for year 4	**226,001**	541,046
Expected benefits for year 5	**217,173**	185,999
Expected benefits for year 6	**439,488**	177,702
Expected benefits for year 7	**397,933**	375,834
Expected benefits for year 8	**664,574**	334,536
Expected benefits for year 9	**280,851**	583,359
Expected benefits for year 10	**12,359,855**	10,374,070

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2017 , 2016 and 2015 by category are as follows:

	2017	2016	2015
Asset category:			
Cash and cash equivalents	**–**	–	–
Debt instruments (quoted)	**–**	–	–
Debt instruments (unquoted)	**–**	–	–
Equity instruments (quoted)	**–**	–	–
Deposits with Insurance companies	**5,631,497**	6,023,517	5,216,027
	5,631,497	6,023,517	5,216,027

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 11.57 years (2016: 9.79 years)

VIII. Experience Adjustments:

	2017	2016	Year ended 2015 Gratuity	2014	2013
1. Defined Benefit Obligation	5,574,480	5,292,339	4,331,427	3,473,492	3,195,772
2. Fair value of plan assets	5,631,497	6,023,517	5,216,027	4,029,884	3,685,244
3. Surplus/(Deficit)	57,017	731,178	884,600	556,392	489,472
4. Experience adjustment on plan liabilities [(Gain)/Loss]	1,197,367	131,342	(213,265)	92,472	222,262
5. Experience adjustment on plan assets [Gain/(Loss)]	43,622	(26,012)	63,205	90,390	28,276

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

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.

Note 29. Related Party Transactions

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

Note: Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

a) List of other related parties & relationships

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

Details of transaction between the Company and its related parties are disclosed below:

Nature of transactions with Related Parties	Mahindra & Mahindra Limited ₹	Mahindra Infrastructure Developers Limited ₹	Mahindra Lifespace Developers Limited ₹	United Utilities International Limited ₹	Total ₹
Purchase of property and other assets	46,843 (–)	– (–)	– (–)	– (–)	46,843 –
Insurance	18,912 (6,700)	– (–)	– (–)	– (–)	18,912 (6,700)
Travelling Expenses	75,400 (72,000)	– (–)	– (–)	– (–)	75,400 (72,000)
Professional Charges	159,501 (150,000)	– (–)	– (–)	– (–)	159,501 (150,000)
Liabiliites no longer payable	– (–)	– (–)	– (–)	– (18,981,386)	– (18,981,386)
Training Fee	18,180 (–)	– (–)	– (–)	– (–)	18,180 –

Nature of Balances with Related Parties	Mahindra & Mahindra Limited ₹	Mahindra Infrastructure Developers Limited ₹	Mahindra Lifespace Developers Limited ₹	Total ₹
Trade payables	– (161,085)	– (21,913,260)	– (–)	– (22,074,345)
Other Recoverables	– (–)	– (200,000)	200,000 (–)	200,000 (200,000)

Note:

Previous year's figures are in brackets.

Trade payables to related parties represent dues on account of services rendered and do not contain guarantee transactions.

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

Note 30. First-time adoption of Ind-AS

First Time Ind AS Adoption reconciliations

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

Particulars	As at March 31, 2016	As at April 1, 2015
	₹	₹
Equity as reported under previous GAAP	501,772,764	445,149,574
Ind AS: Adjustments increase (decrease):	–	–
Equity as reported under IND AS	501,772,764	445,149,574

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

Particulars	Year Ended March 31, 2016
	₹
Profit or Loss as per previous GAAP	56,623,190
Ind AS: Adjustments increase (decrease):	
Employee future benefits – actuarial gains and losses (Net of Tax)	150,281
Profit or Loss under Ind AS	56,773,471
Other comprehensive income	(150,281)
Total comprehensive income under Ind ASs	56,623,190

Notes:

(i) No statement of comprehensive income was produced under previous **GAAP. Therefore the reconciliation starts with profit under previous GAAP.**

(ii) Under previous GAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial gains for the year ended March 31, 2016 were Rs. 224,511/- and the tax effect thereon Rs. 74,230/-. This change does not affect total equity, but there is an increase in profit before tax of Rs. 224,511/- and in total profit of Rs. 150,281/- for the year ended March 31, 2016

(iii) Material adjustments to the Statement of Cash Flows

Particulars	Year ended March 31, 2016 Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flows from operating activities	22,679,914	–	22,679,914
Net cash flows from investing activities	550,487	–	550,487
Net cash flows from financing activities	(678,097)	–	(678,097)
Net increase (decrease) in cash and cash equivalents	22,552,304	–	22,552,304
Cash and cash equivalents at beginning of period	52,213,920	–	52,213,920
Cash and cash equivalents at end of period	74,766,224	–	74,766,224

Analysis of cash and cash equivalents as at March 31, 2016 and 1 April 2015 for the purpose of Statement of Cash flows under Ind AS

Particulars	**As at 31st March, 2017**	As at 31st March, 2016
	₹	₹
Cash and cash equivalents for the purpose of Statement of Cash flows as per Previous GAAP	94,879,166	74,766,224
Cash and cash equivalents for the purpose of Statement of Cash flows under Ind AS	**94,879,166**	74,766,224

Note 31. Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016

	SBNs	**Other Denomination notes**	**Total**
Closing cash in hand as on November 8, 2016	18,000	526	18,526
(+) Permitted receipts	–	22,563	22,563
(–) Permitted payments	–	9,874	9,874
(–) Amount deposited in the banks	–	–	–
Closing cash in hand as on December 30, 2016	– *	13,215	13,215 *

* payments made towards petty cash expenses

Note 32. 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. There is a single operating segment as defined by Indian Accounting Standard 108 "Operating Segments".

Note 33. 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 Rs. 300,000/- (Previous year 299,100/)

Note 34. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Note 35. No material events have occurred after the balance sheet date and upto the approval of the financial statements.

Note 36. The financial statements were approved for issue by the Board of Directors on April 17, 2017.

For and on behalf of the Board of Directors

S. Venkatraman Director

Srinath Ramamurthy Director

Place : Mumbai
Date : April 17, 2017