
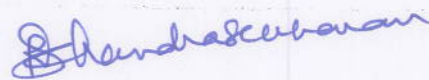
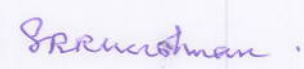
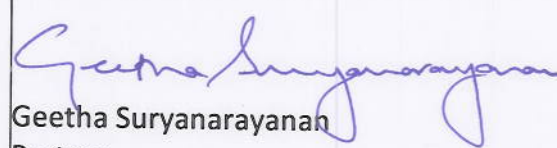


FORM A
Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Shriram EPC Limited
2.	Annual financial statements for the year ended	30 June 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/ Managing Director • CFO • Audit Committee Chairman • Auditor of the company 	   <p>Refer our Audit report dated 29 August 2013 on the Standalone financial statements of the Company For DELOITTE HASKINS & SELLS Chartered Accountants (Firm Registration No.008072S)</p>  <p>Geetha Suryanarayanan Partner Membership No. 29519 CHENNAI, August 29,2013</p>

Shriram EPC Limited

18/3, 4th Floor, Sigappi Achi Building, Rukmini Lakshmi pathi Salai,
Egmore, Chennai 600 008. Tel: + 91 44 4901 5678 Fax : + 91 44 4901 5655.
Website: www.shriramepc.com / Email: info@shriramepc.com

Shriram EPC Limited

Thirteenth Annual Report 2012-2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S.R. Ramakrishnan - Chairman
Mr. T. Shivaraman - Managing Director & CEO
Mr. M. Amjad Shariff - Joint Managing Director
Mr. R. Sundararajan - Director
Mr. S. Krishnamurthy - Director
Mr. Sunil K Kolangara - Nominee Director - Ascent Capital
Mr. P.D. Karandikar - Director
Mr. S. Bapu - Director
Mr. Vishal Vijay Gupta - Nominee Director - Bessemer Venture Partners Trust
Mr. S. Srinivasan - Director

CHIEF FINANCIAL OFFICER

Mr. R.S. Chandrasekharan

COMPANY SECRETARY

Mr. K. Suresh

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai - 600 017.

BANKERS

Allahabad Bank Limited
Axis Bank Limited
Bank of India Limited
Bank of Maharashtra Limited
Central Bank of India Limited
Citi Bank N.A.
Corporation Bank Limited
DBS Bank Limited
Dena Bank Limited
Development Credit Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IndusInd Bank Limited
Oriental Bank of Commerce Limited
Punjab National Bank Limited
State Bank of Patiala
State Bank of Mysore
State Bank of Travancore Limited
The Federal Bank Limited
The Lakshmi Vilas Bank Limited
The South Indian Bank Limited
Yes Bank Limited

REGISTERED OFFICE

4th Floor, Sigappi Achi Building,
Door No. 18/3, Rukmini Lakshmi pathi Salai,
Egmore, Chennai - 600 008.

OFFICES

Kolkata, New Delhi, Beijing and UAE

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Where we are now

SEPC growth 2008 to 2013

₹in Crores

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13 (15 Months)
Total Income	923.95	1,122.54	1,325.23	1,407.89	1,765.48
Operating Income	918.76	1,110.52	1,302.08	1,382.20	1,705.13
Operating Profit	110.53	148.00	198.37	318.73	479.34
Operating Profit %	12.03%	13.33%	15.23%	23.06%	28.11%
EBITDA *	80.08	119.18	169.19	248.15	321.40
EBITDA %	8.67%	10.62%	12.77%	17.63%	18.20%
PBT *	62.93	67.12	71.47	39.13	-103.82
PAT	40.02	44.66	69.61	25.51	-262.86

* Before Exceptional items

Key Financial metrics

13.83% p.a.

Increase in Revenue from ₹923.95 cr in 2008-09 to ₹1,765.48 cr in 2012-13

32.04% p.a.

Escalation in EBIDTA from ₹80.08 cr in 2008-09 to ₹321.40 cr in 2012-13

34.10% p.a.

Growth in operating profit from ₹110.53 cr in 2008-09 to ₹479.34 cr in 2012-13



POSITIONING

Shriram EPC Limited remains a key participant in India's growth story through a focus on businesses and technologies that are relevant for the future in the areas of core engineering and infrastructure.

BELIEF

Vision: To be a leader in engineering and project implementation with a focus on renewable energy and process industries.

Mission: Grow through mutually beneficial partnerships with customers, technology partners and vendors, empower and strengthen the competencies of employees, adopt effective project management to ensure timely and cost-effective deliverables.

ABOUT US

Shriram EPC Limited's business portfolio spans integrated design, engineering, procurement, construction and project management across various sectors and industries.

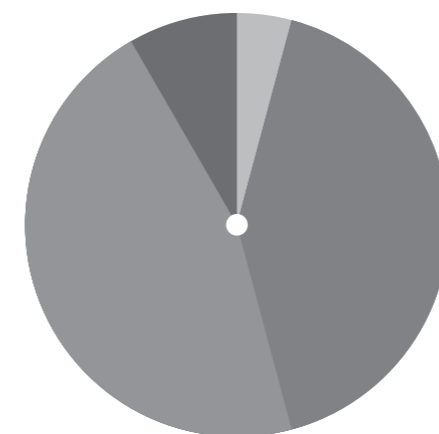
The Company specializes in the construction of Renewable Energy Infrastructure, Core Infrastructure Projects (Process and Metallurgy) and Municipal Services (Water and Pipe Rehabilitation).

OUR SPREAD

Shriram EPC Limited is headquartered in Chennai, India with offices in Kolkata, New Delhi, Beijing and UAE

The Company has executed projects across most Indian States and Overseas.

Shareholding Pattern as on 30th June 2013



Graph & Data in %

■ Promoter Group	38.43
■ Strategic Investor	41.61
■ Others (FII, MF, Banks, etc.)	14.59
■ Public	5.37



Chairman's Message

Dear Shareholders,

It is my pleasure to present to you our performance for the 15 months ended 2012-13, marking another year of steady progress for your Company. During the last financial period, we continued to improve our engineering competencies, expanded our horizons to overseas markets and moved towards realizing our vision of becoming a leader in engineering and project implementation. We therefore shifted our focus to be a pure EPC Contracting Company. We have also addressed key issues to pave the way for continued growth.

While it was believed that the Indian economy has been able to decouple itself from the world economy, the reality is that the global events did impact us considerably, during the year, reducing India's GDP growth to 5% (estimated). The sovereign debt crisis in Europe, slow recovery of the US economy, political instability in Middle East, rising crude prices and higher commodity prices have combined to present a rather challenging operating environment.

However the deterrents cannot be attributed to global factors alone as, closer home, the continuing hawkish stance adopted by RBI to counter persistent inflation and the surging fiscal imbalance have contributed to extremely tight finance situation. The banks have also been slow to lend to Companies which has affected the growth of industries. Sentiment has also been affected by the slow pace of reforms, multitude of corruption issues and regulations addressing foreign investments which have impacted the domestic decision making cycle.

Despite operating in a challenging environment, our revenue growth for the period under reference has been satisfactory with increased order inflow in the Municipal Services sector and also in Process & Metallurgy. Having a presence in multiple verticals enables us to avoid the effects of cyclicity in any single vertical and has facilitated a steady growth. During 15 months - 2012-13, our order inflow was primarily from the Municipal Services and Process & Metallurgy sectors.

The contribution from the Municipal Services business has been steady and there was progress on outstanding orders during the year. Entry into the Mining Sector within Process & Metallurgy has enabled the Company to look into newer areas besides foraying into the overseas market.

Our order backlog has been fairly robust providing us healthy visibility. As of June 30, 2013 we had an outstanding order backlog of ₹4,060 crore. Given the strong order backlog and new order wins across verticals, we remain optimistic about our performance going forward.

During the year, your Company, in line with the aim to focus on EPC contracting business decided to transfer the bulk of the investments in its Joint ventures and associate companies to the Parent Holding Company. In addition the loans & advances provided as additional support to these entities were also transferred to the holding Company. This provided liquidity to the Company to retire its borrowings. Your



Company also completed the strategic sale of Sree Jayajothi Cements Ltd (SJCL) by which the entire stake in SJCL has been sold to MyHome Industries, a 50-50 JV between the MyHome Group and CRH of Ireland, an International Cement major. This transaction was completed in August 2013. While this transaction has resulted in a significant loss to the Company, the cash flow available will reduce the ongoing interest burden substantially from the coming year.

The initiatives undertaken during the year, will help stabilize operations and result in resumption of growth in both topline and profits and we remain

confident in the company's potential to create value for its stakeholders.

At this juncture, I wish to express my gratitude and appreciation towards our employees, customers, business associates, suppliers and bankers who gave us the much needed support. I would like to thank our shareholders for their unstinted support during the crucial period gone by.

Yours sincerely,

S. R. Ramakrishanan
Chairman

Directors' Report

Dear Shareholder,

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the accounts of your company for the 15 months ended June 30, 2013.

FINANCIAL RESULTS

₹in Lakhs

	Consolidated (15 months)	Consolidated (12 months)	Standalone (15 months)	Standalone (12 months)
	2012-13	2011-12	2012-13	2011-12
Total Income	1,96,906.00	1,89,118.86	1,76,547.76	1,40,788.59
Profit before interest, depreciation, tax and extraordinary items	31,642.50	27,412.52	32,138.95	24,815.80
Interest & depreciation	47,110.23	24,633.30	42,521.36	20,902.51
Profit before tax & before extra ordinary items	(15,467.73)	2,779.22	(10,382.41)	3,913.29
Provision for taxation	(4,265.63)	1,487.15	(4228.82)	1362.57
Profit after tax & extraordinary items	(26,881.60)	4,153.33	(26,286.12)	2,550.75
Balance brought forward from last year	20,425.18	20,425.11	20,891.62	19,023.79
Profit available for appropriation	(5,394.52)	23,895.58	(5,394.50)	21,574.51
Transfer to general reserves	-	174.05	-	63.77
Surplus carried forward	20,425.18	20,425.18	(5,394.50)	20,891.60

OPERATING RESULTS & PERFORMANCE

Your Directors are pleased to report that during the year (15 months) your company recorded a total income at ₹1,765.48 crores from ₹1407.89 crores in the previous year on a standalone basis. Loss before tax and extraordinary items was at ₹103.82 crores.

Loss after tax was at ₹262.86 crores compared to a profit in the previous year of ₹25.51 crores. The last 2 years figures cannot be compared directly as the current financial year is for a period of 15 months. In addition the current year had substantial extraordinary items that are discussed in greater detail in the Management Discussion & Analysis Report.

Your Company's Standalone Order Book was at ₹4,060 crores as at June 30, 2013.

DIVIDEND

Since the Company has made a loss for the year, the Board has decided not to recommend a Dividend.

CAPITAL STRUCTURE

During the year under review, the share capital of your Company was changed/ altered as follows:

Allotment of 13,900 Equity shares of ₹10 each fully paid up under ESOP 2006 & 2007 schemes.

ABRIDGED ACCOUNTS

SEBI has vide its Circular no. SEBI/CFD/DIL/LA/2/2007/26/4 dated 26.4.2007 allowed listed Companies to send Abridged Annual Report to the shareholders in line with the requirement stipulated under Section 219(1)(b)(iv) of the Companies Act, 1956. Accordingly, an abridged balance sheet is sent to the shareholders of the Company. Any shareholder interested in having a copy of the complete and full Balance Sheet and Statement of Profit and Loss may write to the Company Secretary at the Registered Office of the Company. The detailed Balance Sheet and Statement of Profit and Loss will also be available for inspection at the Registered Office of the Company during working hours of the Company and also on the website of the Company (www.shriramepc.com).

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has through Circular No.17/2011 pronounced a Green initiative in

Corporate Governance that allows Companies to send notices/documents to shareholders electronically. The Green Initiative endeavours to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment. In support of the initiative announced by MCA, your Company will send notices convening Annual General Meeting, Audited Financial Statements, Directors Report and Auditors' Report etc in electronic form from the current financial year. Your Company would like to continue the Green Initiative further and requests all shareholders to opt for electronic documents.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statement presented by the Company include the financial information of all its Subsidiary Companies prepared in accordance with the Accounting Standard (AS 21) issued by the Institute of Chartered Accountants of India.

The Government of India, Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956 vide Letter Ref.51/12/2007-CL-III dated 8th February 2011 have granted exemption to all Companies from attaching the full text of the financial statements of the company's aforesaid Subsidiaries along with the Company's accounts from the year ended 31st March 2011.

Necessary disclosures will be made in respect of the said Subsidiaries in this Annual Report apart from the statement pursuant to Section 212 of the Companies Act, 1956.

However, on request by any member of the Company/ Statutory Authority interested in obtaining full text of the financial statement, these documents will be made available for examination, at its registered office. Pursuant to this, a statement summarizing the financial results of all the Subsidiaries is attached to the Consolidated Financial Statement.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and outlook of the company and its business is given in the Management Discussion and Analysis Report, which forms a part of this report.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreements with the Stock Exchanges. A report on Corporate Governance along with a certificate from the Auditors forms a part of this report.

ESOPs

The details required to be provided in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of the stock options granted under the Shriram EPC Employee Stock Option Scheme- 2006 and the Shriram EPC Employee Stock Option Scheme-2007 are given below:

SI No	Particulars	ESOP Scheme 2006	ESOP Scheme 2007
	Date of Grant	22-11-2006	22-11-2007
1	Total number of options granted	1640161	180000
2	Exercise price	₹10/-	₹10/-
3	Number of options vested	142309	48700
4	Number of options exercised	66885	15000
5	Total number of shares arising as a result of exercise of options	66885	15000
6	Number of options lapsed	-	-
7	Number of options forfeited	-	-
8	Variation in terms of options	--	--
9	Money realised by exercise of options	₹668850	₹150000
10	Total number of options in force as on 30th June, 2013	75424	58400
11	Grant to Senior Management - Number of options - Vesting period	--	--
12	Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year	--	--
13	Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	--	---

The number of shares issued pursuant to exercise of options under the Shriram EPC Employee Stock Option Schemes amounted to 13,900 shares, resulting in dilution of EPS by 0.002.



DIRECTORS

During the year Mr. Arun Duggal resigned as Director & Chairman of the Company due to his pre-occupations. The Board placed on record its appreciation for the invaluable services rendered by Mr. Arun Duggal during his tenure from 2008.

Mr. S.R. Ramakrishnan was appointed as the Chairman of your Company.

Mr. S. Srinivasan was appointed as an Additional Director on 12th February, 2013, to hold office till the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company together with a deposit of ₹500/- proposing the appointment of Mr. S. Srinivasan (Liable to Retire by Rotation) as Director of the Company.

Mr. S Bapu and Mr. P D Karandikar retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

COMMITTEES OF THE BOARD AUDIT COMMITTEE

The Company has constituted an Audit Committee as per the provisions of the Companies Amendment Act, 2000 and under Section 292 A of the Companies Act, 1956 at the Board Meeting held on 05th June 2002. The present members of the Committee are as follows:

1. Mr S.R. Ramakrishnan
2. Mr R. Sundararajan
3. Mr. S Krishnamurthy
4. Mr. S Bapu

The Committee has met five times during the year.

PARTICULARS OF EMPLOYEES

In terms of Section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees or set out in the Annexure to this Report. However having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed;

- That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for that period;

- That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- That they had prepared the annual accounts on a going concern.

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building, V Floor
No. 1, Club House Road
Chennai 600 002
India

Tel: (91 44) 2846 0390

Fax: (91 44) 2846 0129

Email: investor@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R.D. Ramasamy, Director

SEBI Registration Number: INR000003753

AUDITORS

M/s Deloitte Haskins and Sells, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

APPRECIATION & ACKNOWLEDGEMENTS

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the company for their continued support even in this global recession. Further the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wishes to place on record their appreciation to all employees at all levels for their commitment and their contribution.

For and on behalf of the Board

Chennai

29th August 2013

S. R. Ramakrishnan

Chairman

Management Discussion and Analysis: FY 2012-13

COMPANY OVERVIEW

Shriram EPC Limited (SEPC) is a leading service provider of integrated design, engineering, procurement, construction and project management services for process and metallurgy, thermal power plants, solar power plants, water and waste- water treatment plants, water and sewer infrastructure and pipe rehabilitation.

SEPC has an established presence across the length and breadth of the country. Internationally, its track record includes projects in Zambia and France and it is gradually expanding its presence to the regions of Middle East and Africa.

SEPC is headquartered in Chennai, Tamil Nadu and has offices in Kolkata, New Delhi, Beijing and UAE.

INDUSTRY OVERVIEW

ENGINEERING & INFRASTRUCTURE

The Engineering sector plays a pivotal role in the economic progress of any nation given its high integration with other industry segments. Level of growth and upgradation in Sectors like infrastructure, power, mining, steel and automotive drive the demand for the engineering sector.

During 2012-13, Metallurgical Industries in India witnessed an inflow of \$1.5 billion, whereas Engineering exports during the period declined by 3% to \$56.7 billion compared to the previous fiscal. The decline in engineering products is primarily attributable to the protracted slowdown in the developed economies mainly Europe and USA as these two regions accounts for over 60% of India's engineering exports. The decline is, however, expected to be temporary in nature and the reversal is expected as the economies of developed nations start to stabilize.

The Ministry of Commerce and Industries has set a target of shipping US\$ 125 billion worth of engineering goods by the end of 2013-14. In order to broadbase engineering exports, Indian companies are working on enhancing their presence in markets such as Latin America, Africa & the Middle East in addition to further strengthening of their base in the US and Europe.

POWER

According to the latest report released by the US Energy Information Administration (EIA) India is the fourth

largest energy consumer in the world after US, China and Russia. As far as production goes, India had an installed capacity of 223.3 GW as of March 2013 - fifth largest in the world. With Thermal energy constituting 68%, followed by Hydroelectricity at 18%, Renewable energy at 12% and Nuclear energy contributing the remaining 2%. However given the demand supply gap and the ever increasing population it is not surprising that the per capita energy consumption remains substantially lower than developed nations.

Going forward, as India strives towards regaining its pre-crisis growth rate; it is of vital importance that it is ably supported by its power resources. The Ministry of Power has forwarded a proposal for the addition of 76,000 MW of power capacity in the Twelfth Five Year plan (2012-2017) to the Planning Commission.

The Ministry has set a target for adding 93,000 MW in the Thirteenth Five Year Plan (2017-2022). In order to achieve the same, the Government has undertaken several reforms in recent times which should enable it to achieve its target. Some of the prominent policies which have boosted the confidence of private players' in the sector are the National Electricity Policy, the Ultra Mega Power Project Policy (UMPP), the Mega Power Policy, the CERC Policy, and the Tariff Policy.

In addition, taking cognizance of the fact that the country's energy is predominantly thermal led, the Government has been trying to encourage other forms of energy sources especially renewable energy. India has been one of the top performing clean energy economies in the 21st century, registering the fifth highest five-year rate of investment growth and the eighth highest in installed renewable energy capacity, (Source: The Pew Charitable Trusts)

INDIA'S PERFORMANCE DURING 2012-13

Installed Capacity (Target / Achievement)		
Target (Mw)	Achievement (Mw) for	Installed Capacity
for FY 2012-13	FY 2012-13	(Mar'13)
17,956	20,623	2,23,343

The power generation capacity addition during the financial year 2012-13 showed impressive performance surpassing the target by 14.84%. India added 20,623 Mw against the stated target of 17,956 Mw.



RENEWABLE ENERGY

Renewable energy has become a key focus area in the Indian power sector and several projects of public and private players are in the implementation stage. Such investments are being encouraged by the Government through investment friendly policies and favorable regulatory incentives.

In addition, State Government is now promoting those energy resources, they being wind, solar or hydro, where they have abundant resources and see the shortest time to market. As of February 2013, the Share of Renewable Energy in the total installed capacity of the country stood at 12% (excl Hydro).

The energy demand in India has increased steadily over the past years. This demand is expected to grow further as a result of the increasing population and robust economic growth. Developing energy generation and energy supply is a key focus area of the present governmental policy. The macro economic goals of the Indian economy are traditionally determined in five-year plans; this holds also true for the energy segment. According to the current 11th five-year plan 2007-2012, 15,000 MW of installed capacities should go operational in this period in the segment of renewable energies alone.

Energy source	Goals 11 th five-year plan (2007-2012)	Goals 12 th five-year plan (2012-2017)	Goals 13 th five-year plan (2017-2022)
Wind power	10,500	11,000	11,000
Biomass*	2,100	2,100	2,000
Small-scale water plants	1,400	1,600	1,500
Solar energy	1,000	3,800	16,000
Sum	15,000	18,500	30,500

*Also includes energy recovery of household waste
Source: working group for the 12th five-year plan 2012

SOLAR ENERGY

Among the various renewable energy resources, solar energy potential is the highest in the country. In most parts of India, clear sunny weather is experienced 250 to 300 days a year. The annual radiation varies from 1600 to 2200 kWh/m², which is comparable with radiation received in the tropical and sub-tropical regions. The equivalent energy potential is about 6,000 million GWh of energy per year.

On the upside, the market is set to grow significantly in the next ten years, driven mainly by rising power demand, escalating fossil fuel prices, the ambitious National Solar Mission (NSM), various state level initiatives, renewable energy quotas (including solar energy quotas for utilities), as well as by

falling international technology costs. India has great potential to generate electricity from solar energy and is on course to emerge as a solar energy hub. The techno-commercial potential of photovoltaics (PV) in India is enormous. With GDP growing in high single digits, the energy gap between supply and demand will only widen. Solar PV a renewable energy resource is capable of bridging this gap.

According to Mercom Capital Group, India installed 980 MW in 2012, slightly lower than the forecast of 1,090 MW. The cumulative installations to date in India currently stands at over 1,200 MW and going by the Mercom's projections, India is likely to install another 1,300-1,400 MW in 2013. Indian solar installations have been driven by the Jawaharlal Nehru National Solar Mission (JNNSM) with a goal to install 20,000 MW of solar power by 2022, and various state policies and state RPOs (Renewable Portfolio Obligations).

WATER SUPPLY AND SANITATION

In 2011, almost two thirds (64%) of the world population relied on improved sanitation facilities, while 15% continued to defecate in the open. Since 1990, almost 1.9 billion people have gained access to an improved sanitation facility. The world, however, remains off track to meet the Millennium Development Goal (MDG) sanitation target, which requires reducing the proportion of people without access from 51% in 1990, to 25% by 2015.

By the end of 2011, there were 2.5 billion people who lacked access to an improved sanitation facility. Of these, 761 million use public or shared sanitation facilities and another 693 million use facilities that do not meet minimum standards of hygiene (unimproved sanitation facilities).

COMPANY OVERVIEW

Your Company offers services relating to industrial processes, metallurgy, thermal power plants, solar power plants, biomass power plants, Mines and Mineral processing, water and waste and water treatment management and distribution systems.

Process & Metallurgy

We provide turnkey EPC solutions for ferrous & non-ferrous, cement, aluminium and copper. Your Company continues to develop projects including design, engineering, and construction of blast furnace auxiliaries, rolling mills, aluminium refining, copper smelting, cement plants, and coke oven batteries.

We also contribute to the design, engineering and construction of coal gasification plants.

SEPC customers for Process & Metallurgy includes Grasim, MALCO, SAIL, RINL, Hindustan Copper, NMDC etc.



Projects commissioned and completed during the year

Kerala Feeds Ltd. - 300 TPD Cattle Feed Project at Karunagapally, Kalletumkara, Kollam - Completed.

Rourkela Steel Plant - Ammonia Liquid treatment plant - Commissioned.

Notable Contracts received during the year:

An order worth ₹234 crore from Hutti Gold Mines Limited., to be executed in consortium with M/s Shandong Gold Group Yantai Design and Research Engineering Co.,Ltd. China, for construction of a circular shaft of a diameter of 6 meters and a depth of 960 meters.

A Contract worth ₹28.69 crore from Danieli India Ltd. Kolkata for Erection Contract for revamping of Hot Strip Mill, upgradation of Roughing Mill Area at Bokaro Steel Plant.

A Contract worth ₹302.88 crore from Kerala Feeds Ltd. for supply of Structural, Mechanical, Electrical and Instrumentation equipments for 300 TPD Cattle Feed Plant at Thiruvangoor, Kozhikode.

A Contract worth ₹164 crore from NMDC, Hyderabad for System Design, Engg., Procurement, Fabrication, Supply, Erection and Commissioning of Silo, Conveyors, Feeders, Screens, Classifier and associated equipment on turnkey basis for the installation of 4th line in screening plant at Bailadila Deposit No. 10 & 11A project in Dantewada District of Chattisgarh State.

Projects under Execution

NMD, Bachel	Wet Screening System	Under execution
Hindustan Copper Limited	Shaft Sinking, Equipping, OHS, Incline Mine Development at Surda Mines	Under execution
ROURKELA STEEL PLANT	New Coal Chemical Plant	Under commissioning

Water and Waste Water Management

We offer turnkey design – build environmental projects catering to water and waste water treatment, management and water distribution system.

We have undertaken various projects in this vertical for private companies as well as municipalities in India. The prospects for this vertical are bright owing to expectations of sustained rural – urban migration as well as emphasis on upgrading urban infrastructure in India.

We have undertaken several turnkey projects for water and waste water distribution, water and sewage treatment and pipe rehabilitation across several Indian States.

Notable Contracts awarded during the year include:

- An order worth USD 230 million for the supply and laying of basic sanitary systems in Basra, Iraq in JV with Mokul Group of Companies to be executed over a period of 3 years
- A contract worth ₹31.64 crore from Delhi Jal Board for rehabilitation of two sewer lines from Old Rohtak Road to Bharat Nagar through Road No.40
- A contract worth ₹75.63 crore from Gujarat Urban Development Company Ltd. for setting up of a water supply scheme at Gandhi Nagar
- A contract worth ₹27.84 crore from Kalyapattanam Municipality for setting up of an Water Supply Improvement Scheme
- A contract worth ₹92.16 crore from KWA, Kozhikode for Construction of Water Supply Distribution System for Kozhikode City and Adjoining Villages.
- A contract worth ₹75.63 crore from GUDC Veraval for Water Supply Scheme at Veraval Patan
- A contract worth ₹75.04 crore from KWA, Kozhikode for Construction of Water Supply Distribution System for Kozhikode City and Adjoining Villages.
- A contract worth ₹57.10 crore for PHED, Kota.
- A contract worth ₹46.12 crore from GWSSB, Bhavnagar for Manufacture, Supply, Dely and Lowering, Laying, Jointing of MS pipes with inside epoxy lining and outside CM Guniting from Tana GPT to existing WTPs of Bhavnagar city for Bhavnagar Municipal Corporation, Bhavnagar.
- A contract worth ₹39.99 crore for KWA, Thiruvananthapuram.



Haldia Coke and Chemicals Ltd

SEPC's Associate Company - Haldia Coke and Chemicals Limited is a leading manufacturer and marketer of coal products including metallurgical coke.

SIGNIFICANT DEVELOPMENTS

- Transfer of investments in subsidiary / associate companies to the Holding Company. During the year, Company decided to focus primarily on the EPC contracting business and hence decided to transfer the investments in its Joint Ventures and associate companies to the Parent Holding company. Hence the shares held by the Company in Shriram EPC (Singapore) PTE. Limited, Blackstone Group Technologies Private Limited, Hamon Shriram Cottrell Private Limited, Leitwind Shriram Manufacturing Limited and Shriram SEPL Composites Private Limited were transferred to the holding Company, Shriram Industrial Holdings Limited. In addition the loans & advances provided as additional support to these entities were also transferred to the holding Company. This provided an inflow of approx ₹445 crs to the Company, which enabled the company to retire bank borrowings.
- Strategic sale of Sree Jayajothi Cements Ltd

In April 2012, the Company had converted a part of its outstanding dues in Sree Jayajothi Cements Ltd (SJCL) into equity shares / equity linked instruments with a direct equity stake of 18.76%. An additional 49% is held by Spark Environmental Technology Limited (SPARK). SEPC held Optionally Convertible Debentures in Spark. The shareholders of the Company had accorded approval for this investment through a Postal Ballot.

Cement not being a core business, SEPC were looking for strategic or financial partners to work with to support SJCL. The cement plant needed an additional investment for a Railway siding and a captive power plant in addition to working capital support to achieve its full potential.

The company finalised a transaction by which the entire stake in SJCL has been sold to My Home Industries, a 50-50 JV between the My Home Group and CRH of Ireland, an International Cement major. This transaction was completed in August 2013.

The impact of this transaction on Shriram EPC is as follows:

SEPC recovers ₹575 crores from its investment in SJCL. This will help to reduce the leverage on the balance sheet and free up cashflows to focus on the EPC business.

SEPC is taking the following writedowns:

- ₹61.76 Crores in write off of receivables
- ₹77.15 Crores as dimunition in value of Equity investments
- ₹117.94 Crores as dimunition in value of OCD investments in Spark

In addition, the net interest cost on the holdings of SJCL investments in SEPC for the 15 month period is ₹96.60 Crores.

While this transaction results in a significant loss to SEPC, the cash flow available will reduce the ongoing interest burden by around ₹75 Crores per year.

Preference share issue

In order to support the company, the promoters, Shriram Industrial Holdings Limited (SIHL) have agreed to infuse additional capital into the Company and the Company proposes to issue :

3,00,00,000 Cumulative Redeemable Preference Shares of ₹100/- each. (the "Preference Shares") in one or more tranches at an aggregate subscription price of ₹300,00,00,000/- (Rupees three hundred crores only)

SWOT ANALYSIS

Strengths

Expertise: SEPC undertakes high end designs and engineering for a variety of industries. It customizes its offerings depending on the client's requirement. Such expertise acts as a key differentiator and enables SEPC to effectively compete with peers when bidding for contracts. In addition, the company has been focussed on widening its area of expertise and has also ventured into new verticals - In FY12, SEPC forayed into solar power and mines & mineral processing.

Diversified Operations: SEPC has a wide offering ranging from process & metallurgy, thermal power plants, renewable energy including biomass power plants, solar power plants and wind turbines, coal gasification, mines & mineral processing, municipal services including pipe rehabilitation as well as

water and waste-water distribution and management systems. Presence across such diversified business protects SEPC from over reliance on a single customer, industry or vertical.

Strong Promoter Group: SEPC is part of the well established and reputed Shriram Group, which has interests ranging from vehicle finance, personal finance, and chit funds. Such an association helps the company to stand apart & enables it to offer global customers additional comfort and confidence in its abilities to handle large and complex assignments.

Credible Leadership: Independent and eminent professionals are part of the Board of Directors of the Company. In addition, the management team comprises well qualified individuals with rich experience in the industry and in the functions they represent. A combination of the above factors provides SEPC a high level of expertise, stability and competence and is a significant factor behind the impressive track record of the Company.

Track Record: SEPC has a well established and a proven track record. Over the years, the Company has executed some of the most complex projects for its clients. The company on the back of such dexterity in project execution has been awarded with repeat orders from some of its established clients. Today, SEPC can be compared with the best in the industry and is well placed to compete in a dynamic and evolving business environment.

Weaknesses

Exposure to the Project Investments Cycle: SEPC's business of executing orders for its diverse clients is based on the capacity expansion plans of the respective industries. The capex plans of the clients are dependent on procuring timely approvals from the respective regulatory authorities, interest rate scenario, and prices of commodities. A weak environment for capital expenditure will impact the growth of company's business. The company has diversified into different verticals to mitigate the cyclical nature in individual segments of its business.

Inflation: The upward trajectory of inflation has led to an increase in the prices of commodities, services and labor. In addition, growth over the last couple of years

has resulted in greater demand for resources. The rising trend of inputs has led to pressure on the profitability of the business. Further the hardening of interest rates and extended working capital cycle could exacerbate the situation in adverse time thus putting pressure on profitability.

Opportunities

Large Scale Demand: SEPC caters to the demands of those industries which are critical to the long term development of the country. To meet demand, significant investments would be required in process industries like steel, cement, power including renewable energy, municipal and water infrastructure, etc. The balanced growth in demand in end user verticals has resulted in expansion of opportunity for SEPC in phased manner.

New Areas: Over the past few years, SEPC has forayed into new areas like material handling, solar power plants and mines and mineral processing to complement its strengths in process and metallurgy, water and waste water management, etc. Such additions have enabled the company to diversify its client base and enable it to consistently deliver a strong operating performance even in varied conditions. Going ahead, the company will look to enter newer verticals with high potential which are synergistic to the existing areas of business.

New Markets: Historically, SEPC has focused on the domestic market and has only executed a handful of overseas projects. However, with the improvement in service offerings, deepening of competencies and strengthening of financial position, SEPC is poised to expand its presence in new markets which are in close proximity to its home market.

Threats

Increasing Competition: SEPC business like others is subject to the risk of increased competition. Companies in same or similar industries which are operating in challenging environment might decide to offer services similar to ours. In addition, SEPC's existing competitors might decide to undertake different pricing strategies targeted towards gaining market share at the cost of profitability. A combination of these factors could affect the rate of growth for SEPC's business.



Regulatory and Political Risks: Government measures and policies have a significant impact on the functioning of SEPC operations. Increase in the level of regulations either to the industries we serve or to the industry will impact the progression. Uncertainty surrounding policy measures can have an adverse effect on customers leading to alterations in their investment plans.

Disruptive Technologies: The persistent and rapid change in the level of technology increases the risk of industries being exposed to disruptive technology. Any such technology which impacts customers industries could also lead to an impact to the service offerings to those industries.

OUTLOOK

Going ahead, we continue to remain confident and optimistic about our growth potential and transforming the Company into a world-class Engineering, Procurement and Construction Company. We are also committed towards targeting new segments and new geographies in order to expand the business further. Some of the recent order wins in the overseas market is a testament to this work. By leveraging on the proven track record and ever strengthening relationship with clients we aim to establish and maintain a leadership position in the industry. We further intend to target specific project segments and industries where we believe there is high potential for growth enjoys competitive advantages.

PERFORMANCE ANALYSIS OF CONSOLIDATED RESULTS

PROFIT AND LOSS ACCOUNT

Revenue

Consolidated operating revenues for the fiscal year ended 30 June 2013 were 2.32% higher than the previous year. Revenues from the EPC segment is ₹1, 55, 828.27 lakh.

Other Income

Other income was higher by ₹3,404.26 Lakhs at ₹6,346.91 lakh. This mainly comprises of interest income.

Expenditure

The Company faced headwinds on account of rising input costs which were mitigated to an extent by entering into supply agreements for raw materials and better management of inventories.

Interest

The increase in the interest expense to ₹44,804.61 lakh in FY2013 from ₹22,678.68 lakh in FY2012 was mainly on account of additional borrowings for increased working capital requirements.

Depreciation

Depreciation for the year stood at ₹2,305.61 lakh, an increase of 17.96% over the previous year on account of increased capital expenditure, which was driven by facility expansions.

Provision for Taxation

In FY2013, SEPC provided ₹239.26 lakh for taxation, down from ₹1,340.48 lakh in the previous fiscal.

Loss after Tax

The Company reported a Loss after tax (and minority interest) of ₹16,506.56 lakh during the current fiscal as compared to Profit of ₹1,284.93 lakh in the corresponding period last year. Loss on disposal of strategic investments is ₹5,324.77 lakhs

BALANCE SHEET

SOURCES OF FUNDS

Equity Funds

During the year, 13900 fully paid up shares have been issued to employees of the Company on exercise of option vested as per terms of the SEPC Employees Stock Option Scheme and share capital increased by ₹1.39 lakh to ₹4435.82 lakh.

Loan Funds

Secured loans represent loans taken to finance working capital, which are short term in nature in general. During the year, ₹45,438.95 lakh of loans were repaid and the balance as on June, 30 2013 was ₹1,54,938 lakh.

APPLICATION OF FUNDS

Fixed Assets

Gross Block at the end of FY 2013 was ₹7,415.12 lakhs which is decreased by ₹9,287.18 lakh during the year. This was on account of ₹11,414.78 reclassified as assets held for sale and there was an addition of ₹2,213.29.

Investments

With the decrease in Investments of ₹33,172.73 lakh during the year the total Investments at the year end stood at ₹8,392.90 lakh.

CURRENT ASSETS

Cash and Bank

Cash and Bank Balances at the end of FY 2013 is ₹9,037.88 lakh.

Loans and Advances

Loans and advances stand at ₹36,454.09 lakh, a decrease of ₹41,424.37 lakh at the end of FY 2013.

Current Liabilities

Current Liabilities have decreased by 34.23% to ₹2,03,832.79 lakh in FY 2013 from ₹3,09,901.89 lakh at the end of FY2012. This was due to a decrease in sundry creditors and short term borrowings.

Provisions

Provisions have decreased by 61.7% to ₹547.86 lakh in FY2013 from ₹1,430.633 lakh at the end of FY2012.

Deferred Tax Asset/Liability

The Company has recognized deferred tax asset of ₹1,392.84 lakh as against deferred tax liability of ₹3,151.32 Lakhs in the previous year.

Risk Management and Internal Controls

Risk Management

Your Company recognizes that it is exposed to an increasing degree of risks as it expands. It has set up a comprehensive risk management system covering various aspects of the business, including operational, legal, treasury, regulatory and financial reporting.

Your Company has a Committee headed by the respective Project Heads along with Chief Financial Officer and other Key Managerial Personnel who reviews, identifies and advises suitable measures to manage such risks.

These risks can adversely impact the functioning of the Company through their effect on operating performance, cash flows, financial performance, management performance and overall sustainability of the Company.

The risks that may affect the functioning of the Company include, but are not limited to:

- Customer and supplier default
- Inflationary pressures and other factors affecting demand for our products
- Increasing costs of inputs, transport and storage,
- Competitive market conditions
- Labor shortages and attrition of key staff
- Compliance and regulatory pressures including changes to tax laws
- Adverse movement of foreign exchange

Your Company has a defined risk management model to identify potential risks, mitigate and monitor the occurrence of risk.

Risk Identification: Monitoring and identification of risks is carried out at regular intervals with a view to improve existing processes and procedures. This assessment is based on risk perception survey, business environment scanning and inputs from various stakeholders.

Risk Mitigation: After risks have been identified, risk mitigation and solutions are defined, so as to bring the risk exposure levels in line with the risk appetite.

Risk Reporting: We have an established Risk Committee to deal with any reported risks. In addition, periodically a report is presented to our Risk Management Committee, which reviews the Enterprise Risk Management program to assess the status and trends available on the material risks highlighted.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has established a wide-ranging system of Internal Controls to ensure that all assets are safeguarded and protected against losses that may arise from unauthorized use or disposition, incorrect use and inappropriate storage. Further, it strives to ensure that all transactions are evaluated, authorized, recorded and reported accurately.



Your Company has also put in place an extensive budgetary control review mechanism whereby the management regularly reviews actual performance in comparison to plans.

The system is designed to adequately ensure that financial and other records maintained are accurate and are reliable for preparing financial information and other data. The internal control procedures are augmented by an extensive programme of internal and external audits and periodic review by the management.

HUMAN RESOURCES

Your Company proactively works to inculcate its vision and mission as well as a high standard of values in each of its employees.

A structured and transparent compensation programme is followed across the organization. Comprehensive evaluations are conducted and employees are made aware of their performance ratings on Key Result Areas and Competencies. The Company follows a holistic approach to development of people with a focus on grooming the next generation of leadership.

During FY2012-13, the total headcount of the Company stood at 653. The employee strength is spread evenly across all service lines.

MANAGEMENT'S RESPONSIBILITY STATEMENT

The Management is responsible for preparing the Company's financial statements and related information that appears in this annual report. It believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

END NOTE

SEPC, given its proven competencies, has established itself as a key player in its area of operations. It has, over the years, demonstrated its capabilities in executing projects which required high level of domain knowledge; some of the repeat orders from our client this year highlight the trust and confidence they have in our project executional capabilities. The recent corporate developments have enabled SEPC to renew its focus on the core EPC business. As a leaner organization, SEPC will look to enhance efficiencies and scale up each of its verticals rapidly. Further there is enhanced thrust on expanding presence in markets in close proximity to India.

The management has put in place several initiatives to improve the sales and marketing engine, optimize cost, diversify operations and enhance profitability.

SAFE HARBOUR

Some of the statements in this Annual Report that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market fluctuations in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

Corporate Governance Guidelines

Corporate Governance refers to the manner, in which a Company is directed, and laws and customs affecting that direction. It includes the manner in which a Company operates under the laws governing Companies, the by-laws established by the Company itself, and the structure of the Company. The corporate governance structure specifies the relationship, and the distribution of rights and responsibilities, among primarily three groups of participants, viz., and the Board of Directors, Managers, and Shareholders. This system spells out the rules and procedures for making decisions on corporate objective that are set, as well as the means of attaining and monitoring the performance of those objectives.

The fundamental concern of corporate governance is to ensure the conditions whereby a Company's Directors and Managers act in the interests of the Company and its various Stakeholders.

Our Company's Corporate Governance philosophy is based on the following principles

- To be transparent and maintain a high degree of disclosure levels.
- To make a clear distinction between personal conveniences and corporate resources.
- To communicate externally, in a truthful manner.
- To comply with various statutes.
- Management is not the Owner but is the trustee of the Shareholders' Capital.

The Board supervises the functioning of the Management and protects the long-term interests of all Stakeholders of the Company. Our Board comprises of equal number of non-independent and independent members. Further we have Audit, Share Transfer & Investors Grievance, Investment, Borrowing and Remuneration Committees which comprise independent directors in the respective Committees as required under Clause 49 of the Listing Agreement.

Board of Directors

Size and composition of the Board

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. The Board consists of 10 members, 2 of whom are executive directors and others are non-executive directors.

The Board periodically evaluates and decides the need for increasing or decreasing its size.

Seven meetings of the Board of Directors were held during the year ending 30th June 2013 (on 30th May 2012, 10th August 2012, 07th November 2012, 12th February 2013, 22nd February 2013, 10th May 2013 and 27th June 2013.)

The composition of our Board and the number of outside directorships held by each of the directors is given in the table.

Name	Position	Category	No. of Board Meetings Attended during the year out of the 7 (SEVEN) meetings held	Whether Attended the AGM held on 29th Sep 2012	No. of Directorships in other Indian Public Limited Companies		No. of Committee Positions held	
					Chairman	Director	Chairman	Member
Mr. Arun Duggal*	Chairman	NON-EXECUTIVE NON-INDEPENDENT	1	YES	5	11	3	7
Mr. S.R. Ramakrishnan**	Chairman	NON-EXECUTIVE INDEPENDENT	3	NO		3		3
Mr. T. Shivaraman	Managing Director & CEO	EXECUTIVE	7	YES		2		3
Mr. M. Amjad Shariff	Jt. Managing Director	EXECUTIVE	7	YES		1		0
Mr. R. Sundararajan	Director	NON-EXECUTIVE INDEPENDENT	6	YES		10	1	8
Mr. Sunil Kumar Kolangara	Director	NOMINEE NON-INDEPENDENT	5	NO		4		2
Mr. S Krishnamurthy	Director	NON-EXECUTIVE INDEPENDENT	7	YES		3	4	6
Mr. P D Karandikar	Director	NON-EXECUTIVE INDEPENDENT	5	NO		4	3	3
Mr. S Bapu	Director	NON-EXECUTIVE INDEPENDENT	7	YES		1		1
Mr. Vishal Vijay Gupta	Director	NOMINEE NON-INDEPENDENT	4	NO		4		
Mr. S Srinivasan***	Director	NON-EXECUTIVE NON-INDEPENDENT	3	NO		6	2	2

* Resigned w.e.f. 04.02.2013

** Appointed as the Chairman w.e.f. 12.02.2013

*** Appointed as an additional director w.e.f. 12.02.2013

None of the Directors on the Board is a Member on more than 10 committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all companies in which he is a Director.

The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in the amended Clause 49 of the listing agreements.

Changes in the composition of the Board during the year 2012-2013 is as under

Sl No	Names of Director	Particulars - Appointed/Ceased	Date
1	Mr. Arun Duggal	Resigned as Chairman and Director of the company	04.02.2013
2	Mr. S R Ramakrishnan	Appointed as the Non-executive Chairman of the Company	12.02.2013
3	Mr. S Srinivasan	Appointed as an Additional Director of the Company	12.02.2013

MEMBERSHIP TERM

The Board periodically recommends to the shareholders about re-appointments as per statute and the provisions of the Companies Act, 1956 which requires the retirement of one third of the Board Members (who are liable to retire by rotation) to retire every year, and qualifies the retiring members for re-appointment upon completion of their term.

COMPENSATION POLICY

The Remuneration Committee determines and recommends to the Board, the compensation payable to the Executive Directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

COMMITTEES OF THE BOARD

The Board has five Committees viz., the Audit Committee, the Remuneration Committee, the Share Transfer & Investor Grievance Committee, the Investment Committee and the Borrowing Committee.

The Board is responsible for constituting, reconstituting, co-opting and fixing terms of service for committee members and also its Charters.

The Committee Chairman or Members in consultation with the Company Secretary, determine the frequency and duration of the committee meetings. Normally, the Audit Committee meets a minimum of four times a year and all other committees meet as and when the need arises and the recommendations of the committee are placed before the Board and recorded.

The quorum for all the committee meetings is either two members or one-third of the members of the committee, whichever is higher.

1. AUDIT COMMITTEE

Our Audit Committee comprises of four independent directors. The members of the Committee are:

1. Mr. S R Ramakrishnan
2. Mr. R Sundararajan
3. Mr. S Krishnamurthy
4. Mr. S.Bapu

In our meeting on 10th September 2007, the Audit Committee adopted a charter which meets the requirements of Clause 49 of the listing agreement with Indian Stock Exchanges. The Charter is given below:

REDEFINED POWERS OF THE AUDIT COMMITTEE

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

Audit Committee Charter:

The Company had constituted an Audit Committee in the year 2002. The terms of reference of the Audit Committee broadly are as under:

1. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors.
2. Discussions with internal auditors on significant audit findings and follow up thereon;
3. To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
5. Recommending the appointment/reappointment of statutory auditors and fixation of their remuneration.

Further the Committee is empowered to implement entire terms as specified in the Clause 49 of the Listing Agreement and also do all other acts for implementing the same.

AUDIT COMMITTEE ATTENDANCE

Five Audit Committee meetings were held during the year. These were held on 30th May 2012, 09th August 2012, 07th November 2012, 12th February 2013 and 10th May 2013.

Members	Category	No. of Meetings Attended
Mr. S R Ramakrishnan	Independent	2
Mr. R Sundararajan	Independent	5
Mr. S Krishnamurthy	Independent	5
Mr. S Bapu	Independent	4

2. SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE:

Our Share Transfer & Investors' Grievance Committee comprises of three independent directors. The members of the Committee are:

- 1) Mr. R. Sundararajan
- 2) Mr. S R Ramakrishnan
- 3) Mr. P D Karandikar

The company has designated Mr. K. Suresh, Company Secretary as the Compliance Officer.

Share Transfer & Investors' Grievance Committee Charter

Investors Grievance Committee was constituted at the Board Meeting held on 10th September 2007. The Committee looks into the letters / complaints received from the shareholders / investors / stock exchanges / SEBI and then reviews the same with the Registrar. These letters / complaints are replied immediately / redressed to the satisfaction of the complaints. The Committee reviews periodically the action taken by the Company and the Share Transfer Agents in this regard. The pendency report if any, and the time taken to redress the complaints are also reviewed by the Committee.

The charter of the Committee is as follows :

1. Investor relations and redressal of shareholders grievances in general and relating to non-receipt of dividends, interest, non-receipt of balance sheet etc.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE ATTENDANCE

Five Share Transfer and Investors' Grievance Committee meetings were held during the year. These were held on 30th May 2012, 10th August 2012, 07th November 2012, 12th February 2013 and 10th May 2013.

Members	Category	No. of meetings attended
Mr. R Sundararajan	Independent	5
Mr. S R Ramakrishnan	Independent	2
Mr. P D Karandikar	Independent	3

There was no complaint pending to be resolved at the beginning of the year and there was no complaint received during the year.

3. INVESTMENT COMMITTEE

Our Investment Committee comprises of six directors. They are:

1. Mr. S. R. Ramakrishnan
2. Mr. R. Sundararajan
3. Mr. S. Krishnamurthy
4. Mr. S. Bapu
5. Mr. Vishal Vijay Gupta
6. Mr. S. Srinivasan (Appointed as a member w.e.f. 22.2.2013)

Investment Committee Charter:

- To invest funds of the Company in fixed / term deposits with bank(s), bodies corporate in shares / debentures (convertible or non-convertible) of companies, Government securities (Central, State or semi-Government) up to a limit not exceeding ₹50 crores (Rupees Fifty crores only) in one or more investments between two board consecutive meetings unless otherwise decided by the Board. Any investments over and above ₹50 crores shall be recommended by the Investment Committee to the Board for their approval.
- To issue Corporate Guarantees for the borrowings of Subsidiary and associate companies upto a limit of ₹150 crores in one or more guarantees between two consecutive board meetings unless otherwise decided by the Board. Any guarantees over and above ₹150 crores shall be recommended by the Investment Committee to the Board for their approval.
- To make Subscription / Contribution to share capital, public / rights issue and un-subscribed portion of rights issues, subscription to additional share capital, participation by way of private placement, including investment of funds abroad up to a limit not exceeding ₹50 crores (Rupees Fifty crores only) in one or more investments between two consecutive board meetings unless otherwise decided by the Board. Any investments over and above ₹50 crores shall be recommended by the Investment Committee to the Board for their approval.

INVESTMENT COMMITTEE ATTENDANCE

Three Investment Committee meetings were held during the year. These were held on 19th June 2012, 16th March 2013 and 20th June 2013.

Members	Category	No. of meetings attended
Mr. S.R. Ramakrishnan	Independent	1
Mr. R. Sundararajan	Independent	2
Mr. S. Krishnamurthy	Independent	3
Mr. S. Bapu	Independent	3
Mr. Vishal Vijay Gupta	Non-Independent	-
Mr. S. Srinivasan	Non-Independent	2

4. BORROWING COMMITTEE

Our Borrowing Committee comprises of four directors. They are:

- Mr. T. Shivaraman
- Mr. S.Krishnamurthy
- Mr. S.Bapu
- Mr. S.Srinivasan (Appointed as a member w.e.f. 22.2.2013)

Borrowing Committee Charter:

- Borrow monies otherwise than on Debentures - not exceeding ₹100 crores at any one time.
- Create necessary charges on the assets of the company as they may deem fit.
- Empowered to authorise affixing of the common seal of the company to any documents that may be required to be executed in pursuance of the exercise of the borrowing powers delegated to it provided such documents - signed by any two directors of the company or by one director and such other officer as may be authorised by the Committee.

BORROWING COMMITTEE ATTENDANCE

Fourteen Borrowing Committee meetings were held during the year. These were held on 14th April 2012, 19th April 2012, 25th April 2012, 6th June 2012, 10th July 2012, 27th July 2012, 25th September 2012, 16th October 2012, 12th November 2012, 29th November 2012, 30th November 2012, 21st January 2013, 02nd March 2013 and 03rd April 2013.

Members	Category	No. of meetings attended
Mr. T. Shivaraman	Non-Independent	12
Mr. S. Krishnamurthy	Independent	14
Mr. S. Bapu	Independent	14
Mr. S. Srinivasan	Non-Independent	02

5. REMUNERATION COMMITTEE

Our Remuneration Committee comprises of four directors. The members of Committee are:

- Mr. S. R. Ramakrishnan
- Mr. R. Sundararajan
- Mr. T. Shivaraman
- Mr. Vishal Vijay Gupta

Remuneration Committee Charter:

- To determine within the agreed framework, specific remuneration packages for each of the Executive Directors, the non-executive Directors and such other members of the executive management including salary, bonuses, incentive payments, share options, pension rights, terms of employment and any compensation payments.
- to approve and monitor the level and structure of the remuneration of the first layer of management, such layer to be determined by the Board;
- All Human Resources related issue.
- Other key issues / matters as may be referred by the Board or as may be necessary in view of Clause 49 of the Listing Agreement or any statutory provisions.

Compensation Committee Charter - Transferred to Remuneration Committee consequent to the Merger.

- the quantum of option to be granted under an ESOP per employee and in aggregate.
- the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
- the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
- the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

- Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular those stated in Clause 5 of the ESOP Guidelines.

Allotment Committee Charter - Transferred to Remuneration Committee consequent to the Merger.

- issue and allot shares subject to the provisions of the Section 75 of the Companies Act, 1956 and subject to the Memorandum and Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960
- issue duplicate share certificates in accordance with the Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.
- affix the Common Seal of the Company in accordance with the Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

Miscellaneous Provisions

The Committee may invite other Directors/ Officers of the Company to attend the meetings of the Committee as 'Invitees' from time to time, as and when required.

Minutes of the Remuneration Committee will be placed before the Board in its subsequent meeting.

REMUNERATION COMMITTEE ATTENDANCE

Four Remuneration Committee meetings were held during the year. These were held on 8th May 2012, 9th August 2012, 7th November 2012 and 10th May 2013.

Members	Category	No. of meetings attended
Mr. S R Ramakrishnan	Independent	2
Mr. R Sundararajan	Independent	4
Mr. T Shivaraman	Non-Independent	4
Mr. Vishal Vijay Gupta	Non-Independent	2

REMUNERATION FOR THE YEAR

Non-executive Directors are paid a sitting fees of ₹15,000/- for every meeting of the Board and ₹10,000/- for every Committee meeting attended by them.

Details of the remuneration of Non-executive Directors and Independent Directors for the year ended 30th June 2013 are as follows:-

Name	Sitting fees paid for Board and Committee meetings Nett of TDS (₹)	
	Board	Committee
Mr. S R Ramakrishnan	40500	63000
Mr. R. Sundararajan	81000	144000
Mr. S. Babu	94500	189000
Mr. Sunil K Kolangara	67500	NIL
Mr. S. Krishnamurthy	94500	198000
Mr. P. D. Karandikar	67500	27000
Mr. Vishal Vijay Gupta	54000	18000

Executive Directors - Salary / Allowances (₹)

Name	Value of Remuneration
Mr. T Shivaraman	50,96,000
Mr. M Amjad Shariff	54,98,000

General Body Meetings

The location and time where the last three Annual General Meeting held are given below:-

For the year ended 31st March	Venue	Day and Date	Time
2012	AT MINI HALL, SRI KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI - 600 017	FRIDAY 29 TH SEPTEMBER 2012	11.00 A.M.
2011	AT MINI HALL, SRI KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI - 600 017	FRIDAY 9 TH SEPTEMBER 2011	3.00 P.M.
2010	AT MINI HALL, SRI KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI - 600 017	WEDNESDAY 29 TH SEPTEMBER 2010	03.00 P.M.

SPECIAL RESOLUTIONS PASSED AT LAST THREE ANNUAL GENERAL MEETINGS

At the 10th AGM held on 29th September 2010, the following resolutions were passed:

Under Section 372A of the Companies Act, 1956 providing consent to invest, acquire by way of subscription, purchase or otherwise in the Equity Shares and/or Deep Discount Convertible Debentures of M/s. Beta Wind Farm Pvt. Ltd., Chennai in one or more tranches subject to an amount not exceeding ₹100 crores.

Under Sections 198, 269, 309, 310, 316 and all other applicable provisions of the Companies Act, 1956 if any, providing consent to revise the Salary of Mr. T Shivaraman – Managing Director & CEO for the remaining tenure of his service with effect from 29th September 2010.

Under Sections 198, 269, 309, 310, 316 and all other applicable provisions all other applicable provisions of the Companies Act, 1956, if any, providing consent to revise the Salary of Mr. M Amjad Shariff - Joint Managing Director for the remaining tenure of his service with effect from 29th September 2010.

Under Section 163 and all other applicable provisions, if any, providing consent to keep the Register of Members, the Index of Members and copies of all Annual returns prepared under Section 159 and 160 of the Act, together with the copies of certificates and documents required to be annexed under Section 160 and 161 of the Companies Act, 1956 at No.9, Vanagaram Road, Ayanambakkam, Chennai- 600 095, India with effect from this meeting instead of the Registered Office of the Company at No 5. T V Street, Chetput, Chennai 600 031.

Under Section 293(1)(d) of the Companies Act, 1956, consent of the company be and is hereby accorded to the board of directors to borrow monies from time to time notwithstanding that the monies to be borrowed together monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however the total amount of such borrowings shall not exceed at any one time a sum of ₹1500 crores (Rupees one thousand five hundred crores only).

At the 11th AGM held on 9th September, 2011, the following resolution was passed:

Under section 31 of the Companies Act, 1956 for altering the Article No. 2 of the Articles of Association of the Company to enable the shareholders/directors of the company to participate effectively in the general meetings and board meetings of the company through electronic mode.

At the 12th AGM held on 29th September, 2012, the following resolution was passed:

Under Section 163 and all other applicable provisions, if any, providing consent to keep the Register of Members, the Index of Members and copies of all Annual Returns prepared under Section 159 and 160 of the Companies Act, 1956 together with the copies of certificates and documents required to be annexed under Section 160 and 161 of the Companies Act, 1956 at the Registered Office of the Company at 4th Floor, Sigappi Achi Building, No. 18/3, Rukmini Lakshmi pathi Salai, Egmore, Chennai - 600 008 with effect from this meeting instead of No. 9, Vanagaram Road, Ayanambakkam, Chennai - 600 095.

Postal Ballot

Approval of the Shareholders was obtained on 28th August 2012 under Section 372A of the Companies Act, 1956 by way of a Special Resolution for making an investment, providing loan or guarantee or security to the extent of ₹400 Crores in tranches in Corporates, Associate / Group Companies from time to time.

Approval of the Shareholders was obtained on 26th March 2013 by way of an Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956 for sale / transfer of shares of associate / subsidiaries and Joint Venture Companies.

Approval of the Shareholders was obtained on 20th June 2013 by way of two Ordinary Resolutions under Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, for re-appointment of Mr. T Shivaraman as the Managing Director & CEO of the Company and Mr. M Amjad Shariff as the Joint Managing Director of the Company.

Approval of the Shareholders was obtained on 6th August 2013 by way of an Ordinary Resolution under Sections 293 (1) (a) read with Section 192A and other applicable provisions of the Companies Act, 1956, for transfer of 11 nos. of wind electric generators totalling to 16.2 MW capacity to M/s. Hexa Wind Private Limited.

Code of Conduct

The Board has laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code is posted on the website of the Company www.shriramepc.com. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the MD is forming part of the report.

Whistle Blower Policy

In line with the Company's commitment to the high standards of ethical, moral and legal business conduct and its commitment to open communication, a 'Whistle Blower Policy' has been framed and is posted on the website of the Company www.shriramepc.com.

The audit committee is vested with the power to review functioning of the whistle blower mechanism.

Prevention of Insider Trading

The Company has framed a Code of Conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / Offices (including Statutory Auditors)/designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

As regards the non-mandatory requirements, the following were adopted:

1. As detailed in the earlier paragraphs, the Company had constituted a Compensation Committee which has now been merged with the Remuneration Committee.
2. Pursuant to the non mandatory requirements of the listing agreement, the Company has established a whistle blower mechanism to provide an avenue to raise concern.
3. As the quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company from time to time and posted in the Company's website, the Company did not send the half yearly financial results to the shareholders during the year 2012 -13.

4. Other Non-mandatory requirements have not been adopted by the Company.

Other Disclosures

A Management Discussion and Analysis Report highlighting individual businesses has been included in the annual report.

There were no materially significant related party transactions, with Directors/Promoters/Management which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.

Transactions with the related parties are disclosed in Note 15 of schedule 15 to the accounts in the Annual Report.

The Company has followed the Guidelines of Accounting Standards notified by the Central Government through Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements

Risk Management

The Company has laid down procedures to inform board members about the risk assessment and minimization procedures. The board periodically discusses the significant business risks identified by the management and the mitigation process being taken up. A detailed note on risk identification and mitigation is included in the management discussion and analysis, annexed to the Directors' Report.

Compliance with Corporate Governance Norms

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted



the compliance report in the prescribed format to the stock exchanges for the quarter ended 30th June 2013. The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

The Ministry of Corporate Affairs recently announced a set of voluntary guidelines on Corporate Governance. The Company, in line with its stated policy of being committed to the principles and practices of good Corporate Governance, is in compliance with a number of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

Means of Communication

The audited financial results are published in the newspapers including The Hindu-Business Line, Makkal Kural, Dinaboomi etc. The quarterly results and other major announcements like

book closure and dividend declarations will also be published in leading newspaper dailies and will also be made available in the Company's website www.shriramepc.com. Besides the financial information, the following are posted on the Company's website:

- Periodical press releases
- Presentations to investors/analysts

The Code of Conduct and the Whistle Blower Policy are also posted on the Company's website.

CEO/CFO Certification

CEO and CFO have given a certificate to the Board as contemplated in clause 49 of the Listing Agreement.

Management Discussion and Analysis

A management discussion and analysis forms part of the annual report.

General Shareholder Information

A separate section on the above has been included in the annual report.



General Shareholder Information

REGISTERED OFFICE

4th Floor, Sigappi Achi Building, Door No. 18/3, Rukmini Lakshmi pathi Salai, Egmore, Chennai-600 008.

ANNUAL GENERAL MEETING

Day	Thursday
Date	12 th December 2013
Time	11.30 A.M.
Venue	Kamakoti Hall, Sri Krishna Gana Sabha, No.20, Maharajapuram Santhanam Road, T.Nagar, Chennai - 17

TENTATIVE FINANCIAL CALENDAR

Annual General Meeting	
Financial reporting for the 01 st Quarter ending 30th September 2013	On or before 15th November 2013
Financial reporting for the 02 nd Quarter ending 31st December 2013	On or before 15th February 2014
Financial reporting for the 03 rd Quarter and year ending 31st March 2014	On or before May 30th 2014

FINANCIAL YEAR

The Current Financial Year commences on 01st July 2013 - 31st March 2014 for 9 months.

BOOK CLOSURE FOR DIVIDEND FOR RECORD PURPOSES

Monday, the 9th December 2013 to Thursday, the 12th December 2013 both days inclusive.

LISTING ON STOCK EXCHANGES AND STOCK CODE

Equity Shares

National Stock Exchange	SHRIRAMEPC
The Stock Exchange, Mumbai	532945

MARKET PRICE DATA AND COMPARISON

Month	[BSE]		[NSE]	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 12	94.40	76.00	92.00	75.80
May 12	78.35	53.90	77.10	53.40
Jun 12	65.25	55.20	65.90	55.05
Jul 12	73.90	54.75	75.65	55.05
Aug 12	62.90	52.00	59.45	51.20
Sep 12	72.70	49.05	73.00	52.15
Oct 12	81.80	67.00	81.55	66.00
Nov 12	79.70	63.75	79.80	62.10
Dec 12	86.00	67.00	84.90	67.00
Jan 13	82.05	65.25	82.45	64.65
Feb 13	84.30	63.00	84.40	63.00
Mar 13	72.00	52.00	72.20	52.40
Apr 13	61.45	53.60	61.65	54.80
May 13	64.40	52.00	69.90	51.95
Jun 13	53.85	40.10	53.40	41.00



REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building, V Floor
No. 1, Club House Road
Chennai 600 002
India
Tel: (91 44) 2846 0390
Fax: (91 44) 2846 0129
Email: investor@cameoindia.com

Website: www.cameoindia.com
Contact Person: Mr. R.D. Ramasamy, Director
SEBI Registration Number: INR000003753

SHARE TRANSFER AND INVESTOR SERVICE SYSTEM

A Committee of the Board constituted for the purpose, approves share transfers in the physical form and also in Electronic mode.

SHAREHOLDING PATTERN AS ON 30TH JUNE 2013

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Promoter	1	17048070	38.43
Resident	8354	1909083	4.30
FI	1	317646	0.72
FII	3	1187428	2.68
NRI	84	35647	0.08
Corporate Body	263	17917756	40.39
Clearing Member	24	8591	0.02
Mutual Funds	1	1718494	3.87
Trusts	1	3786779	8.54
EMPLOYEES	85	428690	0.97
TOTAL	8817	44358184	100

DISTRIBUTION OF SHAREHOLDING AS ON 30TH JUNE 2013

DISTRIBUTION OF HOLDINGS - AS ON 30.6.2013

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	8147	92.401	786943	7869430	1.774
5001 - 10000	288	3.2664	228521	2285210	0.5151
10001 - 20000	152	1.7239	222557	2225570	0.5017
20001 - 30000	58	0.6578	146517	1465170	0.3303
30001 - 40000	32	0.3629	113057	1130570	0.2548
40001 - 50000	25	0.2835	113228	1132280	0.2552
50001 - 100000	59	0.6691	432884	4328840	0.9758
100001 - And Above	56	0.6351	42314477	423144770	95.3927
Total	8817	100	44358184	443581840	100

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE: 30TH JUNE 2013

SHRIRAM EPC LIMITED

SHAREHOLDING SUMMARY as on 30-06-2013

CATEGORY	NO.OF HOLDERS	TOTAL POSITIONS	% OF HOLDINGS
PHYSICAL	9	63	0.000142
NSDL	5830	38079145	85.844688
CDSL	2978	6278976	14.155169
TOTAL	8817	44358184	100

NOMINATION FACILITY

The shareholders may avail of the nomination facility under Section 109A of the Companies Act, 1956. The nomination form (Form 2B), along with instructions, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the company's registrar M/s. Cameo Corporate Services Limited.

DEMATERIALIZATION OF SHARES

The shares of the Company are compulsorily traded in dematerialized form. The code number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., to Shriram EPC Limited is ISIN INE-964H01014.

ADDRESS FOR INVESTOR CORRESPONDENCE

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address or any other query relating to shares, please write to:

Cameo Corporate Services Limited
Subramanian Building, V Floor
No. 1, Club House Road, Chennai 600 002. India
Tel: (91 44) 2846 0390, Fax: (91 44) 2846 0129
Email: investor@cameoindia.com
Website: www.cameoindia.com
SHRIRAM EPC LIMITED,
Sigappi Achi Building, 4th Floor,
18/3 Rukmini Lakshmi pathi Salai, Egmore,
Chennai-600 008. India
Tel: (91 44)49015678, Fax: (91 44) 49015655
Email: suresh@shriramepc.com
Website:www.shriramepc.com
Mr.K.Suresh, Company Secretary

ONLINE INFORMATION

Shareholders are requested to visit www.shriramepc.com for online information about the Company. The financial results, share price information, dividend announcements of the Company are posted on the website of the Company and are periodically updated with all developments, for the information of shareholders.

Exclusive e-mail id for Investor Grievances: Pursuant to Clause 47(f) of the Listing Agreement, the following e-mail ID has been designated for addressing Investors' Grievances: Investors@shriramepc.com

DISCLOSURES

There have been no materially significant related party transactions that may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the Notes to accounts.

There have been no instances of non-compliance on any matters relating to capital markets, nor have any penalty/strictures been imposed on the company by the stock exchange or SEBI or any statutory authorities on such matters.

MEANS OF COMMUNICATION

The Quarterly results are being published in leading national English newspapers (The Hindu Business Line) and in one vernacular (Tamil) newspaper (Thinaboomi). The quarterly results are also available on the Company's website www.shriramepc.com

The Company's website also displays official press releases, shareholding pattern and presentations made to the analysts and brokers.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGERS

The Board of Directors at their meeting held on 14th February 2008 has adopted the Code of Conduct for Directors and Senior Management (the Code) which applicable to all Directors -Executive as well as Non-Executive and members of Senior Management.

The Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the need of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments.

DECLARATION ON CODE OF CONDUCT

To the Members of Shriram EPC Limited

This is to confirm that the Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has also been posted on the website of the Company.

It is further confirmed that all directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 30th June 2013, as envisaged in Clause 49 of the Listing Agreement with stock exchanges.



Auditors Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s) to the Members of Shriram EPC Limited

Ref: GS/SEPC/CG/2012-13/1

1. We have examined the compliance of conditions of Corporate Governance by Shriram EPC Limited (the "Company") for the fifteen months ended 30 June 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that

the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration Number:008072S)

Geetha Suryanarayanan
Partner
(Membership Number. 29519)

Place: Chennai
Date: August 29, 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHRIRAM EPC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SHRIRAM EPC LIMITED ("the Company"), which comprise the Balance Sheet as at 30 June 2013, the Statement of Profit and Loss for the fifteen months ended 30 June 2013 and the Cash Flow Statement for the period then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and

the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 30 June 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the fifteen months ended 30 June 2013 and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

- (e) On the basis of the written representations received from the directors as on 30 June 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30 June 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

FOR DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No: 008072S

Geetha Suryanarayanan
Partner
Membership No.29519

Place : Chennai
Date : August 29, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business/activities/result, clauses (viii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable.

2. In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the period, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposals has, in our opinion not affected the going concern status of the Company.

3. In respect of its inventories:

(a) As explained to us, the inventories (other than contract work in progress) were physically verified by the Management at the period end.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification

of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

4. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted unsecured loans aggregating to ₹29,941.97 Lakhs to three parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the previous year. At the period-end, the outstanding balances of such loans aggregated to ₹380.75 Lakhs from two parties and the maximum amount involved during the period was ₹27,375.09 Lakhs from three parties.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.

(c) The receipts of principal amounts and interest have been as per stipulations.

(d) There are no overdue amounts as at the Balance Sheet date.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other



parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has taken loans aggregating ₹116,194 Lakhs from a party during the period. At the period-end, the outstanding balances of such loans taken aggregated ₹5,008.60 lakhs and the maximum amount involved during the period was ₹60,739.59 Lakhs.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.

(c) The payments of principal amounts and interest in respect of such loans are as per stipulations.

5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.

6. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

b) Where each of such transactions is in excess of ₹5 lakhs in respect of any party, having regard

to our comments in paragraph 5 above, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of the business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. Statutory and other dues

According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues including Income Tax, Customs Duty, Value added tax, Works Contract Tax, Wealth tax and other statutory dues applicable to it with the appropriate authorities during the period except for some delays in remittances of Provident Fund, Employees State Insurance dues, Tax deducted at source, Service tax and Cess during the period.

Further statutory dues in respect of Excise Duty are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Work Contract Tax, Income Tax, Value Added Tax, Customs Duty, Wealth tax, Service tax and Cess were in arrears, as at 30 June 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income tax, Sales-tax, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess which have not been deposited as on 30 June 2013 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹in lakhs)
Income Tax Act	Income Tax, interest and penalty	Commissioner of Income Tax (Appeals)	2005-06 to 2010-2011	826.14
Service Tax Act	Service Tax and penalty	Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	368.34
Service Tax Act	Service Tax and penalty	Commissioner of Service tax (Appeals)	2008-09 to 2011-2012	114.54
Andhra Pradesh Value Added Tax Act	Value Added Tax	Supreme Court	2007-2008 to 2009-2010	223.33
West Bengal Value Added Tax Act	Value Added Tax	Joint Commissioner (Appeals)	2009-10	500.39
West Bengal Value Added Tax Act	Value Added Tax	West Bengal Commercial Taxes Appellate & Revisional Board	2007-08	558.45
West Bengal Value Added Tax Act	Value Added Tax	Ld. Joint Commissioner (Appeals) of West Bengal Commercial Taxes	2008-09 to 2010-11	86.63
Jharkhand Value Added Tax Act	Value Added Tax	Deputy Commissioner of Commercial Taxes	2007-08 to 2008-09	412.95

10. In our opinion and according to the information and explanations given to us, the Company has not been regular in repayment of dues to banks and there have been defaults in repayment of principal amounting to ₹820.10 Lakhs during the period and defaults in repayment of interest amounting to ₹640.02 Lakhs outstanding as at 30 June 2013, which has subsequently been paid. (Refer Note No. 5.2 and Note No. 8.2 of financial statements). The company has not borrowed from financial institutions and has not issued any debentures during the period.

11. In our opinion and according to the information and explanations given to us, the Company has given guarantee, for loans taken by others, from banks during the period the terms of which are prima facie not prejudicial to the interest of the company.

12. In our opinion and according to the information and explanations given to us, the term loans have been applied by the company during the period for the purposes for which they were obtained.

13. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the period for long-term investment.

14. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period.

FOR DELOITTE HASKINS & SELLS
Chartered Accountants
Registration No: 008072S

Geetha Suryanarayanan
Partner
Membership No.29519

Place : Chennai
Date : August 29, 2013

SHRIRAM EPC LIMITED
BALANCE SHEET AS AT JUNE 30, 2013

₹in Lakhs

Particulars		Note No	As at June 30, 2013	As at March 31, 2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share Capital	3	4,435.82	4,434.43
	Reserves and Surplus	4	20,030.22	46,314.34
			24,466.04	50,748.77
2	Non-Current Liabilities			
	Long Term Borrowings	5	16,005.47	2,931.98
	Deferred Tax Liabilities (Net)	39.2	-	3,073.33
	Other Long Term Liabilities	6	69.75	13.39
	Long Term Provisions	7	242.32	174.23
			16,317.54	6,192.93
3	Current Liabilities			
	Short Term Borrowings	8	139,968.23	176,812.26
	Trade Payables	9	40,944.31	53,571.98
	Other Current Liabilities	10	22,614.73	38,505.62
	Short Term Provisions	11	305.52	737.85
			203,832.79	269,627.71
	TOTAL		244,616.37	326,569.41
B	ASSETS			
1	Non-Current Assets			
	Fixed Assets			
	Tangible Assets	12	4,242.51	12,204.87
	Intangible Assets	12	211.39	420.26
	Capital Work-in-Progress		932.49	-
			5,386.39	12,625.13
	Non-Current Investments	13	4,581.78	28,981.59
	Deferred Tax assets (net)	39.2	1,392.84	-
	Long-term Loans and Advances	14	2,571.09	1,955.64
	Other Non-Current Assets	15	13,092.33	9,100.66
			27,024.43	52,663.02
2	Current Assets			
	Current Investments	16	19,851.63	-
	Inventories	17	32,386.43	27,802.03
	Trade Receivables	18	58,234.70	123,304.99
	Cash and Cash Equivalents	19	9,037.88	36,704.98
	Short Term Loans and Advances	20	33,883.00	70,745.67
	Other Current Assets	21	64,198.30	15,348.72
			217,591.94	273,906.39
	TOTAL		244,616.37	326,569.41
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : August 29, 2013

For and on behalf of the Board of Directors

T.Shivaraman Managing Director S. Krishnamurthy Director

K.Suresh Company Secretary R.S.Chandrasekharan Chief Financial Officer

SHRIRAM EPC LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013

₹in Lakhs

Particulars		Note No	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
I	Revenue from Operations	22	170,512.96	138,220.03
II	Other Income	23	6,034.80	2,568.56
III	Total Revenue (I+II)		176,547.76	140,788.59
IV	Expenditure :			
	Cost of Raw Materials and Components Consumed	24	1,151.52	7,883.53
	Erection, Construction & Operation Expenses	25	114,063.30	102,994.51
	Purchases of Stock in Trade	26	12,151.74	7,004.09
	Change in Inventories of Contract Work in Progress, Finished Goods and Stock In Trade	27	(4,787.16)	(11,535.07)
	Employee Benefits Expense	28	6,079.78	3,072.24
	Finance Costs	29	41,093.80	19,687.19
	Depreciation and Amortisation Expense	12	1,427.56	1,215.32
	Other Expenses	30	15,749.63	6,553.46
	Total Expenses		186,930.17	136,875.27
V	(Loss) / Profit Before Exceptional Items and Tax (III-IV)		(10,382.41)	3,913.32
VI	Exceptional Items	31	(20,132.53)	-
VII	(Loss) / Profit Before Tax (V+VI)		(30,514.94)	3,913.32
VIII	Tax expense / (benefit):	39		
	(1) Current tax (Includes ₹56.47 Lakhs relating to Earlier Years)		237.36	1,182.88
	(2) Deferred tax (Net)		(4,466.18)	179.69
	Net tax (benefit)/ expense		(4,228.82)	1,362.57
IX	(Loss) / Profit After Tax for the year		(26,286.12)	2,550.75
X	Earnings per Share:(Face value of ₹10/- per share)			
	Basic	38	(59.27)	5.75
	Diluted	38	(59.27)	5.75
	See accompanying notes forming part of the financial statements			

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : August 29, 2013

For and on behalf of the Board of Directors

T.Shivaraman Managing Director S. Krishnamurthy Director

K.Suresh Company Secretary R.S.Chandrasekharan Chief Financial Officer

SHRIRAM EPC LIMITED

CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013

₹in Lakhs

	Particulars	Fifteen Months ended 30 June 2013	Year ended 31 March 2012
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	(30,514.94)	3,913.31
	Depreciation and amortisation expense	1,427.56	1,215.32
	Employee Stock Option Expense	2.00	14.43
	Provision for Gratuity	71.97	(11.49)
	Provision for Compensated Absences	182.26	(16.44)
	Loss on disposal of Fixed Assets (Net)	21.88	276.42
	Bad Trade Debts/Advances Written off	-	1,899.40
	- Sree Jayajothi Cements Ltd	6,176.34	-
	- Others	8,163.55	-
	Liabilities / provisions no longer required written back	(1,391.21)	-
	Dividend Income	-	(13.81)
	Interest Income	(4,194.32)	(2,037.71)
	Loss/(Gain) on Unrealised Exchange Fluctuation	878.48	(52.13)
	Gain on Sale of Investments	(5,552.69)	-
	Interest and Finance Charges	41,093.80	10,009.98
	Deferred Rent	53.36	-
	Adjustments to the carrying amount of current investments	-	20.19
	- Sree Jayajothi Cements Ltd	4,931.36	-
	- Spark Environmental Technology Ltd	11,794.24	-
	- Orient Green Power Company Limited	2,783.28	-
		66,441.85	11,304.16
	Operating Profit before working capital changes	35,926.91	15,217.47
	Working capital changes :		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(4,584.40)	(12,044.69)
	Trade Receivables	49,323.53	(27,205.88)
	Short Term Loans and Advances	36,862.67	(20,044.01)
	Long Term Loans and Advances	984.02	(157.67)
	Other Current Assets	(39,909.69)	(15,356.46)
	Other Non-Current Assets	(3,991.67)	(2,786.28)
		38,684.46	(77,594.99)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade Payables	(12,537.38)	14,390.73
	Other Current Liabilities	(19,181.11)	(4,618.89)
	Other Long Term Liabilities	3.00	(2.70)
	Short Term Provisions	-	0.11
		(31,715.49)	9,769.25
	Cash generated from /(used in) operations	42,895.88	(52,608.27)
	Net income tax paid	(323.94)	(1,431.68)
	Net Cash flow from/(used in) Operating Activities (A)	42,571.94	(54,039.95)

SHRIRAM EPC LIMITED

CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013 (contd.)

₹in Lakhs

	Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital expenditure on fixed assets (including Capital Work in progress)	(966.94)	(553.12)
	Proceeds from sale of fixed assets	17.75	28.90
	Bank balances not considered as Cash and cash equivalents (Net)	(5,165.07)	(1,892.78)
	Sale of Current Investments	-	900.00
	Purchase of Long Term investments		
	- Joint ventures	(400.00)	(1,549.19)
	- Associate	-	(675.00)
	- Others	(35,199.01)	(12,180.00)
	Proceeds from sale of Long Term Investments		
	- Subsidiary	15,151.00	-
	- Joint ventures	10,388.00	-
	- Associate	652.00	-
	- Others	-	12,180.00
	Proceeds from Current Investments (net)	-	(900.00)
	Interest Received	4,152.36	1,916.24
	Dividend received	-	13.81
	Net Cash Used in Investing Activities (B)	(11,369.90)	(2,711.14)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from issue of equity Shares (Including Share Application Money)	1.39	6.22
	Proceeds from long term borrowings	17,050.39	169,589.13
	Repayment of long term borrowings	(3,699.72)	(142,451.95)
	Movement in current maturities of long term borrowings	(2,135.89)	-
	Net (Decrease)/Increase in Working Capital Borrowings	(36,844.03)	34,842.11
	Interest and Finance Charges Paid	(37,800.46)	(10,415.66)
	Dividends paid (including dividend distribution tax)	(619.25)	(620.07)
	Net Cash (used in)/from Financing Activities (C)	(64,047.58)	50,949.78
D	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD/YEAR (A + B + C)	(32,845.54)	(5,801.32)
	Cash and Cash equivalents as at the beginning of the period / year	33,405.27	39,154.46
	Effect of exchange differences on restatement of foreign currency	13.37	52.13
	Cash and cash equivalents	573.10	33,405.27

SHRIRAM EPC LIMITED
CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013 (contd.)

₹in Lakhs

Particulars	Fifteen Months ended 30 June 2013	Year ended 31 March 2012
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	9,037.88	36,280.00
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
- Deposits having maturity period exceeding three months	(8,464.78)	(2,874.73)
Cash and cash equivalents at the end of the year *	573.10	33,405.27
* Comprises:		
(a) Cash on hand	37.18	49.81
(b) Cheques, drafts on hand	-	30,164.00
(c) Cheques in Transit	-	-
(d) Balances with banks		
(i) In current accounts	449.25	732.44
(ii) In EEFC accounts	-	508.80
(iii) In deposits with original maturity of less than 3 months	67.81	1,931.29
(iv) In earmarked accounts (Unpaid Dividend Account)	18.86	18.93
	535.92	3,191.46
	573.10	33,405.27

Notes:

Capital expenditure includes adjustments for current liabilities relating to acquisition of fixed assets to the extent identified. See accompanying notes forming part of the financial statements

In terms of our report attached
 For Deloitte Haskins and Sells
 Chartered Accountants

Geetha Suryanarayanan
 Partner

Place : Chennai
 Date : August 29, 2013

For and on behalf of the Board of Directors

T.Shivaraman S. Krishnamurthy
 Managing Director Director

K.Suresh R.S.Chandrasekharan
 Company Secretary Chief Financial Officer

SHRIRAM EPC LIMITED
Notes forming part of Financial Statements

1 Corporate Information

Shriram EPC Limited (the "Company" or "SEPC") is the flagship company of the Shriram Group. The Company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focussed on providing turnkey solutions for ferrous & non ferrous, cement, aluminium, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

2 Significant Accounting Policies:

2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the present location and condition, including

octroi and other levies, transit insurance and receiving charges.

Stock of land for windmill projects is valued at lower of cost and net realizable value. Cost of land includes purchase consideration, stamp duties and registration charges for transfer of title.

Contract Work in Progress represent work in Process on construction contracts which reflects proportionate value of inputs and expenses on contracts yet to be billed.

2.4 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises of cash on hand, cheques in transit and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby Profit / (Loss) before Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation is computed under Straight Line Method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except for the following: Leasehold improvements are written off over the primary period of their lease. Certain items of Plant and Machinery used at project sites are depreciated over an estimated useful life of 2 to 4 years.

Intangible Assets :

- i) Technical Know-how fees are amortised over the period of 5 to 10 years based on management's evaluation of their estimated useful life.
- ii) Software cost are amortised over a period of 5 years based on Management's evaluation of their estimated useful life.
- iii) Lease hold Land Using Rights is amortised over the primary period of lease, which is 20 years.

Individual assets costing ₹5,000/- each or less are depreciated in full in the year of acquisition.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

2.7 Revenue Recognition

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

- (i) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- (ii) An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- (iii) Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - (a) The contract provides for such claims and when it is demonstrable that efforts and costs have been incurred in relation to such claims.
 - (b) The amount that is probable will be accepted by the customer can be measured reliably.

Revenue from Joint Venture Contracts : In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

Contract Revenue earned in excess of billing has been reflected as 'Unbilled Revenue' under 'Other Current Assets' and billing in excess of Contract Revenue has been reflected as 'Advance Billing' under 'Other Current Liabilities'.

Dividend Income on Investments is accounted for when the right to receive the payment is established. Interest income is accounted on accrual basis. Interest income is recognised on a time proportion basis.

2.8 Fixed Assets

Fixed Assets are stated at historical cost (net of CENVAT/VAT wherever applicable) less Accumulated Depreciation / Amortisation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

2.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.11 Employee Benefits

Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services



SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

that increase their entitlement of future compensated absences; and

- (b) in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

- (i) Defined Contribution Plans:
Contribution to state governed Provident Fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- (ii) Defined Benefit Plans:
The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit Method and is not funded. The contribution there of paid / payable is charged to Statement of Profit and Loss. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.
- (iii) Long Term Compensated Absences:
The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

2.12 Employee Share Based payments

The Company has formulated Employee Stock Option Schemes '2006' and '2007' (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

2.13 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the

internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities".

2.14 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

2.16 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.17 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased,

such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.18 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.19 Provision for warranty

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.20 Derivatives

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.22 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's (primarily construction activities) have an operating cycle exceeding 12 months. The Company has chosen a duration up to 36 months for classification of current assets and current liabilities into current and non-current.



SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

3 Share Capital

The authorized, issued, subscribed and fully paid-up share capital:

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Authorised :-		
65,000,000 Equity Shares of ₹10 each	6,500.00	6,500.00
20,000,000 Convertible Preference shares of ₹10 each	2,000.00	2,000.00
	8,500.00	8,500.00
Issued, Subscribed and fully Paid-up:-		
44,358,184 Equity Shares of ₹10 each (As at 31 March 2012 - 44,344,284 Equity Shares of ₹10 each)	4,435.82	4,434.43
Total	4,435.82	4,434.43

3.1 Reconciliation of the number of Shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at June 30, 2013		As at March 31, 2012	
	In Shares	Amount (in ₹Lakhs)	In Shares	Amount (in ₹Lakhs)
Equity Shares				
At the beginning of the period / year	44,344,284	4,434.43	44,262,399	4,426.24
Issued during the period /year (Refer Note 34.2)	13,900	1.39	81,885	8.19
Outstanding at the end of the period / year	44,358,184	4,435.82	44,344,284	4,434.43

3.2 Details of shareholders holding more than 5% equity shares of the Company

Name of Shareholder	As at June 30, 2013		As at March 31, 2012	
	No of Shares	% holding	No of Shares	% holding
Shriram Industrial Holdings Limited	17,048,070	38.43%	14,929,070	33.67%
Shriram Auto Finance (Partner: Ms Vathsala Ranganathan)	-	-	2,517,003	5.68%
Bessemer Venture Partners	10,481,762	23.63%	10,481,762	23.64%
Agronaut Ventures	-	-	2,373,364	5.35%
Unit Trust of India Investment Advisory Services Ltd	3,786,779	8.54%	3,786,779	8.54%

3.3 Terms/rights attached to the Equity Shares

The company has issued equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

4 Reserves and Surplus

₹in Lakhs

Particulars	As at	
	June 30, 2013	March 31, 2012
a) Capital Reserve	12.92	12.92
b) Securities Premium		
Opening Balance	24,835.87	24,780.30
Add: Transfer from Stock Options Outstanding Account	14.01	55.57
Closing Balance	24,849.88	24,835.87
c) Share Options Outstanding Account		
Opening Balance	109.30	150.44
Add: Deferred Stock compensation Expenses	2.00	14.43
Less: Transfer to Securities Premium on Share Allotment	(14.01)	(55.57)
Less: Transfer to General Reserve	-	-
Closing Balance	97.29	109.30
d) General Reserve		
Opening Balance	464.63	400.86
Add: Transfer from surplus in Statement of Profit and Loss	-	63.77
Closing Balance	464.63	464.63
e) (Deficit) / Surplus in Statement of Profit and Loss		
Opening balance	20,891.62	19,023.79
Add: (Loss)/ Profit for the period/year	(26,286.12)	2,550.75
Less: Appropriations		
Proposed Dividend - Nil (Previous Year ₹1.20 per share)	-	532.13
Dividend Tax	-	86.43
Provision for Dividend	-	0.59
Transfer to General Reserve	-	63.77
Closing Balance	(5,394.50)	20,891.62
Total	20,030.22	46,314.34

5 Long Term Borrowings

₹in Lakhs

Particulars	Non current portion		Current maturities (Refer Note 10-Other current liabilities)	
	As at June 30, 2013	As at March 31, 2012	As at June 30, 2013	As at March 31, 2012
	Secured			
Term Loans				
From Banks	15,942.29	2,802.93	1,793.48	3951.96
Finance Lease Obligations (Refer Note 37)	63.18	129.05	74.72	52.13
Total	16,005.47	2,931.98	1,868.20	4,004.09

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

5.1 Details of Borrowings

₹in Lakhs

Particulars	As at June 30, 2013	Interest Rate	Terms of Repayment	Secured by
IndusInd Bank	237.40	17.00%	20 Equal Instalments of ₹40 Lakhs each quarter	Exclusive charge on the Windmills acquired; and Hypothecation of receivables
Punjab National Bank	2,408.96	15.00%	The Company shall repay the entire Term loan of ₹6,700 Lakhs in 87 EMI commencing from March 2009 till May 2016	First charge on the immovable properties and assets of the project, present and future; and First paripassu charge on the entire fixed assets of the company including project assets.
Axis Bank	15,089.41	13.00%	16 quarterly instalments	Exclusive Charge on high pressure gasification plant of Bharat Coal & Chemicals Ltd (BCCL)
L&T Finance Limited	73.42	12.50%	47 Months- ₹3.19 lakhs per month for the first 46 Months & ₹3.12 lakhs for 47th month	Hypothecation of the equipment financed under this loan.
HDFC Bank	63.30	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Axis Bank	0.75	10.00%	48 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Reliance Capital Ltd	0.43	12.50%	60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Total	17,873.67			

5.2 The Company has defaulted in repayment of loans and interest in respect of the following:

₹in Lakhs

Bank Name	Particulars	Period of Delay	As at June 30, 2013	As at March 31, 2012
Punjab National Bank	Principal	Ranging between 2 -33 days	154.02	-
	Interest	1 day	29.94	-
IndusInd Bank	Principal	Ranging between 22 - 53 days	80.00	-
	Interest	Ranging between 1 - 31 days	6.94	-
Axis Bank	Interest	1 day	161.92	-
		Total Principal	234.02	-
		Total Interest	198.80	-
		Grand total	432.82	-

6 Other Long-term Liabilities

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Security Deposit Received	16.39	13.39
Deferred Rent Obligations	53.36	-
Total	69.75	13.39

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

7 Long-term Provisions

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Provision for Gratuity (Refer Note 33.1)	242.32	174.23
Total	242.32	174.23

8 Short Term Borrowings

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans Repayable on Demand - Secured		
Cash Credit and Overdraft facilities from Banks	102,255.44	67,195.26
Working Capital Demand Loan	5,476.26	28,958.19
Short Term Loans		
From Banks	22,520.67	69,460.43
From Others	2,500.00	2,500.00
Bills Discounted	4,374.97	5,707.38
		2,991.00
Short Term Loans - Unsecured		
From Banks	-	-
From related parties (Refer Note. 36)	2,840.89	-
Total	139,968.23	176,812.26

8.1 Details of Borrowings

₹in Lakhs

Particulars	As at June 30, 2013	Nature of security
DBS Bank (including bills discounted)	9,373.97	First Paripassu charge on the current assets including stock and receivables both present and future. Second Paripassu charge on the Fixed Assets.
Central bank of India	12,417.06	Exclusive charge over receivables to the extent of ₹17,000 Lakhs from M/s. Bharat Coal Chemicals Ltd
Central bank of India	3,504.61	Exclusive charge on 5 Wind Energy Generator of 1.5 MW from Leitwind Shriram Manufacturing Ltd
Federal Bank	1,519.86	First paripassu charge on entire current assets.
State Bank of Travancore	3,956.40	Hypothecation of current assets on First Pari passu basis with other capital lenders, First Pari passu charge on fixed assets of the company with other vendors
Indian Bank	1,600.00	Hypothecation of Work in Progress, Unbilled Revenue, and Book Debts
Easy Access Financial Services Limited	2,500.00	Secured by hypothecation of assets and current assets of ₹3,700 lakhs.
Cash Credit and overdraft Facilities	102,255.44	Cash Credit Facilities are secured by hypothecation of Current Assets, Inventories of Raw Materials, Contract Work in Progress, Finished Goods, Stock in Trade and Receivables on a Pari passu basis with other participating lenders and a first charge on the Company's Fixed Assets on a Pari passu basis with other lending banks.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

8.2 The Company has defaulted in repayment of loans and interest in respect of the following:

₹in Lakhs

Bank Name	Particulars	Period of Delay	As at June 30, 2013
Central Bank of India	Principal	1 day	148.75
	Interest	Ranging between 1 to 31 days	380.46
Federal Bank	Principal	Ranging between 5 to 90 days	437.32
	Interest	Ranging between 1 - 31 days	59.55
Indian Bank	Interest	1 day	1.22
		Total Principal	586.07
		Total Interest	441.23
		Grand total	1,027.30

9 Trade Payables

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Acceptances	10,167.40	8,198.81
Other than Acceptances - (Refer Note 45)	30,776.91	45,373.17
Total	40,944.31	53,571.98

10 Other Current Liabilities

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Advance from Customers (Refer Note 32)	14,844.07	26,086.81
Advance Billing (Refer Note 32)	229.23	7,925.50
Current Maturities of Long Term Borrowings From Banks	1,793.48	3,951.96
Current Maturities of Finance Lease Obligations	74.72	52.13
Payable on purchase of fixed assets	2,132.77	-
Statutory Remittances	138.59	380.69
Interest accrued but not due on Borrowings	3,401.87	108.53
Total	22,614.73	38,505.62

11 Short-term Provisions

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Provision for Employee Benefits		
Gratuity (Refer Note 33.1)	10.62	6.74
Compensated Absences (Refer Note 33.2)	264.84	82.58
Provision for Warranties (Refer Note 41)	29.39	29.39
Unclaimed Dividend	0.67	0.67
Proposed Dividend	-	532.13
Dividend Distribution Tax	-	86.34
Total	305.52	737.85

12 Fixed Assets - Current Period

₹ in Lakhs

S. No	Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block		
		As at April 1, 2012	Additions	Disposals	Reclassified as held for Sale (Refer Note 12.1)	As at June 30, 2013	As at April 1, 2012	Depreciation/Amortisation for the period	Depreciation on disposals	Reclassified as held for Sale (Refer Note 12.1)	As at June 30, 2013	As at June 30, 2013
	Tangible Assets											
1	Freehold Land	473.07	37.90	-	-	510.97	-	-	-	-	-	510.97
2	Buildings	171.74	2.26	-	-	174.00	51.29	6.16	-	57.45	116.55	116.55
3	Leasehold Improvements	225.26	387.84	0.33	-	612.77	6.78	52.86	0.01	59.63	553.14	553.14
4	Plant and Equipments											
	Given under Operating Lease	1,301.51	-	-	-	1,301.51	310.91	80.71	-	391.62	909.89	909.89
	Owned	12,088.45	1,561.78	15.19	11,414.78	2,220.26	2,243.46	922.61	3.43	665.18	1,555.08	1,555.08
	Taken under Finance Lease	189.91	-	-	-	189.91	7.28	25.85	-	33.13	156.78	156.78
5	Furniture and Fixtures	73.69	27.67	9.11	-	92.25	46.20	14.47	4.11	56.56	35.69	35.69
6	Office Equipment	78.88	31.61	-	-	110.49	20.25	5.26	-	25.51	84.98	84.98
7	Computers	266.38	85.22	19.88	-	331.72	149.86	55.65	18.04	187.47	144.25	144.25
8	Vehicle											
	Taken under Finance Lease	223.80	52.97	41.18	-	235.59	67.18	16.00	-	83.18	152.41	152.41
	Owned	31.16	4.12	-	-	35.28	15.77	17.21	20.47	12.51	22.77	22.77
	Total	15,123.85	2,191.37	85.69	11,414.78	5,814.75	2,918.98	1,196.78	46.06	2,497.46	4,242.51	4,242.51
	Intangible Assets											
9	Technical Knowhow	1,101.97	-	-	-	1,101.97	943.78	130.41	-	1,074.19	27.78	27.78
10	Software	396.48	21.92	-	-	418.40	196.68	96.01	-	292.69	125.71	125.71
11	Leasehold Right to Use	80.00	-	-	-	80.00	17.73	4.37	-	22.10	57.90	57.90
	Total	1,578.45	21.92	-	-	1,600.37	1,158.19	230.79	-	1,388.98	211.39	211.39
	Total	16,702.30	2,213.29	85.69	11,414.78	7,415.12	4,077.17	1,427.56	46.06	2,961.22	4,453.90	4,453.90

12.1 The Company has obtained share holders approval vide postal ballot dated August 05, 2013 for transfer of 11 Wind Electric Generators totalling to 16.2 MW capacity to M/s. Hexa Wind Farm Private Limited by way of Slump sale for a consideration of ₹8,917.32 Lakhs. (Refer Note 21 - Other Current Assets)

12.2 Fixed Assets - Previous Year

₹ in Lakhs

S. No	Block of Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block		
		As at April 1, 2011	Additions	Deletions	Reclassified as held for Sale	As at March 31, 2012	As at April 1, 2011	Depreciation for the Year	Depreciation on Deletions	Reclassified as held for Sale	As at March 31, 2012	As at March 31, 2012
	Tangible Assets											
1	Freehold Land	473.07	-	-	-	473.07	-	-	-	-	-	473.07
2	Buildings	171.74	-	-	-	171.74	46.41	4.88	-	51.29	120.45	120.45
3	Leasehold Improvements	320.08	225.26	320.08	-	225.26	194.45	46.67	234.34	6.78	218.48	218.48
4	Plant and Equipments											
	Given under Operating Lease	1,301.51	-	-	-	1,301.51	242.19	68.72	-	310.91	990.60	990.60
	Taken under Finance Lease	-	189.91	-	-	189.91	-	7.28	-	7.28	182.63	182.63
	Owned	12,156.68	24.59	92.82	-	12,088.45	1,493.34	779.90	29.78	2,243.46	9,844.99	9,844.99
5	Furniture and Fixtures	116.50	3.91	46.72	-	73.69	59.95	6.00	19.75	46.20	27.49	27.49
6	Office Equipment	97.77	27.83	46.72	-	78.88	28.84	4.45	13.04	20.25	58.63	58.63
7	Computers	437.07	31.87	202.56	-	266.38	244.67	50.05	144.86	149.86	116.52	116.52
8	Vehicle											
	Taken under Finance Lease	227.71	46.93	50.84	-	223.80	50.87	18.31	2.00	67.18	156.62	156.62
	Owned	75.96	2.82	47.62	-	31.16	59.08	7.05	50.37	15.77	15.39	15.39
	Total	15,378.09	553.12	807.36	-	15,123.85	2,419.80	993.31	494.14	2,918.98	12,204.87	12,204.87
	Intangible Assets											
9	Technical Knowhow	1,101.97	-	-	-	1,101.97	802.80	140.98	-	943.78	158.19	158.19
10	Software	396.48	-	-	-	396.48	117.38	79.30	-	196.68	199.80	199.80
11	Leasehold Right to Use	80.00	-	-	-	80.00	16.00	1.73	-	17.73	62.27	62.27
	Total	16,956.54	553.12	807.36	-	16,702.30	3,355.98	1,215.32	494.14	4,077.17	12,625.13	12,625.13

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

13 Non Current Investments (Valued at cost unless otherwise stated)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Investments -Trade - Quoted		
386,526 (386,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited (Refer note 13.1 & Note 16)	-	2,827.5
Investments - Trade - Unquoted		
Investments in Subsidiary Companies		
Nil (20,210,020) Equity Shares of US \$ 1/- each fully paid up in Shriram EPC (Singapore) Pte. Ltd (Refer Note 13.3 below)	-	9,081.96
Nil (374,429) Equity Shares of ₹10/- each fully paid in Blackstone Group Technologies Private Limited (Refer Note 13.3 below)	-	969.85
Investment in Joint Ventures		
4,076,474 (80,697,877) Equity Shares of ₹10/- each fully paid up in Leitwind Shriram Manufacturing Limited (Refer Note 13.3 below)	407.56	8,069.79
Nil (7,497,656) Equity Shares of ₹10/- each fully paid up in Hamon Shriram Cottrell Private Limited (Refer Note 13.3 below)	-	1,360.27
Investments in Associates		
Nil (11,650,001) Equity Shares of ₹10/- each fully paid up in Shriram SEPL Composites Private Limited (Refer Note 13.3 below)	-	1,165.00
22,239,167 (22,239,167) Equity Shares of ₹10/- each fully paid up in Haldia Coke and Chemicals Pvt Ltd.(Refer Note 13.2 below)	4,007.22	4,007.22
Investments in Others		
Nil (5,000,000) Equity Shares of ₹10/- each fully paid Sree Jayajothi Cements Ltd (Refer Note 16 - Current Investments)	-	1,500.00
1,670,000 (Nil) Equity shares of ₹10/- each fully paid in Hexa Wind Farm Private Ltd.	167.00	-
Total	4,581.78	28,981.59
Aggregate amount of Quoted Investments	-	2,827.50
Market Value of Quoted Investments	-	49.28
Aggregate amount of Unquoted Investments	4,581.78	26,154.09

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

13.1 Includes 103,776 Bonus Shares received during the earlier years.

13.2 Of the above, 10,092,344 (Previous year - 10,092,344) Equity Shares have been pledged with a lender for monies borrowed by the associate.

13.3 Pursuant to the shareholders approval on 25th March 2013, investments held by the Company in the following Subsidiaries/Joint Ventures / Associate have been sold to Shriram Industrial Holdings Limited (Investing Party), as detailed below :

₹in Lakhs

Name of the Company	Relationship
Shriram EPC (Singapore) Pte Limited	Subsidiary
Blackstone Group Technologies (Pvt) Limited	Subsidiary
Hamon Shriram Cottrell (Pvt) Limited	Jointly controlled entity
Leitwind Shriram Manufacturing Limited	Jointly controlled entity
Shriram SEPL Composites Private Limited	Associate

Also Refer Note 36 - Related party disclosures

14 Long-term Loans and Advances (Unsecured and considered good, unless otherwise stated)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans and advances to related parties (Refer Note 14.1 below)	380.75	1,364.78
Prepaid Taxes	-	-
(Net of Provisions of ₹8,653.24 Lakhs (As at March 31, 2012: ₹8,415.88 Lakhs)	2,029.79	430.33
Deposits	160.55	160.54
Total	2,571.09	1,955.64

14.1 Long-term Loans and Advances include due from:

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Private Companies in which directors are interested:		
Hamon Shriram Cottrell Private Limited	235.20	216.71
Shriram SEPL Composites Private Limited	145.55	-

15 Other Non Current Assets (Unsecured)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Long Term Trade Receivables - Retention Monies (Refer Note 32)	13,092.33	9,100.66
Total	13,092.33	9,100.66

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

16 Current Investments (At lower of cost and fair value, unless otherwise stated):

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
386,526 (386,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited	44.22	-
9,85,64,500 (5,000,000) Equity Shares of ₹10/- each fully paid Sree Jayajothi Cements Ltd (Refer Note No 52)	5,925.09	-
Investment in 12% Optionally Convertible Debentures in Spark Environmental Technology Ltd (Refer Note No 52)	13,882.32	-
Total	19,851.63	-
Aggregate amount of Quoted Investments	2,827.50	-
Market Value of Quoted Investments	44.22	-
Aggregate amount of Unquoted Investments	36,533.01	-
Aggregate write down in value of Investments (Refer Note 31)	16,725.60	-

17 Inventories (Lower of Cost and Net Realisable Value)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Raw Materials and Components for Wind Turbine Generators	788.15	990.91
Contract Work-in-Progress	30,038.28	20,574.13
Stock in Trade	1,560.00	6,236.99
Total	32,386.43	27,802.03

18 Trade Receivables

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, Considered Good	24,633.19	2,913.69
Unsecured, Considered Good	18,887.72	65,770.35
Unsecured, Considered Doubtful	-	9.17
	43,520.91	68,693.21
Other Trade Receivables		
Secured, Considered Good	-	27,558.92
Unsecured, Considered Good	14,713.79	27,062.03
Less: Provision for Doubtful Trade Receivables	-	(9.17)
Total	58,234.70	123,304.99

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

18.1 Trade Receivables include due from:

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Private Companies in which directors are interested:		
Hamon Shriram Cottrell Private Limited	334.69	240.50

19 Cash and Cash Equivalents

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Cash on hand and in imprest accounts	37.18	49.81
Cheques in Transit	-	30,164.00
Balances with Banks		
Current Account	449.25	1,241.24
Deposit Account (Original maturity of 3 months or less)	17.50	1,931.29
Unpaid Dividend Account	18.86	18.93
Margin Money (Original maturity of 3 months or less)	50.31	-
Total Cash and Cash Equivalents	535.92	3,191.46
Other Bank Balances		
Deposit Account (Original maturity of more than 3 months)	2,057.26	-
Margin Money (Original maturity of more than 3 months) (Refer Note 19.1 below)	6,407.52	3,299.71
Total Other Bank Balances	8,464.78	3,299.71
Total	9,037.88	36,704.98

19.1 Balances with banks include margin monies amounting to ₹1,818.11 lakhs (March 31, 2012: ₹2,418.83) which have an original maturity of more than 12 months.

20 Short Term Loans and Advances (Unsecured, considered good unless otherwise stated)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans and Advances to Related Parties (Refer Note 20.1 below and Note 36)	145.55	25,636.64
Short-term Loans and Advances (Refer Note 51)	19,753.18	18,461.94
Loans and advances to Employees	100.50	60.31
Advances to Suppliers	9,933.91	24,732.45
Security Deposits (Refer Note 20.2 below)	2,320.26	1,026.44
Balance with Government Authorities	1,208.49	24.45
Prepaid Expenditure	421.11	803.44
Total	33,883.00	70,745.67

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

20.1 Short-term Loans and Advances include due from:

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Private Companies in which directors are interested:		
Haldia Coke and Chemicals Pvt Ltd	-	1,523.92
Shriram SEPL Composites Private Limited	145.55	1,744.17

20.2 Security Deposits include ₹1,132.64 lakhs (Previous Year Nil) being amount paid under protest in respect of civil dispute in Australia. (Refer Note 42 - Contingent liabilities)

21 Other Current Assets

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Unbilled Revenue	55,266.15	15,348.71
Fixed Assets held for sale (Refer Note 12.1)	8,917.32	-
Interest accrued on Deposits	14.83	-
Total	64,198.30	15,348.71

22 Revenue from Operations

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Revenue from Engineering and Construction Contracts (Refer Note 32)	155,828.27	127,606.49
Revenue from Sale of Traded Goods (Refer Note 22.1 below)	12,377.61	839.22
Revenue from Sale of Wind Turbine Generators	1,069.61	9,061.51
Other Operating Revenue - Sale of Power	1,237.47	712.81
Total	170,512.96	138,220.03

22.1 Revenue from Sale of Traded Goods

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Windmills	6,067.63	-
Coal	6,309.98	839.22
Total	12,377.61	839.22

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

23 Other Income

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Interest Income (Refer Note 23.1 and Note 36.3)	4,194.32	2,037.71
Lease Rentals Received (Refer Note 36.2)	69.91	66.15
Management Fees Received (Refer Note No. 36.2)	136.32	157.64
Gain on Exchange Fluctuation	-	178.15
Dividend Income	-	13.81
Liabilities no longer required written back	1,391.21	-
Miscellaneous Income	243.04	115.10
Total	6,034.80	2,568.56

23.1 Includes Interest Income from Sree Jayajothi Cements Limited - ₹3,334.75 Lakhs (Previous Year ₹551.42 lakhs)

24 Cost of Raw Materials and Components Consumed

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Opening Stock	990.91	481.29
Add: Purchases	948.76	8,393.15
Less: Closing Stock	788.15	990.91
Total	1,151.52	7,883.53

24.1 Cost of Raw Materials and Components Consumed comprises of

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Imported	-	-
Indigenous	1,151.52	7,883.53
Total	1,151.52	7,883.53

25 Erection, Construction & Operation Expenses

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Cost of Materials and Labour	106,602.83	94,105.66
Other Contract Related Costs	3,679.44	4,546.31
Commercial Taxes	3,781.03	4,342.54
Total	114,063.30	102,994.51

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

25.1 Erection, Construction & Operation Expenses comprises of:

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Imported	17,173.73	-
Indigenous	89,429.10	94,105.66
Total	106,602.83	94,105.66

26 Purchases of Stock in Trade

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Windmills	5,874.94	6,236.99
Coal	6,276.80	767.10
Total	12,151.74	7,004.09

27 Change in Inventories of Contract Work in Progress, Finished Goods and Stock In Trade

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Opening Stock of Contract Work in Progress	20,574.13	15,177.14
Less: Closing Stock of Contract Work in Progress	30,038.28	20,574.13
	(9,464.15)	(5,396.99)
Opening Stock of Finished Goods	-	98.91
Less: Closing Stock of Finished Goods	-	-
	-	98.91
Opening Stock in Trade	6,236.99	-
Less: Closing Stock in Trade	1,560.00	6,236.99
	4,676.99	(6,236.99)
Total	(4,787.16)	(11,535.07)

28 Employee Benefits Expense

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Salaries and Wages	5,339.81	2,733.21
Contribution to Provident and other funds	263.19	141.50
Expense on Employee Stock Option (ESOP) Scheme (Refer Note 34)	2.00	14.43
Gratuity (Refer Note 33.1)	104.69	12.96
Staff Welfare Expenses	370.09	170.14
Total	6,079.78	3,072.24

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

29 Finance Costs

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Interest on Cash Credits	16,167.35	8,129.98
Interest on Term Loans (Refer Note 29.1)	3,559.13	8,709.35
Interest - Others	13,717.09	323.77
Bank Charges, Letter of Credit / Guarantee charges	7,650.23	2,524.09
Total	41,093.80	19,687.19

29.1 Net of recoveries of ₹9,219.72 Lakhs (March 31, 2012: ₹3,237.98 Lakhs)

30 Other Expenses

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Rent including lease rentals (Refer Note 37.1)	668.43	412.36
Rates and taxes	86.55	54.65
Repairs and Maintenance:		
Building	159.85	85.45
Plant and Machinery and Equipments	364.87	516.57
Others	287.47	37.28
Auditors' Remuneration (Refer Note 30.1 below)	40.00	35.00
Printing and stationery	86.77	35.93
Communication expenses	163.05	98.15
Advertisement & Business Promotion	102.88	70.24
Travelling and conveyance	1,687.08	825.48
Electricity & water	83.41	45.94
Legal & Professional Charges	1,806.40	1,278.34
Donation	2.86	11.43
Sitting Fees	12.65	10.85
Insurance premium	1,344.28	404.91
Bad Debts and Advances		
Bad Trade and Other Receivables, Loans and Advances Written off	8,163.55	2,815.73
Less: Transfer from Provision	(9.17)	(916.33)
	8,154.38	1,899.40
Loss on Sales/ Disposal of Fixed Assets	21.88	296.62
Miscellaneous Expenses	676.82	434.86
Total	15,749.63	6,553.46

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

30.1

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Payments to the Statutory auditors comprise:		
For audit	25.00	20.00
For other services	14.00	14.00
Reimbursement of expenses	1.00	1.00
Total	40.00	35.00

31 Exceptional items

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Loss on sale of strategic investments/restructuring		
- Sree Jayajothi Cements Ltd (Refer Note 52.1.2)	4,931.36	-
- Spark Environmental Technology Ltd (Refer Note 52.1.2)	11,794.24	-
- Orient Green Power Company Limited (Refer Note 31.1)	2,783.28	-
	19,508.88	-
Bad trade receivables written off		
- Sree Jayajothi Cements Ltd (Refer Note 52.1.2)	6,176.34	-
Profit on sale of Investments	(5,552.69)	-
Total	20,132.53	-

31.1 Pursuant to an 'Agreement for Sale' dated 1 June 2013, the investments held by the Company in Orient Green Power Company Limited aggregating to ₹2,827.50 Lakhs have been agreed to be sold to Shriram Industrial Holdings Limited (Investing Party), for a consideration of ₹44.22 Lakhs. The resultant loss of ₹2,783.28 Lakhs has been disclosed above.

32 Disclosures pursuant to Accounting Standard (AS) 7 (revised) - Construction Contracts

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Details of Contract revenue and costs		
Contract Revenues recognised	155,828.27	127,606.49
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	110,427.66	99,342.97
Advances received for contracts in progress	14,844.07	26,086.81
Retention money for contracts in progress	13,092.33	9,100.66
Gross amount due from customers for contract work (Asset)	55,266.15	15,348.71
Gross amount due to customers for contract work (Liability)	229.23	7,925.50


SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

33 Disclosures under Accounting Standard 15 (Revised)
33.1 Gratuity

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Change in Defined Benefit Obligations (DBO) during the period / year		
Present Value of obligations at the beginning of the period / year	180.97	193.70
Current Service Cost	78.87	58.86
Interest Cost	16.46	14.46
Actuarial Loss / (Gain)	9.36	(60.36)
Benefits paid	(32.72)	(25.69)
Present Value of obligations at the end of the period / year	252.94	180.97
Current portion	10.62	6.74
Non Current portion	242.32	174.23
Components of Employer Expense		
Cost for the period / year		
Current Service Cost	78.87	58.86
Interest Cost	16.46	14.46
Net actuarial Loss / (Gain) recognised in the period / year	9.36	(60.36)
Net Cost	104.69	12.96
Assumptions		
Discount Rate	8.00%	8.00%
Attrition rate per annum	3.00%	3.00%
Expected rate of Salary increases	5.00%	5.00%

Note:

33.1.1 The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

33.1.2 The discount rate is based on the prevailing market rate as applicable for risk free investments as at balance sheet date for the estimated term of the obligation.

33.1.3 Experience adjustments :

₹in Lakhs

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Defined benefit obligation	252.94	180.97
Plan assets	-	-
Deficit	252.94	-
On plan liabilities - Losses /(Gains)	2.22	(28.12)

The details of experience adjustments relating to earlier years have not been disclosed in the absence of required information.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

33.2 Compensated absences

Actuarial Assumptions for Compensated Absences

Particulars	Fifteen Months ended June 30, 2013	Year ended March 31, 2012
Rate of Mortality	Ind (2006-8)	LIC-94-96 Mortality rates
Discount rate	8.00%	8.00%
Expected rate of Salary increases	5.00%	5.00%

34 Employee Stock Compensation Expenses

The Company has two Employee Stock Option Schemes (A) Employee stock option scheme 2006, (B) Employee stock option scheme 2007. As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company has considered the best available estimate of the number of shares or stock options expected to vest based on the current attrition rates of its employees and measured the compensation expense at fair value on the date of grant.

34.1 Shriram EPC Limited 2006 ESOP Scheme (the 2006 Scheme)

In Pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on November 20, 2006 the Company instituted an ESOP Scheme for all its eligible employees including those of its subsidiaries and associate Companies.

In accordance with the 2006 Scheme the Company has granted on November 22, 2006 (Grant date) options to eligible employees at an exercise price of ₹10/- per equity share. Under the terms of the 2006 Scheme the options will vest in the employees in the following proportion :

Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company after January 1, 2001
November 22, 2007	30%	20%
November 22, 2008	30%	20%
November 22, 2009	20%	30%
November 22, 2010	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modifications in the Terms of the 2006 Scheme

The Company has carried out a modification in "The 2006 scheme" and accordingly additional grants of 424,952 options were made during the year ended March 31, 2008. Those grants have been made as at April 1, 2007 and will vest with the employees in same proportion as in the original scheme.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

The movement in the stock options during the year was as per the table below:

Particulars	As at June 30, 2013	As at March 31, 2012
Options at the beginning of the period / year		
Vested	75,424	142,309
Unvested	-	-
Add: Granted during the period / year	-	-
Add: Vested during the period / year	-	-
Less: Lapsed during the period / year	-	-
Less: Exercised during the period / year	-	(66,885)
Options outstanding at the end of the period / year		
Vested	75,424	75,424
Unvested	-	-
Exercisable at the end of the period / year	75,424	75,424

Deferred Stock Compensation Expense

During the period, an amount of ₹Nil (March 31, 2012: ₹Nil Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

The values of services rendered in return for share options granted are measured by reference to the fair value of the share options granted and this is evaluated on the basis of an independent valuation carried out as on the grant date.

34.2 Shriram EPC Limited - 2007 - ESOP Scheme (the 2007 Scheme)

The Company instituted another Scheme for all eligible employees in pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on September 20, 2007.

In accordance with the 2007 Scheme the Company has granted on October 1, 2007 and January 1, 2008 (grant dates) options to eligible employees including those of its subsidiaries and associate companies at an exercise price of ₹10/- per equity share. Under the terms of the 2007 Scheme the options will vest in the employees in the following proportion:

Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company after January 1, 2001
At the end of Year 1	30%	20%
At the end of Year 2	30%	20%
At the end of Year 3	20%	30%
At the end of Year 4	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

Modification in the Terms of the 2007 Scheme

The company has carried out a modification in "The 2007 scheme" in an earlier year and accordingly additional grants of 10,000 options have been made. These grants have been made as at June 14, 2010 and will vest with the employee in 2 years in equal proportion from the end of 1 year from the date of grant.

The movement in the stock options during the year was as per the table below :

Particulars	As at June 30, 2013	As at March 31, 2012
Options at the beginning of the period / year		
Vested	58,400	48,700
Unvested	11,000	35,700
Add: Granted during the period / year	-	-
Add: Vested during the period / year	8,000	24,700
Less: Lapsed during the period / year	-	-
Less: Exercised during the period / year	13,900	15,000
Options outstanding at the end of the period / year		
Vested	52,500	58,400
Unvested	3,000	11,000
Exercisable at the end of the period / year	52,500	58,400

Deferred Stock Compensation Expense

During the period, an amount of ₹2.00 Lakhs (Previous Year ₹14.43 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

34.3 Fair value of Options Granted:

The estimated fair value of each stock option granted under the employee stock option Scheme 2006 is ₹80. The fair value was arrived at based on a transaction entered into between a willing buyer and a seller for purchase of shares recent to the grant date of the options.

The estimated fair value of each stock option granted under the employee stock option Scheme 2007 is ₹68.42 as per the Fair value method. The model inputs were the weighted average price arrived under the following methods:

Method	Value per Share	Weights assigned
Net Asset value method	43.27	1
Price earnings capacity method	23.74	2
Market Capitalisation method	71.10	2
Value per transaction between willing parties	122.98	2

SHRIRAM EPC LIMITED Notes forming part of Financial Statements 35 Segment Information

The Company has considered business segment as the primary segment for disclosure. The Company's operations comprises of three segments namely Construction Contracts, Wind Turbine Generators and Trading. The above segment has been identified taking into account the organisation structure as well as the differing risks and return of these segments. Separate secondary segment disclosure is not required as more than 98% of the company's sale is in the Domestic Market.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

₹ in Lakhs

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	June 30 2013	March 31st 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012
External Sales	157,117.51	128,098.40	5,573.01	11,320.12	10,073.22	839.22	-	-	-	-	172,763.74	140,257.74
Intersegmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	157,117.51	128,098.40	5,573.01	11,320.12	10,073.22	839.22	-	-	-	-	172,763.74	140,257.74
Result												
Segment Result	30,099.02	21,834.38	244.65	(569.96)	43.18	72.90	-	-	-	-	30,386.85	21,337.32
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure/ (Income)	-	-	-	-	-	-	-	-	6,619.18	7,414.02	6,619.18	7,414.02
Operating Profit/(Loss)	30,099.02	21,834.38	244.65	(569.96)	43.18	72.90	-	(7,414.02)	(6,619.18)	23,767.67	23,767.67	13,923.30
Finance Costs (Net of amounts identified with 'Construction Contracts' segment)									34,150.08	10,009.98	34,150.08	10,009.98
Exceptional Items	6,176.34								13,956.19		20,132.53	
Profit/(Loss) before Tax	23,922.68	21,834.38	244.65	(569.96)	43.18	72.90	-	(17,424.00)	(54,725.45)	(17,424.00)	(30,514.94)	3,913.32
Tax Expense	-	-	-	-	-	-	-	-	(4,228.82)	1,362.57	(4,228.82)	1,362.57
Profit after Tax											(26,286.12)	2,550.75

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	June 30 2013	March 31st 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012
Other Information												
Segment Assets	187,093.12	266,927.73	10,787.34	19,329.82	7,438.95	10,815.25	-	-	-	-	205,319.41	297,072.80
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	29,411.92	-	39,296.90	29,411.92
Total Assets	187,093.12	266,927.73	10,787.34	19,329.82	7,438.95	10,815.25	-	-	29,411.92	-	244,616.31	326,484.72
Segment Liabilities	147,027.01	258,064.57	980.84	7,032.79	7,826.16	10.13	-	-	-	-	155,834.01	265,107.49
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	10,628.53	-	64,316.26	10,628.53
Total Liabilities	147,027.01	258,064.57	980.84	7,032.79	7,826.16	10.13	-	-	10,628.53	-	220,150.27	275,736.02
Capital Expenditure (Gross)	3,145.78	553.12	-	-	-	-	-	-	-	-	3,145.78	553.12
Depreciation	1,427.56	1,215.32	-	-	-	-	-	-	-	-	1,427.56	1,215.32
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Aggregate write down in value of current Investments	-	-	-	-	-	-	-	-	-	-	13,956.19	-

Particulars	June 30 2013	March 31 2012
Rest of the World		
Revenue	10,877.57	12,452.87
Assets	12,487.25	8,554.46
Capital Expenditure	1.70	-
India		
Revenue	161,886.17	127,804.87
Assets	232,127.36	326,484.72
Capital Expenditure	3,144.08	553.12

36 Related Party Disclosures under Accounting Standard 18

36.1 Disclosure of related party transactions in accordance with Accounting Standard -18 - Related Party Disclosures notified by Central Government of India under Companies (Accounting Standards) Rules, 2006.

Status of the Related Parties	Name of the Related Parties 2012-13	Name of the Related Parties 2011-12
Enterprises which exercise significant influence over the company (Investing parties)	Shriram Industrial Holdings Limited (SIHL)	Shriram Industrial Holdings Limited
	Shriram Venture Limited (Holding Company of SIHL)	Shriram Venture Limited (Holding Company of SIHL)
Subsidiaries	Shriram EPC(Singapore) Pte Ltd(Ceased to be subsidiary with effect from 25 March 2013)	Shriram EPC(Singapore) Pte Ltd
	Blackstone Group Technologies (Pvt) Limited (Ceased to be subsidiary with effect from 25 March 2013)	Blackstone Group Technologies (Pvt) Limited
	Chemproject Consulting (Pvt) Limited (Ceased to be subsidiary with effect from 25 March 2013)	Chemproject Consulting (Pvt) Limited
Jointly Controlled Entities	Hamon Shriram Cottrell (Pvt) Limited (Ceased to be Jointly Controlled Entity with effect from 25 March 2013)	Hamon Shriram Cottrell (Pvt) Limited
	Lietwind Shriram Manufacturing Limited (Ceased to be Jointly Controlled Entity with effect from 25 March 2013)	Lietwind Shriram Manufacturing Limited
Associates	Haldia Coke and Chemicals (Pvt) Limited	Haldia Coke and Chemicals (Pvt) Limited (with effect from 21 June 2010)
	Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals (Pvt) Limited)	Ennore Coke Limited (upto 20 June 2010) (Subsidiary of Haldia Coke and Chemicals (Pvt) Limited with effect from 21 June 2010)
	Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals (Pvt) Limited)	Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals (Pvt) Limited with effect from 21 June 2010)
	Shriram SEPL Composites (Pvt) Limited (Ceased to be Associate with effect from 25 March 2013)	Shriram SEPL Composites (Pvt) Limited
	Shriram Composites (Pvt) Limited (Ceased to be Associate with effect from 25 March 2013)	Shriram Composites (Pvt) Limited

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

Status of the Related Parties	Name of the Related Parties 2012-13	Name of the Related Parties 2011-12
Companies over which Key Management Personnel exercise Significant Influence (Only where transactions have taken place during the period / year)	Orient Green Power Company Limited	Orient Green Power Company Limited
	Subsidiaries of Orient Green Power Company Limited	Subsidiaries of Orient Green Power Company Limited
	P S R Green Power Projects (Pvt) Limited	P S R Green Power Projects P Limited
	Amrit Environmental Technologies (Pvt) Limited	Amrit Environmental Technologies (Pvt) Limited
	SM Environmental Technologies (Pvt) Limited	SM Environmental Technologies (Pvt) Limited
	Orient Bio Power Limited	Orient Bio Power Limited
	Orient Green Power Company (Rajasthan) (Pvt) Limited	Orient Green Power Company (Rajasthan) (Pvt) Limited
	Sanjog Sugars and Eco Power (Pvt) Limited	Sanjog Sugars and Eco Power (Pvt) Limited
	Bharath Wind Farm Limited	Bharath Wind Farm Limited
	Clarion Windfarms (Pvt) Limited	Clarion Windfarms (Pvt) Limited
	Gamma Green Power (Pvt) Limited	Gamma Green Power (Pvt) Limited
	Beta Wind Farm (Pvt) Limited	Beta Wind Farm (Pvt) Limited
	Orient Eco Energy (Pvt) Limited	
	Global Power Tech Equipments (Pvt) Limited	
Key Management Personnel	T.Shivaraman - Managing Director	T.Shivaraman - Managing Director
	M.Amjad Shariff - Joint Managing Director	M.Amjad Shariff - Joint Managing Director

Note: Related parties have been identified by the Management.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

36.2 Transactions during the period / year(upto the date of sale of investments)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Progressive billings/Revenue during the year		
Blackstone Group Technologies (Pvt) Limited	-	17.65
Ennore Coke Limited	6,309.98	107.20
P S R Green Power Projects (Pvt) Limited	-	13.42
Global Power Tech Equipments (Pvt) Limited	-	4.27
Orient Green Power Company Limited	146.68	968.53
Amrit Environmental Technologies (Pvt) Limited	-	34.19
SM Environmental Technologies (Pvt) Limited	-	977.84
Orient Green Power Company (Rajasthan) (Pvt) Limited	-	959.19
Sanjog Sugars and Eco Power (Pvt) Limited	20.11	134.74
Orient Eco Energy (Pvt) Limited	-	398.04
Clarion Windfarms (Pvt) Limited	-	-
Gamma Green Power (Pvt) Limited	75.02	2,034.40
Beta Wind Farm (Pvt) Limited	4,654.41	15,591.36
Wellman Coke India Limited	-	824.58
Lease Rental Income		
Clarion Windfarms (Pvt) Limited	69.91	66.15
Management Fees Received		
Hamon Shriram Cottrell (Pvt) Limited	136.32	157.64
Purchases of Goods and Services		
Hamon Shriram Cottrell (Pvt) Limited	1,681.25	544.07
Blackstone Group Technologies (Pvt) Limited	291.67	331.32
Chemproject Consulting (Pvt) Limited	-	103.48
Lietwind Shriram Manufacturing Limited	2,562.90	6,445.93
Shriram Composites (Pvt) Limited	881.95	-
Transfer of Margins		
Lietwind Shriram Manufacturing Limited	116.54	4,384.33
Expenses incurred on behalf of related party		
Lietwind Shriram Manufacturing Limited	19.02	33.40
Hamon Shriram Cottrell (Pvt) Limited	2.79	1.14
Blackstone Group Technologies (Pvt) Limited	2.00	2.21
Shriram SEPL Composites (Pvt) Limited	27.34	34.71
Haldia Cokes & Chemicals (Pvt) Limited	9.05	1.60
Ennore Coke Limited	28.63	20.49
Orient Green Power Company Limited	34.80	43.95
Bharat Wind Farm Limited	9.18	7.90
Clarion Windfarms (Pvt) Limited	-	0.16
Beta Wind Farm (Pvt) Limited	4.50	-
Shriram Composites (Pvt) Limited	-	0.53

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

36.2 Transactions during the period / year(upto the date of sale of investments) (Contd.)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year end March 31, 2012
Expenses incurred for the company by the related party		
Lietwind Shriram Manufacturing Limited	-	2.96
Blackstone Group Technologies (Pvt) Limited	-	35.58
Orient Green Power Company Limited	85.00	16.83
Clarion Windfarm (Pvt) Limited	4.99	4.51
Ennore Coke Limited	4.36	-
Bharat Wind Farm Limited	-	126.00
Beta Wind Farm (Pvt) Limited	739.38	310.95
Gamma Green Power (Pvt) Limited	-	0.27
Interest Income		
Shriram SEPL Composites (Pvt) Limited	225.69	239.80
Hamon Shriram Cottrell (Pvt) Limited	4.53	21.27
Haldia Cokes & Chemicals (Pvt) Limited	1223.33	229.95
Ennore Coke Limited	2909.49	313.82
Blackstone Group Technologies (Pvt) Limited	-	37.71
Orient Green Power Company Limited	17.90	-
Interest Expense		
Shriram Industrial Holding Limited	2,166.46	-
Shriram Venture Limited	143.01	-
Recovery of SAP Cost		
Lietwind Shriram Manufacturing Limited	-	42.20
Orient Green Power Company Limited	-	18.48
Bharat Wind Farm (Pvt) Limited	-	12.10
Ennore Coke Limited	-	7.72
Remuneration to Key Management Personnel		
T. Shivaraman	50.96	60.15
M. Amjad Shariff	54.98	63.99
Purchase of Investments from		
Lietwind Shriram Manufacturing Limited	-	1,349.19
Hamon Shriram Cottrell (Pvt) Limited	399.99	200.00
Shriram SEPL Composites (Pvt) Limited	-	675.00

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

36.2 Transactions during the period / year(upto the date of sale of investments) (Contd.)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Borrowings from		
Shriram Industrial Holding Limited	116,194.00	-
Shriram Venture Limited	5,000.00	-
Sale of Investments to		
Shriram Industrial Holdings Limited	26,191.00	-
Advance Given (Gross)		
Haldia Cokes & Chemicals (Pvt) Limited	22,965.00	11,997.99
Orient Green Power Company Limited	15,827.25	21,035.40
Hamon Shriram Cottrell (Pvt) Limited	556.00	-
Lietwind Shriram Manufacturing Limited	21,429.93	4,394.02
Blackstone Group Technologies (Pvt) Limited	248.00	493.78
Shriram SEPL Composites (Pvt) Limited	396.66	222.50
Shriram EPC (Singapore) Pte Ltd	3,438.60	513.80
Ennore Coke Limited	7,653.00	6,409.68
Chemproject Consulting (Pvt) Limited	19.56	86.98
Bharat Wind Farm Limited	1,462.00	-
Clarion Windfarms (Pvt) Limited	-	989.00
Beta Wind Farm (Pvt) Limited	3,020.00	4,509.60
Gamma Green Power (Pvt) Limited	272.00	1,762.43

36.3 Closing balance as at the period end/ year end

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Amount outstanding - Dr / (Cr)		
Lietwind Shriram Manufacturing Limited	-	(10,654.93)
Ennore Coke Limited	-	10,357.78
Wellman Coke India Ltd	78.91	78.91
Shriram SEPL Composites Private Limited	-	1,847.13
Hamon Shriram Cottrell Private Limited	-	771.13
Shriram EPC (Singapore) Pte Ltd	-	509.60
Blackstone Group Technologies Private Limited	-	1,044.77
Chemproject consulting Pvt Ltd	-	106.32
Shriram Composites Pvt Ltd	-	2,869.88
Orient Green Power Company Limited	-	15,658.57
Beta Wind Farm Private Limited	-	(2,556.94)
Gamma Green Power P Ltd	-	1,129.95
Clarion Green Power P Ltd	-	1,095.50
Haldia Cokes & Chemicals Pvt Limited	(4,178.00)	1,523.93

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

36.3 Closing balance as at the period end/ year end (Contd.)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Bharat Wind Farm Limited	-	127.74
Orient Green Power Company (Rajasthan) Private Limited	-	(138.76)
P S R Green Power Projects Private Limited	-	18.54
Amrit Environmental Technologies Private Limited	-	35.33
Sanjog Sugars and Eco Power Private Limited	-	(1,332.70)
SM Environmental Technologies Private Limited	-	(866.59)
Orient Eco Energy	-	(271.69)
Global Power Tech Equipments Private Limited	-	51.76
Shriram Industrial Holdings Limited	(5,008.60)	-
Shriram Venture Limited	(143.01)	-
Commitments (Net of Advances)		
Orient Green Power Company Limited	-	5,093.69
Corporate Guarantees		
Hamon Shriram Cottrell Private Limited	-	2,100.00
Shriram Composites Private Limited	-	1,000.00
Blackstone Group Technologies Private Limited	-	200.00
Chemproject Consulting Private Limited	-	100.00
Orient Green Power Company Limited	-	1,600.00
Shriram SEPL Composites Private Limited	-	1,800.00

36.4 The Company accounts for costs incurred by Related parties based on the actual invoice/debit notes raised and accruals as confirmed by such parties. The related parties have confirmed to the Management that as at 30 June 2013, there are no further amounts payable to/receivable from them, other than disclosed above.

37 Leases

37.1 Operating Lease

The company has operating lease arrangements primarily for office premises, the lease period of which is about 6 to 8 years. An amount of ₹668.43 Lakhs (previous year ₹412.36) has been debited towards lease rental and other charges. The future expected minimum lease payments under operating leases are given below.

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Not later than One Year	229.81	117.22
Later than One Year and less than Five Years	919.25	919.25
Later than Five Years	767.19	1,054.46
TOTAL	1,916.25	2,090.93

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

37.2 Finance Leases

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
a) Cost of Leased asset	425.50	413.71
b) Net carrying amount	309.19	339.25

37.3 Yearwise future minimum lease rental payments on contracts:

₹in Lakhs

Particulars	As at June 30, 2013		As at March 31, 2012	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
Not later than One Year	74.72	62.65	52.13	43.40
Later than One Year and less than Five Years	63.18	58.81	129.05	93.79
Later than Five Years	-	-	-	-
Total	137.90	121.46	181.18	137.19
Less: Future Finance Charges	16.44	-	43.99	-
Present Value of Minimum Lease payments	121.46	121.46	137.19	137.19

38 Earnings Per Share

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Basic		
Continuing operations:		
Profit / (loss) for the year from continuing operations (₹ Lakhs)	(26,286.12)	2,550.75
The weighted average number of equity shares outstanding during the Period / year (In Nos.)	44,351,805	44,322,506
Par Value of Share (₹)	10.00	10.00
Earnings per share, from continuing operations - Basic (₹)	(59.27)	5.75
Diluted		
The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares. Since, the effect of the conversion of outstanding stock options was anti-dilutive, it has been ignored.		
Profit / (loss) for the year from continuing operations (₹ Lakhs)	(26,286.12)	2,550.75
Add: Expense on Employee Stock Option (ESOP) Scheme	2.00	14.43
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution) (₹ Lakhs)	(26,284.12)	2,565.18
The weighted average number of potential equity shares outstanding during the period / year including Stock Options (In Nos.)	44,351,805	44,346,120
Par Value of Share (₹)	10.00	10.00
Earnings per share, from continuing operations - Diluted (₹)	(59.27)	5.75

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

39 Taxes on income

39.1 Current Tax

The current tax expense for the period has been determined based on taxable income for fiscal year ended 31 March 2013 and estimated taxable income for quarter ended 30 June 2013 (based on estimate of total taxable income for fiscal year ended 31 March 2014). Accordingly the company has provided for ₹180.89 Lakhs being current tax liability, computed under normal provisions of Income Tax Act, 1961.

39.2 Deferred Tax - Disclosure Under Accounting Standard 22

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Deferred Tax Liability		
On Depreciation	4.00	3,172.03
Total Liability	4.00	3,172.03
Deferred Tax Asset		
Provision for Gratuity	86.00	59.12
Provision for Compensated absences	90.04	26.79
Carry forward long term capital loss (Refer Note 39.3 below)	1,206.84	-
Carry forward unabsorbed depreciation and business loss (Refer Note 39.3 below)	4.00	-
Others	9.96	12.79
Total Asset	1,396.84	98.70
Net Deferred Tax Asset / (Liability)	1,392.84	(3,073.33)

39.3 The Company has carry forward losses and unabsorbed depreciation, which give rise to deferred tax asset of ₹11,383.21 lakhs (Previous Year ₹Nil). However in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, the said deferred tax asset that can be recognized is restricted to the net deferred tax liability of ₹4.00 lakhs (Previous Year ₹Nil).

Pursuant to the approval of shareholders obtained by means of a Postal Ballot on 5 August 2013, the Company has recognized deferred tax asset on long term capital losses as at 30 June 2013 considering the Long term capital gains, arising on sale of Wind Turbine Generators on a slump sale basis on the said date. Further, consequent to the above there has been a significant reversal in deferred tax liability arising on account of depreciation as at Balance sheet date.

39.4 International Transactions

The Company has entered into transactions with related parties. The Management is of the opinion that the Company maintains the necessary documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on account of tax expense and provision for taxation.

40 Information on Jointly Controlled Entities as per AS 27

40.1 List of Jointly Controlled entities as on June 30, 2013

Name of the Company	Country of Incorporation	Share of ownership and voting power	
		As at June 30, 2013	As at March 31, 2012
Leitwind Shriram Manufacturing Limited (LSML)	India	2.50%	49.48%
Hamon Shriram Cottrell Private Limited (HSCL)	India	-	49.99%

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

40.2 Contingent Liabilities in respect of Jointly Controlled entities as at June 30, 2013

₹in Lakhs

Particulars	As at June 30, 2013		As at March 31, 2012	
	LSML	HSCL	LSML	HSCL
Directly incurred by the Company	-	-	-	2,100.00
Share of the company in contingent liabilities incurred by jointly controlled entity	-	-	8,044.07	573.55
Share of other venturers in contingent liabilities incurred by jointly controlled entity	-	-	8,213.15	573.77

40.3 Capital Commitments in respect of Jointly Controlled entities as at June 30, 2013

₹in Lakhs

Particulars	As at June 30, 2013		As at March 31, 2012	
	LSML	HSCL	LSML	HSCL
Share of the company in Capital Commitments incurred by jointly controlled entity	-	-	713.03	-
Share of other venturers in Capital Commitments incurred by jointly controlled entity	-	-	728.01	-

40.4 Share of the Company in the assets, liabilities, incomes and expenses of the Jointly Controlled Entities are given below:

₹in Lakhs

Particulars	As at June 30, 2013		As at March 31, 2012	
	LSML	HSCL	LSML	HSCL
Assets	-	-	43,130.81	8,769.38
Liabilities	-	-	36,543.48	6,513.29
Income - upto the date of Sale	8,354.73	10,114.32	35,958.42	10,897.06
Expenses - upto the date of sale	13,200.77	10,302.54	37,381.40	10,671.76

Note: Disclosure of Financial Data as per AS 27 is based on audited financials of the Jointly Controlled Entities.

41 Details of Provisions

Provision for Warranty is estimated based on the terms and conditions

Particulars	Opening Balance	Additions	Withdrawals	Closing Balance
Provision for Warranty	29.39	-	-	29.39
	(29.39)	-	-	(29.39)

Note: Figures in bracket represent Previous Year Figures.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

42 Contingent Liabilities

₹in Lakhs

Particulars	Year	As at June 30, 2013	As at March 31, 2012
Letters of Guarantees issued by the Banks		49,570.96	38,962.10
Letters of Credits issued by the Banks		60,807.86	12,831.65
Corporate Guarantees issued		6,100.00	6,800.00
Claims against the Company not acknowledged as debts (includes ₹1,132.64 Lakhs referred to in Note 20.2)		9,300.14	1,294.94
Disputed Service tax demands contested in Appeals, not provided for *			
Appeal pending before			
Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	261.73	261.73
Commissioner of Service Tax (Appeals)	2008-09 to 2011-12	114.54	114.54
Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	106.61	-
Disputed VAT/Central Sales Tax demands contested in Appeals, not provided for *			
Appeal pending before			
Supreme Court	2008 to 2010	223.33	223.33
West Bengal Commercial Taxes Appellate & Revisional Board	2007-08	558.45	558.45
Joint Commissioner (Appeals)	2008-09 to 2010-11	500.39	500.39
Ld. Joint Commissioner (Appeals) of West Bengal Commercial Taxes	2008-09 & 2010-11	86.63	-
Deputy Commissioner of Commercial Taxes, Bokaro	2007-08 to 2008-09	412.95	412.95
Disputed income tax demands contested in Appeals not provided for*			
Appeal pending before			
Commissioner of Income Tax (Appeals)	2000-01	-	48.08
Commissioner of Income Tax (Appeals)	2001-02	-	20.95
Commissioner of Income Tax (Appeals)	2002-03	-	49.15
Commissioner of Income Tax (Appeals)	2003-04	-	155.33
Commissioner of Income Tax (Appeals)	2004-05	-	26.24
Commissioner of Income Tax (Appeals)	2005-06	195.39	298.48
Commissioner of Income Tax (Appeals)	2006-07	120.21	219.68
Commissioner of Income Tax (Appeals)	2007-08	70.00	192.24
Commissioner of Income Tax (Appeals)	2008-09	347.09	63.56
Commissioner of Income Tax (Appeals)	2009-10	107.78	-
Commissioner of Income Tax (Appeals)	2010-11	295.33	-

*Of the above demands, ₹309.66 Lakhs (Previous year - ₹309.66 Lakhs) has been deposited by the company with the respective authorities. Management is of the opinion that the Appeals preferred by the Company will be decided in its favour.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

43 Capital Commitments

43.1 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹1,437.84 Lakhs (March 31, 2012: Nil)

43.2 Share Purchase Obligations towards Investments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Sree Jayajothi Cements Limited	-	9,340.00

43.3 Debenture Purchase Obligations towards Investments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Spark Environmental Technology Limited	-	25,650.00

43.4 Other Commitments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Windmill Purchase Obligation		
Orient Green Power Company Limited (Net of Advances - ₹Nil) (Previous year: ₹22,406.31 lakhs)	-	5,093.69

44 Sale of WEG Business

Though the Company had obtained its Shareholders' approval through Postal Ballot on August 21, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitwind Shriram Manufacturing Limited (LSML) with effect from April 1, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Profit/Loss in the Statement of Profit and Loss for the fifteen months period ended June 30, 2013.

45 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	15.26
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	3.97
iii) The amount of interest due and payable for the year	-	3.97
iv) The amount of interest accrued and remaining unpaid at the end of the year	-	6.11

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

46 Dues from Subsidiaries and Associates - Disclosure under clause 32 of the listing agreement

46.1 Loans and Advances

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Subsidiaries		
Shriram EPC(Singapore) Pte Ltd	-	509.60
Blackstone Group Technologies (Pvt) Limited	-	1,041.75
Chemproject Consulting (Pvt) Limited	-	106.32
Associates		
Haldia Cokes & Chemicals (Pvt) Limited	-	1,523.93
Orient Green Power Company Limited	-	17,706.31
Shriram SEPL Composites (Pvt) Limited	-	1,744.18
Ennore Coke Limited	-	1,829.20
Clarion Windfarms (Pvt) Limited	-	926.65
Total	-	25,387.93

46.2 Maximum amount outstanding at any time during the year:

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Subsidiaries		
Shriram EPC(Singapore) Pte Ltd	4,153.45	513.80
Blackstone Group Technologies (Pvt) Limited	1,097.01	1,188.70
Chemproject Consulting (Pvt) Limited	126.07	149.95
Associates		
Haldia Cokes & Chemicals (Pvt) Limited	24,564.24	1,523.93
Orient Green Power Company Limited	19,306.31	22,410.89
Shriram SEPL Composites (Pvt) Limited	2,187.92	2,279.61
Ennore Coke Limited	7,143.37	2,054.96
Bharat Wind Farm Limited	-	-
Clarion Windfarms (Pvt) Limited	1,026.22	984.52
Beta Wind Farm (Pvt) Limited	200.00	2,403.75
Total	59,804.59	33,510.10

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

47 CIF value of Imports

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Raw Materials and components (for Wind Turbine Generators)	79.79	810.19
Capital Goods	932.95	-
Traded Goods	5,352.32	-
Materials consumed in execution of Engineering Contracts	17,173.73	-

48 Expenditure in Foreign Currency

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Travelling and conveyance	411.74	226.06
Legal & Professional Charges	57.90	1,048.84
Erection, Construction & Operation Expenses	27,123.80	6,028.18
Others	3,515.64	48.74
Total	31,109.08	7,351.82

49 Earnings in Foreign Currency

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
FOB Value of Exports	1,559.06	12,452.87

50 Exposure in foreign currency

₹in Lakhs

Particulars	Currency	As at 30 June 2013	
		Amount in Foreign Currency	₹in Lakhs
Bank balance	IQD	592,000	0.30
	USD	19,725	11.72
Trade receivables	AUD	327,664	178.02
Advance given	EURO	765,692	595.78
	USD	5,600,000	3,326.12
Trade Payables (including Payables on purchase of fixed assets)	IQD	13,760,000	7.05
	USD	11,671,507	6,932.29
	AUD	11,000	5.98
	EURO	428,588	333.48
	RMB	284,220	26.23
Supplier advance (including capital advances)	IQD	1,500,000	0.77
	USD	1,793,696	1,065.37
	AUD	3,071,382	1,668.68
	EURO	941,084	732.26
	RMB	284,220	26.23
	SGD	38,520	18.08
	GBP	35,241	31.89

SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

50 Exposure in foreign currency (Contd.)

₹in Lakhs

Particulars	Currency	As at 31 March 2012	
		Amount in Foreign Currency	₹in Lakhs
Trade receivables (Net of advances received)	AUD	5,538,089.10	2,913.03
Advance given	USD	183,236.92	93.32
	EURO	1,962,900.00	1,334.18
	SGD	958.91	0.39
Trade Payables (including Payables on purchase of fixed assets)	JPY	811,770.00	504.27
	USD	210,485.85	107.20
	AUD	96,326.23	50.67
	EURO	2,860,056.82	1,943.98
	GBP	8,475.00	6.92
Supplier advance (including capital advances)	JPY	91,205,900.00	56,657.11
	USD	13,420.00	6.83
	AUD	6,640,325.52	3,492.81
	EURO	7,643,494.60	5,195.28
	SGD	40,000.00	16.22

51 The company has granted advances/loans to its subsidiaries and group companies for the purpose of carrying on operations, based on the business needs and exigencies of those Companies. Some of these advances/loans are interest free. However in the opinion of the management, all these advances/loans (including the interest free loans) are conducive to the interest and development of the business of the group and hence are not prejudicial to the interests of the company.

52 Subsequent Events

52.1 Investment, receivables and Interest accrued in Sree Jayajothi Cements Limited and Spark Environmental Technology Limited

52.1.1 The Company had in an earlier year executed an EPC contract for Sree Jayajothi

Cements Limited('SJCL') and an aggregate amount of ₹42,325.42 was due from it, which was outstanding for a considerable period of time. Apart from this, the company has investment in Equity shares of SJCL amounting to ₹10,856.45 Lakhs. Further, on 19 April 2012, company had invested an amount of ₹25,676.56 Lakhs in Optionally Convertible Debentures (OCD) issued by Spark Environmental Technology Limited ('Spark' a group company and a fellow Shareholder in SJCL), who in turn had subscribed to 256,765,645 shares of ₹10 each in SJCL.

52.1.2 "The company along with Spark and the original promoter of SJCL has entered into an agreement to sell their investments in equity in SJCL, to My Home Industries Limited('MHIL') vide agreement dated 11 August 2013. Based on this agreement the company assessed the realisability of trade



SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

and other receivables and the carrying amount of its investments in SJCL and Spark, and has made the following adjustments in the financial statements as an 'exceptional item':

i) ₹16,725.60 Lakhs has been provided for diminution in value of investments in SJCL and Spark.

ii) Trade Receivables to the extent of ₹6,176.34 lakhs has been written off.

52.1.3 In addition, the interest accrued on Optionally Convertible Debentures amounting to ₹3,689.98 Lakhs for the period 19 April 2012 to 31 March 2013 has now been derecognized.

52.2 Issue of Optionally Convertible Debentures and Issue of Cumulative Redeemable Preference Shares.

53 The Board of Directors in their meeting held on August 29, 2013, subject to approval of the Shareholders of the Company and other regulatory authorities have approved Issue of Optionally Convertible Debentures amounting to ₹10,000 Lakhs and Issue of Cumulative Redeemable Preference Shares amounting to ₹20,000 Lakhs, on preferential basis to the investing party/parties.

For and on behalf of the Board of Directors

T.Shivaraman
Managing Director

S.Krishnamurthy
Director

K.Suresh
Company Secretary

R.S.Chandrasekaran
Chief Financial Officer

Place : Chennai
Date : August 29, 2013

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF SHRIRAM EPC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SHRIRAM EPC LIMITED (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 30th June 2013, the Consolidated Statement of Profit and Loss for the fifteen months ended 30th June 2013 and the Consolidated Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of

material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30th June, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the period ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period ended on that date.

Other Matters

We did not audit the financial statements/financial information of two subsidiaries, an associate and a Jointly controlled entity whose financial statements/financial information reflect total revenues of ₹9,967.40 Lakhs for the year ended 31st March 2013 and net cash outflows amounting to ₹226.45 Lakhs for the year

ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net loss of ₹10,375.04 lakhs for the year ended 31st March, 2013, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us.

Place : Chennai,
Date : August 29, 2013

These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a joint controlled entity and associates is based solely on the reports of the other auditors.

Our report is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

SHRIRAM EPC LIMITED
CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2013

₹ in Lakhs

	Particulars	Note No	As at June 30, 2013	As at March 31, 2012
A	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share Capital	5	4,435.82	4,434.43
	Reserves and Surplus	6	23,841.23	68,800.33
			28,277.05	73,234.76
2	Minority Interest		-	204.56
3	Non-Current Liabilities			
	Long-term Borrowings	7	16,005.47	5,838.58
	Deferred Tax Liabilities (Net)	41.2	-	3,151.32
	Other Long Term Liabilities	8	69.75	53.99
	Long-term Provisions	9	242.34	374.30
4	Current Liabilities		16,317.56	9,418.19
	Short-term Borrowings	10	139,968.24	195,574.07
	Trade Payables	11	40,944.31	69,607.65
	Other Current Liabilities	12	22,614.73	43,663.84
	Short-term Provisions	13	305.52	1,056.33
			203,832.80	309,901.89
	TOTAL		248,427.41	392,759.40
B	ASSETS			
1	Goodwill on Consolidation			
	- Subsidiaries		-	699.00
	- Joint Ventures		-	153.61
2	Non-Current Assets			
	Fixed Assets:	14		
	Tangible Assets		4,242.51	19,835.14
	Intangible Assets		211.39	1,129.58
	Capital Work-in-Progress		932.43	540.08
			5,386.33	21,504.80
	Non-Current Investments	15	8,392.88	41,565.64
	Deferred Tax Assets (Net)	41.2	1,392.84	72.43
	Long-term Loans and Advances	16	2,571.09	2,082.30
	Other Non-Current Assets	17	13,092.33	10,277.19
			30,835.47	75,502.36
3	Current assets			
	Current Investments	18	19,851.63	-
	Inventories	19	32,386.43	44,247.34
	Trade receivables	20	58,234.70	142,168.07
	Cash and cash equivalents	21	9,037.88	37,515.52
	Short-term loans and advances	22	33,883.00	75,796.16
	Other current assets	23	64,198.30	16,677.34
			217,591.94	316,404.43
	TOTAL		248,427.41	392,759.40
	See accompanying notes forming part of the Consolidated Financial Statements	4		

SHRIRAM EPC LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013

₹ in Lakhs

	Particulars	Note No	Fifteen months ended June 30, 2013	Year ended March 31, 2012
I	Revenue from Operations	24	190,559.09	186,176.21
II	Other Income	25	6,346.91	2,942.65
III	Total Revenue (I+II)		196,906.00	189,118.86
IV	Expenditure :			
	Cost of Raw Materials and Components Consumed	26	7,783.11	44,249.81
	Erection, Construction & Operation Expenses	27	124,758.65	108,864.39
	Purchases of Stock in Trade	28	12,151.74	7,004.09
	Change in Inventories of Finished Goods, Contract Work in Progress and Stock In Trade	29	(6,210.11)	(14,131.66)
	Employee Benefits Expense	30	9,191.05	6,358.78
	Finance Costs	31	44,804.61	22,678.68
	Depreciation and Amortisation Expenses	14	2,305.61	1,954.62
	Other Expenses	32	17,589.08	9,360.93
	Total Expenses		212,373.74	186,339.64
V	(Loss) / Profit Before Exceptional Items and Tax (III-IV)		(15,467.73)	2,779.22
VI	Exceptional Items	33	(5,324.77)	-
VII	(Loss) / Profit Before Tax (V+VI)		(20,792.50)	2,779.22
VIII	Tax (Benefit) / Expense:			
	(1) Current tax expense		239.26	1,340.48
	(2) Deferred tax		(4,504.89)	146.67
			(4,265.63)	1,487.15
IX	(Loss) / Profit After Tax		(16,526.87)	1,292.06
	Less: Minority Interest share of (Loss) / Profit		(20.31)	7.13
XI	(Loss) / Profit After Tax and Minority Interest		(16,506.56)	1,284.93
	Add: Share of (Loss) / Profit from Associates (Net)		(10,375.04)	2,868.39
XII	(Loss) / Profit for the year		(26,881.60)	4,153.32
XIII	Earnings per share of ₹10 each	40		
	- Basic		(60.61)	9.37
	- Diluted		(60.61)	9.37
	See accompanying notes forming part of the Consolidated Financial Statements			

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : August 29, 2013

For and on behalf of the Board of Directors

T.Shivaraman
Managing Director

S. Krishnamurthy
Director

K.Suresh
Company Secretary

R.S.Chandrasekharan
Chief Financial Officer

SHRIRAM EPC LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Net (loss)/ Profit before Tax	(20,792.50)	2,779.22
Depreciation and Amortisation expense	2,305.61	1,954.62
Provision for Doubtful Debts	-	22.62
Employee Stock Option Expense	2.00	14.43
Provision for Gratuity	70.74	(11.48)
Provision for Compensated Absences	182.26	(16.44)
Loss on disposal of Fixed Assets (Net)	(2.94)	302.28
Bad Trade Debts/Advances Written off		
- Sree Jayajothi Cements Ltd	6,176.34	-
- Others	8,163.55	1,954.70
Liabilities / provisions no longer required written back	(1,391.41)	-
Dividend Income	-	(13.81)
Interest Income	(4,210.37)	(2,345.71)
Loss/(Gain) on Unrealised Exchange Fluctuation	851.37	294.66
Gain on Sale of Investments	(5,552.69)	-
Interest and Finance Charges	41,626.09	22,678.68
Adjustments to the carrying amount of current investments		
- Sree Jayajothi Cements Ltd	4,055.67	-
- Spark Environmental Technology Ltd	10,906.34	-
- Orient Green Power Company Limited	2,783.28	-
	65,941.04	24,834.55
Operating Profit before working capital changes	45,148.54	27,613.77
Working capital changes :		
Adjustments for (increase) / decrease in operating assets:		
Inventories	11,860.91	(18,478.25)
Trade Receivables	69,593.48	(36,822.10)
Loans and advances	(8,912.81)	(40,603.91)
	72,541.58	(95,904.26)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(27,325.35)	
Other Current Liabilities	(18,913.22)	
Other Long Term Liabilities	15.76	
Short Term Provisions	(750.81)	
Long Term Provisions	(131.95)	
Liabilities and Provisions		18,861.87
	(47,105.57)	18,861.87

SHRIRAM EPC LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013 (contd.)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Cash generated from / (used in) operations	70,584.55	(49,428.62)
Net Income Tax paid	(429.78)	(1,634.03)
Net Cash flow from/ (used in) Operating Activities (A)	70,154.77	(51,062.65)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure (including Capital Work in progress)	(4,659.80)	(2,130.05)
Proceeds from sale of fixed assets	161.04	29.20
Bank balances not considered as Cash and cash equivalents (Net)	(5,177.74)	(1,706.52)
Sale of Current Investments	-	900.00
Purchase of Long Term investments		
- Joint ventures	(400.00)	
- Associate	-	
- Others	(35,199.01)	(12855.28)
Proceeds from sale of Long Term Investments		
- Subsidiary	15,151.00	
- Joint ventures	10,388.00	
- Associate	652.00	
- Others	-	12215
Proceeds from Current Investments (net)	3.61	(900.00)
Interest Received	4,154.06	2183.62
Dividend received	-	13.81
Net Cash Used in Investing Activities (B)	(14,926.84)	(2,250.22)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Shares (Including Share Application Money)	701.39	6.22
Proceeds from long term borrowings	11,881.33	178,665.68
Repayment of long term borrowings	(3,850.32)	(142,894.77)
Movement in current maturities of long term borrowings	(2,135.89)	-
Net (Decrease)/Increase in Working Capital Borrowings	(55,605.83)	34,842.10
Interest and Finance Charges Paid	(38,332.75)	(23,053.39)
Dividends paid (including dividend distribution tax)	(619.24)	(620.07)
Net Cash (used in)/from Financing Activities (C)	(87,961.31)	46,945.77
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD/YEAR (A+B+C)	(32,733.38)	(6,367.10)
Cash and Cash equivalents as at the beginning of the period / year	33,293.11	39,598.38
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	13.37	61.83
Cash and Cash equivalents as at the end of the period / year	573.10	33,293.11

SHRIRAM EPC LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE FIFTEEN MONTHS ENDED JUNE 30, 2013

₹ in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	9,037.88	37,515.52
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements	8,464.78	4,222.41
- Margin Money having maturity period exceeding three months		
Cash and cash equivalents at the end of the year *	573.10	33,293.11
* Comprises:		
(a) Cash on hand	37.18	50.30
(b) Cheques, drafts on hand	-	-
(c) Cheques in Transit	-	30,164.00
(d) Balances with banks		
(i) In current accounts	449.25	378.81
(ii) In EEFC accounts	-	508.80
(iii) In deposit accounts with original maturity of less than 3 months	67.81	2,063.10
(iv) In earmarked accounts (Unpaid Dividend Account)	18.86	18.93
(iv) Proportionate share of Joint venture	-	109.17
	573.10	33,293.11

In terms of our report attached
For Deloitte Haskins and Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

Place : Chennai
Date : August 29, 2013

For and on behalf of the Board of Directors

T.Shivaraman S. Krishnamurthy
Managing Director Director

K.Suresh R.S.Chandrasekharan
Company Secretary Chief Financial Officer

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

1 Corporate Information

Shriram EPC Limited (the "Company" or "SEPC") is the flagship company of the Shriram Group. The Company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focussed on providing turnkey solutions for ferrous & non ferrous, cement, aluminium, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

2 Principles of Consolidation

The consolidated financial statements relate to Shriram EPC Limited (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- 2.1 The financial statements of associate Haldia Coke and Chemicals Limited has been drawn upto March 31, 2013. There are no significant transactions subsequent to 31 March 2013, which require an adjustment to consolidated financial statements.
- 2.2 The financial statements of the Company and its Subsidiary Companies have been prepared on a line by line consolidation by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealized profits and losses as per Accounting Standard 21 – Consolidated Financial Statements notified by Central Government of India under Companies (Accounting Standards) Rules, 2006. During the year, entity sold its investments in subsidiaries to Investing party. Hence, these subsidiaries have been consolidated till the date of sale.
- 2.3 The assets and liabilities of foreign subsidiaries whose operations are of non-integral nature are translated at the closing exchange rates, the items of income and expense of foreign subsidiaries are translated at average exchange rate and resulting exchange differences are classified as cumulative translation adjustment and debited/credited to Foreign Currency Translation Reserve.
- 2.4 Investments in associate companies have been accounted for as per Accounting Standard – 23, by

using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post - acquisition change in the Company's share of net assets of the associate.

- 2.5 Share of profit / loss, assets and liabilities in the jointly controlled entities, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group's equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealized profits or losses have been eliminated to the extent of the Group's share in the entity. During the year, entity sold its investments in Jointly controlled entities to Investing party, Hence, these Joint Ventures have been consolidated till the date of sale.
- 2.6 The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- 2.7 Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- 2.8 The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.
- 2.7 Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

3 Details of Subsidiaries, Associates and Joint Ventures

3.1 List of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements ₹in Lakhs

Name of the Company	Status	Country of Incorporation	Share of Ownership and Voting Power Percentage	
			June 30, 2013	March 31, 2012
Shriram EPC (Singapore) Pte Ltd	Subsidiary	Singapore	0.00%	100.00%
Blackstone Group Technologies Private Ltd	Subsidiary	India	0.00%	55.00%
Leitwind Shriram Manufacturing Limited	Joint Venture	India	2.50%	49.48%
Hamon Shriram Cottrell Private Limited	Joint Venture	India	0.00%	49.99%
Shriram SEPL Composites Private Limited	Associate	India	0.00%	49.00%
Haldia Coke and Chemicals Private Limited	Associate	India	48.48%	48.48%
Hexa Windfarm Private Limited	Associate	India	34.00%	0.00%
Holdings through Subsidiary and Associate				
Orient Green Power Pte Ltd	Associate	Singapore	0.00%	37.70%
Chemproject Consulting Private Limited	Subsidiary	India	0.00%	60.00%
Shriram Composites Private Limited	Associate	India	0.00%	100.00%

4 Significant Accounting Policies:

4.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.8 The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital reserve as the case may be.

4.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3 Inventories

Inventories are valued at the lower of cost on



SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Stock of land for windmill projects is valued at lower of cost and net realizable value. Cost of land includes purchase consideration, stamp duties and registration charges for transfer of title.

Contract in Progress represent work in process on construction contracts which reflects proportionate value of inputs and expenses on contracts yet to be billed. Works in progress relating to windmill division are valued at lower of cost and net realizable value.

Work in progress in respect of consultancy services is valued on the percentage of the designing and detailing services delivered to the clients after going through the approval and confirmation stage based on the total project size and revenue is based on the cost incurred towards rendering the services and the net realizable values as certified and valued by the management. For this purposes cost means direct man-hour cost and expenses incurred on the project.

4.4 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises of cash on hand, cheques in transit and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby Profit / (Loss) before Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.6 Depreciation and amortisation

Depreciation is computed under Straight Line Method as per the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except for the following:

Leasehold improvements are written off over the primary period of their lease. Certain items of Plant and Machinery used at project sites are depreciated over an estimated useful life of 2 to 4 years.

Intangible Assets :

- Technical Know-how fees are amortised over the period of 5 to 10 years based on management's evaluation of their estimated useful life.
- Software cost are amortised over a period of 5 years based on Management's evaluation of their estimated useful life.
- Lease hold Land Using Rights is amortised over the primary period of lease, which is 20 years.

Individual assets costing ₹5,000/- each or less are depreciated in full in the year of acquisition.

Depreciation in respect of assets of a Joint Venture have been charged on Written Down Value method as against Straight Line method followed by the Group.

4.7 Revenue Recognition

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

- The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract.
- An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.
- Price escalation and other claims and /or variation in the contract work are included in contract revenue only when:
 - The contract provides for such claims and when it is demonstrable that efforts and costs have been incurred in relation to such claims.

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

(b) The amount that is probable will be accepted by the customer can be measured reliably.

Revenue from Joint Venture Contracts : In work sharing Joint Venture arrangements, revenues, expenses, assets and liabilities are accounted for in the Company's books to the extent work is executed by the Company.

Contract Revenue earned in excess of billing has been reflected as 'Unbilled Revenue' under 'Other Current Assets' and billing in excess of Contract Revenue has been reflected as 'Advance Billing' under 'Other Current Liabilities'.

Dividend Income on Investments is accounted for when the right to receive the payment is established. Interest income is accounted on accrual basis. Interest income is recognised on a time proportion basis.

4.8 Fixed Assets

Fixed Assets are stated at historical cost (net of CENVAT/VAT wherever applicable) less Accumulated Depreciation / Amortisation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

4.9 Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

4.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

4.11 Employee Benefits

Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

The cost of short-term compensated absences is accounted as under :

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

Long-term Employee Benefits

(i) Defined Contribution Plans:

Contribution to state governed Provident Fund scheme and Employee State Insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined Benefit Plans:

The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit Method and is not funded. The contribution there of paid / payable is charged to Statement of Profit and Loss.

(iii) Long Term Compensated Absences:

The obligation for long term employee benefits such as long term compensated absence is



SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

4.12 Employee Stock Option Scheme

The Company has formulated Employee Stock Option Schemes '2006' and '2007' (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

4.13 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

4.14 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership

vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

4.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

4.16 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

4.17 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

4.18 Provisions and contingencies

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liability is disclosed for (i) Possible

obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements as a matter of prudence.

4.19 Provision for warranty

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

4.20 Derivatives

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence

4.21 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

4.22 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's (primarily construction activities) have an operating cycle exceeding 12 months. The Company has chosen a duration up to 36 months for classification of current assets and current liabilities into current and non-current.



SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

5 Share Capital

The authorized, issued, subscribed and fully paid-up share capital comprises of equity shares

₹in Lakhs

Particulars	As at	
	June 30, 2013	March 31, 2012
Authorized :-		
65,000,000 Equity Shares of ₹10 each	6,500.00	6,500.00
20,000,000 Convertible Preference shares of ₹10 each	2,000.00	2,000.00
	8,500.00	8,500.00
Issued, Subscribed and fully Paid-up:-		
44,358,184 Equity Shares of ₹10 each (As at 31 March 2012 - 44,344,284 Equity Shares of ₹10 each)	4,435.82	4,433.43
Total	4,435.82	4,433.43

5.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at June 30, 2013		As at March 31, 2012	
	In Shares	Amount (in ₹Lakhs)	In Shares	Amount (in ₹Lakhs)
Equity Shares				
At the beginning of the period / year	44,344,284	4,434.43	44,262,399	4,426.24
Issued during the year (Also refer Note 36)	13,900	1.39	81,885	8.19
Outstanding at the end of the period / year	44,358,184	4,435.82	44,344,284	4,434.43

5.2 Details of shareholders holding more than 5% shares of the Company:

Name of Shareholder	As at June 30, 2013		As at March 31, 2012	
	No of Shares	% holding	No of Shares	% holding
Equity shares				
Shriram Industrial Holdings Limited	17,048,070	38.43%	14,929,070	33.67%
Shriram Auto Finance (Partner: Ms. Vathsala Ranganathan)	-	-	2,517,003	5.68%
Bessemer Venture Partners	10,481,762	23.63%	10,481,762	23.64%
Agronaut Ventures	-	-	2,373,364	5.35%
Unit Trust of India Investment Advisory Services Ltd	3,786,779	8.54%	3,786,779	8.54%

5.3 Terms/rights attached to the Equity Shares

The company has issued equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

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

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

6 Reserves and Surplus

₹in Lakhs

Particulars	As at March 31, 2012	Additions	Deductions	As at June 30, 2013
Capital Reserve				
Opening Balance	12.92			12.92
Add: Addition during the period/year	-			-
Closing Balance	12.92			12.92
Securities Premium	24,838.97	14.01	(3.10)	24,849.88
Share Options Outstanding Account	109.30	2.00	(14.01)	97.29
General Reserve	464.63	-	-	464.63
Foreign Currency Translation Reserve	1,204.29	(289.29)	(915.00)	-
Share of Reserves of Associates:				
i) Capital Reserve	16,351.16		(16,351.16)	-
ii) Foreign Currency Translation Reserve	579.70	385.61	-	965.31
iii) Other Reserves	1,099.72	3,798.86	-	4,898.58
Surplus in Statement of Profit and Loss	23,895.58	(26,881.60)	(4,461.36)	(7,447.38)
Transfer of Goodwill and reserves on disposal of Subsidiary, JV	187.86	-	(187.86)	-
Proportionate Share in Joint Ventures	56.20	-	(56.20)	-
Total	68,800.33	(22,970.42)	(21,988.69)	23,841.23

7 Long Term Borrowings

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Secured		
Term Loans (Refer Note 7.1 below)		
From Banks	15,942.29	2,802.93
Finance Lease Obligations	63.18	129.05
Proportionate Share of Joint Ventures	-	2,906.60
Total	16,005.47	5,838.58

7.1 The above loans are secured by exclusive charge on the windmills, immovable properties and other fixed assets of the Group

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

8 Other Long-term Liabilities

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Trade Payables	-	6.22
Security Deposit Received	16.39	13.39
Loan from Directors of a Subsidiary	-	26.51
Deferred rent obligations	53.36	
Proportionate Share of Joint Ventures	-	7.87
Total	69.75	53.99

9 Long-term Provisions

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Provision for Gratuity (Refer Note 35)	242.34	174.23
Proportionate Share of Joint Ventures	-	200.07
Total	242.34	374.30

10 Short-term Borrowings

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans Repayable on Demand - Secured (Refer Note 10.1)		
Cash Credit and Overdraft facilities from Banks	102,255.45	66,801.38
Working Capital Demand Loan	5,476.26	
Short Term Loans		
From Banks	22,520.67	98,624.21
From Others	2,500.00	2,500.00
Bills Discounted	4,374.97	5,707.38
Short Term Loans - Unsecured		
From Banks	-	2,991.00
From related parties (Refer Note 38)	2,840.89	
Proportionate Share of Joint Ventures	-	18,950.10
Total	139,968.24	195,574.07

10.1 The above loans are secured by exclusive charge on the windmills, immovable properties and other fixed assets of the Group.

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

11 Trade Payables

₹ in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Acceptances	10,167.40	15.27
Other than Acceptances	30,776.91	53,335.48
Proportionate Share of Joint Ventures	-	16,256.90
Total	40,944.31	69,607.65

12 Other Current Liabilities

₹ in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Advance from Customers (Refer Note 34)	14,844.07	26,085.51
Advance Billing (Refer Note 34)	229.23	7,925.50
Current Maturities of Long Term Loans (Secured) (Refer Note 7.1)		
From Banks	1,793.48	3,951.96
Current Maturities of Finance Lease Obligations (Secured) (Refer Note 7.1)	74.72	52.13
Statutory Remittances	138.59	761.86
Interest accrued but not due on Borrowings	3,401.87	77.43
Interest accrued and due on Borrowings	-	-
Provision for Expenses	2,132.77	291.16
Other Payables	-	26.79
Proportionate Share of Joint Ventures	-	4,491.50
Total	22,614.73	43,663.84

13 Short-term Provisions

₹ in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Provision for Employee Benefits (Refer Note 35)		
Gratuity	10.62	59.36
Compensated Absences	264.84	103.80
Provision for Warranty (Refer Note 42)	29.39	29.39
Unclaimed Dividend	0.67	0.67
Proposed Dividend	-	532.13
Dividend Distribution Tax	-	86.33
Proportionate Share of Joint Ventures	-	244.65
Total	305.52	1,056.33

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
14 Fixed Assets - Current period

S. No	Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block				
		As at April 1, 2012	Additions	Deletions/ Adjustments on account of consolidation	Reclassified as held for Sale (Refer Note 14.1)	As at June 30, 2013	As at April 1, 2012	Depreciation/ Amortisation for the period	Deletions / Adjustments	Reclassified as held for Sale (Refer Note 14.1)	As at June 30, 2013	As at June 30, 2013
	Tangible Assets											
1	Freehold Land	473.07	37.90	-	-	510.97	-	-	-	-	510.97	-
2	Buildings	171.74	2.26	-	-	174.00	6.16	-	-	57.45	116.55	-
3	Leasehold Improvements	520.93	387.84	296.00	-	612.77	52.88	0.03	-	59.63	553.14	-
4	Plant and Equipments											
	Given under Operating Lease	1,301.51	-	-	-	1,301.51	80.71	-	-	391.62	909.89	-
	Taken under Finance Lease	189.91	-	-	-	189.91	25.85	-	-	33.13	156.78	-
	Owned	12,140.31	1,561.78	67.04	11,414.78	2,220.26	926.03	14.14	14.14	665.18	1,555.09	-
5	Furniture and Fixtures	144.69	34.02	86.46	-	92.25	25.85	15.49	15.49	56.56	35.69	-
6	Office Equipment	200.46	43.61	133.58	-	110.49	5.26	-	-	25.51	84.99	-
7	Computers	480.58	98.69	247.55	-	331.72	73.68	36.07	-	187.47	144.24	-
8	Vehicle											
	Taken under Operating Lease	223.80	52.97	41.18	-	235.59	16.00	-	-	83.18	152.41	-
	Owned	41.36	-	6.08	-	35.28	37.68	40.94	40.94	12.51	22.78	-
	Proportionate share in Joint Ventures	8,761.79	2,937.82	11,699.62	-	1,642.24	811.84	2,454.08	2,454.08	-	-	-
	TOTAL	24,650.15	5,156.89	12,577.51	11,414.78	5,814.76	2,061.95	2,560.76	2,497.46	1,572.24	4,242.51	4,242.51
	Intangible Assets											
9	Technical Know-how	1,101.97	-	-	-	1,101.97	130.41	-	-	1,074.19	27.78	-
10	Software	548.69	42.99	173.28	-	418.40	96.01	-	-	292.69	125.71	-
11	Leasehold Rights	80.00	-	-	-	80.00	4.37	-	-	22.10	57.90	-
	Proportionate share in Joint Ventures	771.77	-	771.77	-	-	12.87	119.38	119.38	-	-	-
	TOTAL	2,502.43	42.99	945.05	-	1,600.37	243.66	119.38	119.38	1,388.98	211.39	211.39
	GRAND TOTAL	27,152.58	5,199.88	13,522.56	11,414.78	7,415.12	2,305.61	2,680.14	2,497.46	2,961.22	4,453.90	4,453.90

14.1 The Company has obtained share holders approval vide postal ballot dated August 05, 2013 for transfer of 11 Wind Electric Generators totalling to 16.2 MW capacity to M/s. Hexa Wind Farm Private Limited by way of Slump sale for a consideration of ₹ 8,917.32 Lakhs. (Refer Note 23 - Other Current Assets)

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

14 Fixed Assets - Previous Year

S. No	Block of Assets	Gross Block						Accumulated Depreciation/Amortisation				Net Block	
		As at April 1, 2011	Additions	Deletions/ Adjustments on account of consolidation	Reclassified as held for Sale	Deletions	As at March 31, 2012	As at April 1, 2011	For the Year	Deletions / Adjustments	Reclassified as held for Sale	As at March 31, 2012	As at March 31, 2012
	Tangible Assets												
1	Freehold Land	473.07	-	-	-	473.07	-	-	-	-	473.07	-	473.07
2	Buildings	171.74	-	-	-	171.74	46.41	4.88	-	-	120.45	51.29	120.45
3	Leasehold Improvements	615.75	225.26	-	-	520.93	231.43	60.76	234.34	-	463.08	57.85	463.08
4	Plant and Equipments												
	Given under Operating Lease	1,301.51	-	-	-	1,301.51	242.19	68.72	-	-	990.60	310.91	990.60
	Taken under Finance Lease	189.91	189.91	-	-	189.91	-	7.28	32.18	-	182.63	7.28	182.63
	Owned	12,212.79	24.59	-	-	12,140.31	1,504.43	782.97	-	-	9,885.09	2,255.22	9,885.09
5	Furniture and Fixtures	198.90	3.91	-	-	144.69	75.31	12.95	25.98	-	82.41	62.28	82.41
6	Office Equipment	216.99	30.18	-	-	200.45	47.09	10.12	13.04	-	156.28	44.17	156.28
7	Computers	641.28	45.46	-	-	480.58	369.46	71.90	144.96	-	184.18	296.40	184.18
8	Vehicle												
	Taken under Operating Lease	227.71	46.93	-	-	223.80	50.87	18.31	2.00	-	156.62	67.18	156.62
	Owned	86.16	2.82	-	-	41.36	62.57	7.98	50.37	-	21.18	20.18	21.18
	Proportionate share in Joint Ventures	8,042.91	721.63	-	-	8,761.79	1,025.38	619.07	2.21	-	7,119.55	1,642.24	7,119.55
	TOTAL	24,188.81	1,290.69	-	-	24,650.14	3,655.14	1,664.94	505.08	-	19,835.14	4,815.00	19,835.14
	Intangible Assets												
9	Technical Know-how	1,101.97	-	-	-	1,101.97	802.80	140.98	-	-	158.19	943.78	158.19
10	Software	543.11	5.58	-	-	548.69	208.86	95.97	-	-	243.86	304.83	243.86
11	Leasehold Rights	80.00	-	-	-	80.00	16.00	1.73	-	-	62.27	17.73	62.27
	Proportionate share in Joint Ventures	292.35	479.42	-	-	771.77	55.51	51.00	-	-	665.26	106.51	665.26
	TOTAL	2,017.43	485.00	-	-	2,502.43	1,083.17	289.68	-	-	1,129.58	1,372.85	1,129.58
	GRAND TOTAL	26,206.24	1,775.69	-	-	27,152.57	4,738.31	1,954.62	505.08	-	20,964.72	6,187.85	20,964.72

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

15 Non Current Investments (Valued at cost unless otherwise stated)

₹ in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Investments -Trade - Quoted		
Investments in Associate		
Orient Green Power Company Limited (Refer Note 15.1)		
Nil (386,526) Equity Shares of ₹10/- each fully paid up	-	2,827.50
Share of Profit/(Loss)	-	(5.21)
Share of Reserves	-	55.76
Investments - Trade - Unquoted		
Investments in Associates		
Shriram SEPL Composites Private Limited		
Nil (4,900,001) Equity Shares of ₹10/- each fully paid up	-	1,165.00
Share of Profit/(Loss)	-	(577.83)
Haldia Coke and Chemicals Private Limited (Refer Note 15.2)		
22,239,167 (22,239,167) Equity Shares of ₹10/- each fully paid up	12,026.09	4,007.22
Share of Profit/(Loss)	(8,404.40)	6,351.54
Share of Reserves	4,196.62	1,667.33
Orient Green Power Pte Limited, Singapore		
Nil (2,608,320) Equity Shares of USD 10/- each fully paid up	-	10,090.06
Share of Profit/(Loss)	-	(1,912.69)
Share of Reserves	-	16,350.46
Investments in Others		
Sree Jayajothi Cements Ltd		
Nil (5,000,000) Equity Shares of ₹10/- each fully paid in Sree Jayajothi Cements Ltd	-	1,500.00
4,076,474 (80,697,877) Equity Shares of ₹10/- each fully paid up in Leitwind Shriram Manufacturing Limited	407.57	
1,670,000 Equity shares of ₹10/- each fully paid in Hexa Wind Farm P Ltd	167.00	
Proportionate Share of Joint Ventures (Including Share of Profit/(Loss) of Associate of (Nil) (March 31, 2012: (₹3.92 Lakhs))	-	46.50
Total	8,392.88	41,565.64
Aggregate amount of Quoted Investments	-	2,827.50
Market Value of Quoted Investments	-	49.28
Aggregate amount of Unquoted Investments	8,392.88	16,812.70

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
15 Non Current Investments (Valued at cost unless otherwise stated) (contd.)

15.1 Includes 103,776 Bonus Shares received during the earlier years

15.2 Of the above, 10,092,344 (Previous year: 10,092,344) Equity Shares have been pledged with a lender for monies borrowed by the associate

15.3 Pursuant to the shareholders approval on 25th March 2013, investments held by the Company in the following Subsidiaries/Joint Ventures / Associate have been sold to Shriram Industrial Holdings Limited (Investing Party), as detailed below :

Name of the Company	Relationship
Shriram EPC (Singapore) Pte Limited	Subsidiary
Blackstone Group Technologies Private Limited	Subsidiary
Hamon Shriram Cottrell Private Limited	Jointly controlled entity
Leitwind Shriram Manufacturing Limited	Jointly controlled entity
Shriram SEPL Composites Private Limited	Associate

16 Long-term Loans and Advances

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans and advances to related parties	380.75	216.71
Prepaid Taxes	2,029.79	503.65
Deposits	160.55	245.81
Proportionate Share of Joint Ventures	-	1,116.13
Total	2,571.09	2,082.30

17 Other Non Current Assets

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Long Term Trade Receivables-Retention Monies (Refer Note 34)	13,092.33	9,100.66
Proportionate Share of Joint Ventures	-	1,176.53
Total	13,092.33	10,277.19

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
18 Current Investments (At lower of cost and fair value, unless otherwise stated):

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
386,526 (386,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited	94.77	-
Share of loss	(8.10)	-
Effect of proposed disposal (Refer Note 33.1)	(42.45)	-
9,85,64,500 (5,000,000) Equity Shares of ₹10/- each fully paid Sree Jayajothi Cements Ltd (Refer Note No 52)	5,925.09	-
Investment in 12% Optionally Convertible Debentures in Spark Environmental Technology Ltd (Refer Note No 52)	13,882.32	-
Total	19,851.63	-
Aggregate amount of Quoted Investments	2,827.50	-
Market Value of Quoted Investments	44.22	-
Aggregate amount of Unquoted Investments	36,533.01	-
Aggregate provision for diminution in value of Investments	16,725.60	-

19 Inventories (Lower of Cost or Net Realisable Value)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Raw Materials and Components for Wind Turbine Generators	788.15	990.91
Contract Work-in-Progress	30,038.28	21,106.55
Stock in Trade	1,560.00	6,236.99
Proportionate Share of Joint Ventures	-	15,912.89
Total	32,386.43	44,247.34

20 Trade Receivables

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, Considered Good (Refer Note 20.1 below)	24,633.19	2,913.69
Unsecured, Considered Good	18,887.72	66,131.34
Unsecured, Considered Doubtful	-	17.85
	43,520.91	69,062.88
Other Trade Receivables		
Secured, Considered Good (Refer Note 20.1 below)	-	27,538.49
Unsecured, Considered Good	14,713.79	27,304.00
Unsecured, Considered Doubtful	-	3.26
	14,713.79	54,845.75
Less: Provision for Doubtful Trade Receivables	-	(21.11)
Proportionate Share of Joint Ventures	-	18,280.55
Total	58,234.70	142,168.07

20.1 Secured by a subservient charge on fixed assets and current assets of the party.

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

21 Cash and Cash Equivalents

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Cash on hand and in imprest accounts	37.18	50.30
Cheques, drafts on hand	-	-
Cheques in Transit	-	30,164.00
Balances with Banks		
Current Account	449.25	887.61
Unpaid Dividend Account	18.86	18.93
Deposit Account (Original maturity of more than 3 months)	17.50	1,932.81
Margin Money (Original maturity of more than 3 months)	50.31	3,299.71
Total Cash and Cash Equivalents	535.92	6,139.06
Other Bank Balances		
Deposit Account	2,057.26	-
Margin Money (Refer Note 21.1 below)	6,407.52	-
Total Other Bank Balances	8,464.78	-
Proportionate Share of Joint Ventures	-	1,162.16
Total	9,037.88	37,515.52

21.1 Balances with banks include margin monies amounting to ₹1,818.11 lakhs (March 31, 2012: ₹2,418.83 Lakhs) which have an original maturity of more than 12 months.

22 Short Term Loans and Advances (Unsecured, considered good unless otherwise stated)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Loans and Advances to Related Parties	145.55	25,127.04
Short-term Loans and Advances (Refer Note 38.6)	19,753.18	18,971.54
Loans and advances to Employees	100.50	61.14
Advances to Suppliers	9,933.91	24,733.94
Security Deposits (Refer Note 22.1 below)	2,320.26	1,026.44
Balance with Government Authorities	1,208.49	579.02
Prepaid Expenditure	421.11	811.48
Proportionate Share of Joint Ventures	-	4,485.56
Total	33,883.00	75,796.16

22.1 Deposits include ₹1,132.64 lakhs (Previous Year Nil) being amount paid under protest with respect of civil dispute in Australia. (Refer Note 43 - Contingent liabilities)

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

23 Other Current Assets

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Unbilled Revenue (Refer Note 34)	55,266.15	15,348.71
Fixed Assets held for sale (Refer Note 14.1)	8,917.32	7.75
Interest accrued on Deposits	14.83	-
Proportionate Share of Joint Ventures	-	1,319.80
Total	64,198.30	16,676.26

24 Revenue from Operations

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Revenue from Engineering and Construction Contracts (Refer Note 34)	155,828.27	127,606.49
Revenue from Sale of Wind Turbine Generators	1,069.61	9,061.51
Revenue from Sale of Traded Goods	12,377.61	839.22
Service Income	1,838.84	1,419.19
Other Operating Income - Sale of Power	1,237.47	712.81
Proportionate Share of Joint Ventures	18,207.29	46,536.99
Total	190,559.09	186,176.21

25 Other Income

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Interest Income (Refer Note 25.1 and Note 38)	4,194.32	2,051.25
Lease Rentals Received (Refer Note 38.2)	69.91	66.15
Management Fees Received (Refer Note 38.2)	136.32	157.64
Gain on Exchange Fluctuation	-	204.86
Liabilities/ provisions no longer required written back	1,391.21	-
Dividend Income	-	13.81
Miscellaneous Income	293.79	128.92
Proportionate Share of Joint Ventures	261.36	320.02
Total	6,346.91	2,942.65

25.1 Includes Interest Income from Sree Jayajyoti Cements Limited - ₹3,334.75 Lakhs (Previous Year ₹551.42 lakhs)

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

26 Cost of Raw Materials and Components Consumed

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Opening Stock	990.91	481.34
Add: Purchases	948.76	8,393.10
Less: Closing Stock	788.15	990.91
Proportionate Share of Joint Ventures	6,631.59	36,366.28
Total	7,783.11	44,249.81

27 Erection, Construction & Operation Expenses

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Cost of Materials and Labour	106,602.83	93,652.66
Other Contract Related Costs	3,956.36	4,429.20
Freight Charges on Purchase	-	7.21
Commercial Taxes	3,781.03	4,342.54
Proportionate Share of Joint Ventures	10,418.43	6,432.78
Total	124,758.65	108,864.39

28 Purchases of Stock in Trade

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Windmills	5,874.94	6,236.99
Coal	6,276.80	767.10
Total	12,151.74	7,004.09

29 Change in Inventories of Finished Goods, Contract Work in Progress and Stock In Trade

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Opening Stock of Contract Work in Progress	21,106.55	15,694.68
Less: Closing Stock of Contract Work in Progress	30,038.28	21,106.55
	(8,931.73)	(5,411.87)
Opening Stock of Finished Goods	-	98.91
Less: Closing Stock of Finished Goods	-	-
	-	98.91
Opening Stock in Trade	6,236.99	-
Less: Closing Stock in Trade	1,560.00	6,236.99
	4,676.99	(6,236.99)
Proportionate Share of Joint Ventures	(1,955.37)	(2,581.71)
Total	(6,210.11)	(14,131.66)

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

30 Employee Benefit Expenses

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Salaries and Wages	6,569.79	4,150.54
Contribution to Provident and other Funds	298.01	180.46
Expense on Employee Stock Option (ESOP) Scheme (Refer Note 36)	2.00	14.43
Gratuity (Refer Note 35.1)	104.69	26.20
Staff Welfare Expenses	409.53	197.71
Proportionate Share of Joint Ventures	1,807.03	1,789.44
Total	9,191.05	6,358.78

31 Finance Costs

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Interest on Cash Credits	16,200.32	8,169.12
Interest on Term Loans (Refer Note 31.1)	3,559.13	8,751.25
Interest - Others	13,716.10	333.10
Bank Charges, Letter of Credit / Guarantee charges	7,651.93	2,525.18
Proportionate Share of Joint Ventures	3,677.13	2,900.03
Total	44,804.61	22,678.68

31.1 Net of recoveries of ₹9,219.72 Lakhs (March 31, 2012: ₹3,237.98 Lakhs)

32 Other Expenses

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Rent including lease rentals (Refer Note 39)	737.80	460.07
Rates and taxes	87.63	49.57
Repairs and Maintenance:		
Building	159.86	85.45
Plant and Machinery and Equipments	364.87	487.02
Others	321.05	139.08
Auditors' Remuneration:		
Audit Fees	25.10	24.83
Other services	14.00	9.41
Out of pocket reimbursement	1.00	5.62

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

32 Other Expenses (Contd.)

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Printing and stationery	98.73	48.94
Communication expenses	171.15	108.33
Advertisement & Business Promotion	102.99	70.24
Travelling and conveyance	1,694.66	840.09
Electricity & water	117.25	80.66
Legal & Professional Charges	1,857.12	1,333.64
Donation	2.86	11.43
Sitting Fees	12.65	10.85
Insurance premium	1,345.00	405.84
Bad Debts and Advances		
Bad Debts and Advances	8,173.67	2,859.09
Less: Provision made in the earlier years	(9.17)	(916.33)
	8,164.50	1,942.76
Add: Provision made in the current period / year	-	11.94
	8,164.50	1,954.70
Loss on Sales/ Disposal of Fixed Assets	21.88	303.28
Miscellaneous Expenses	684.06	573.45
Proportionate Share of Joint Ventures	1,604.91	2,358.43
Total	17,589.08	9,360.93

33 Exceptional items

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Loss on sale of strategic investments/restructuring		
- Sree Jayajothi Cements Ltd (Refer Note 46.1.2)	4,931.34	-
- Spark Environmental Technology Ltd (Refer Note 46.1.2)	11,794.24	-
- Orient Green Power Company Limited (Refer Note 33.1 below)	2,783.28	-
	19,508.86	-
Bad trade receivables written off		
- Sree Jayajothi Cements Ltd (Refer Note 46.1.2)	6,176.34	-
Effect on disposal of investments in subsidiaries, joint ventures and Associates	(20,335.66)	
Others - Proportionate Share of Joint Ventures	(24.77)	
Total	5,324.77	-

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

33.1 Pursuant to an 'Agreement for Sale' dated 1 June 2013, the investments held by the Company in Orient Green Power Company Limited aggregating to ₹2,827.50 Lakhs have been agreed to be sold to Shriram Industrial Holdings Limited (Investing Party), for a consideration of ₹44.22 Lakhs. The resultant loss of ₹2,783.28 Lakhs has been disclosed above.

34 Disclosures pursuant to Accounting Standard (AS) 7 (revised) - Construction Contracts

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Details of Contract revenue and costs		
Contract Revenues recognised	165,903.56	136,922.40
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	138,483.39	145,986.63
Advances received for contracts in progress	14,844.07	26,294.85
Retention money for contracts in progress	13,092.33	11,475.28
Gross amount due from customers for contract work (Asset)	55,266.15	15,348.71
Gross amount due to customers for contract work (Liability)	229.23	7,925.50

35 Disclosures under Accounting Standard 15 (Revised) for the Group

35.1 Gratuity

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Change in Defined Benefit Obligations (DBO) during the period / year		
Present Value of obligations at the beginning of the period / year	180.97	333.86
Current Service Cost	78.87	89.99
Interest Cost	16.46	25.43
Actuarial (Gain) or Loss	9.36	(79.05)
Benefits paid	(32.72)	(21.80)
Present Value of obligations at the end of the period / year	252.94	348.43
Components of Employer Expense		
Cost for the year		
Current Service Cost	78.87	89.99
Interest Cost	16.46	25.43
Net actuarial (Gain)/ Loss recognised in the period / year	9.36	(79.05)
Net Cost	104.69	36.37
Assumptions		
Discount Rate	8.00%	8% - 8.57%
Attrition rate per annum	3.00%	3% - 9.88%
Expected rate of Salary increases	5.00%	5% - 12%

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

Notes:

35.1.1 The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.

35.1.2 The discount rate is based on the prevailing market rate as applicable for risk free investments as at balance sheet date for the estimated term of the obligation.

35.1.3 Experience adjustments :

₹in Lakhs

Particulars	Fifteen Months Ended June 30, 2013	Year Ended March 31, 2012
Defined benefit obligation	252.94	180.97
Plan assets	-	-
Deficit	252.94	-
On plan liabilities - Losses /(Gains)	2.22	(28.12)

The details of experience adjustments relating to earlier years have not been disclosed in the absence of required information.

35.2 Actuarial Assumptions for Compensated Absences

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Rate of Mortality	Ind (2006-8)	LIC - 94-96 Mortality rates
Discount rate	8.00%	8.00%
Expected rate of Salary increases	5.00%	5.00%

36 Employee Stock Compensation Expenses

The Company has two Employee Stock Option Schemes (A) Employee stock option scheme 2006, (B) Employee stock option scheme 2007. As per the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the Company has considered the best available estimate of the number of shares or stock options expected to vest based on the current attrition rates of its employees and measured the compensation expense at fair value on the date of grant.

36.1 Shriram EPC Limited 2006 ESOP Scheme (the 2006 Scheme)

In Pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on November 20, 2006 the Company instituted an ESOP Scheme for all its eligible employees including those of its subsidiaries and associate Companies.

In accordance with the 2006 Scheme the Company has granted on November 22, 2006 (Grant date) options to eligible employees at an exercise price of ₹10/- per equity share. Under the terms of the 2006 Scheme the options will vest in the employees in the following proportion :

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company after January 1, 2001
November 22, 2007	30%	20%
November 22, 2008	30%	20%
November 22, 2009	20%	30%
November 22, 2010	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modifications in the Terms of The 2006 Scheme

The Company has carried out a modification in "The 2006 scheme" and accordingly additional grants of 424,952 options were made during the year ended March 31, 2008. Those grants have been made as at April 1, 2007 and will vest with the employees in same proportion as in the original scheme.

The movement in the stock options during the year was as per the table below :

Particulars	As at June 30, 2013	As at March 31, 2012
Options at the beginning of the Period / Year		
Vested	75,424	142,309
Unvested	-	-
Add: Granted during the Period / Year	-	-
Add: Vested during the Period / Year	-	-
Less: Lapsed during the Period / Year	-	-
Less: Exercised during the Period / Year	-	(66,885)
Options outstanding at the end of the Period / Year		
Vested	75,424	75,424
Unvested	-	-
Exercisable at the end of the Period / Year	75,424	75,424

Deferred Stock Compensation Expense

During the year , an amount of ₹Nil (March 31, 2012: ₹Nil) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

The values of services rendered in return for share options granted are measured by reference to the fair value of the share options granted and this is evaluated on the basis of an independent valuation carried out as on the grant date.

36.2 Shriram EPC Limited - 2007 - ESOP Scheme (the 2007 Scheme)

The Company instituted another Scheme for all eligible employees in pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on September 20, 2007.

In accordance with the 2007 Scheme the Company has granted on October 1, 2007 and January 1, 2008 (grant dates) options to eligible employees including those of its subsidiaries and associate companies at an exercise price of ₹10/- per equity share. Under the terms of the 2007 Scheme the options will vest in the employees in the following proportion :

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company after January 1, 2001
At the end of Year 1	30%	20%
At the end of Year 2	30%	20%
At the end of Year 3	20%	30%
At the end of Year 4	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modification in the Terms of The 2007 Scheme

The company has carried out a modification in "The 2007 scheme" in the previous year and accordingly additional grants of 10,000 options have been made. These grants have been made as at June 14, 2010 and will vest with the employee in 2 years in equal proportion from the end of 1 year from the date of grant.

The movement in the stock options during the year was as per the table below :

Particulars	As at June 30, 2013	As at March 31, 2012
Options at the beginning of the Period / Year		
Vested	58,400	48,700
Unvested	11,000	35,700
Add: Granted during the Period / Year	-	-
Add: Vested during the Period / Year	8,000	24,700
Less: Lapsed during the Period / Year	-	-
Less: Exercised during the Period / Year	(13,900)	(15,000)
Options outstanding at the end of the Period / Year		
Vested	52,500	58,400
Unvested	3,000	11,000
Exercisable at the end of the Period / Year	52,500	58,400

Deferred Stock Compensation Expense

During the year , an amount of ₹2.00 Lakhs (Previous Year: ₹14.43 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

36.3 Fair value of Options Granted :

The estimated fair value of each stock option granted under the employee stock option Scheme 2006 is ₹80. The fair value was arrived at based on a transaction entered into between a willing buyer and a seller for purchase of shares recent to the grant date of the options.

The estimated fair value of each stock option granted under the employee stock option Scheme 2007 is ₹68.42 as per the Fair value method. The model inputs were the weighted average price arrived under the following methods :

Method	Value per Share	Weights assigned
Net Asset value method	43.27	1
Price earnings capacity method	23.74	2
Market Capitalisation method	71.10	2
Value per transaction between willing parties	122.98	2

**SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
37 Segment Information**

The Company has considered business segment as the primary segment for disclosure. The Company's operations comprises of three segments namely Construction Contracts, Wind Turbine Generators and Trading. The above segment has been identified taking into account the organisation structure as well as the differing risks and return of these segments.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012
External Sales	169,031.64	140,864.43	17,468.25	46,993.95	6,309.98	839.22	(276.92)	(453.00)	-	-	192,532.95	188,244.60
Intersegmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	169,031.64	140,864.43	17,468.25	46,993.95	6,309.98	839.22	(276.92)	(453.00)	-	-	192,532.95	188,244.60
Result												
Segment Result	30,082.27	25,483.86	(1,415.22)	3,251.54	33.18	72.90	-	-	-	-	28,700.23	28,808.30
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure/Income	-	-	-	-	-	-	-	-	6,307.09	13,245.59	6,307.09	13,245.59
Operating Profit / (Loss)	30,082.27	25,483.86	(1,415.22)	3,251.54	33.18	72.90	-	-	(6,307.09)	(13,245.59)	22,393.14	15,562.71
Finance Costs (Net of amounts identified with 'Construction Contracts' segment)									37,860.88	12,783.49	37,860.88	12,783.49
Exceptional Items									(5,324.77)	-	(5,324.77)	-
(Loss) / Profit before Tax											(20,792.51)	2,779.22
Tax Expense									(4,265.63)	1,487.15	(4,265.63)	1,487.15

₹ in Lakhs

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS (contd.)

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012
(Loss) / Profit before Tax											(16,526.88)	1,292.06
Minority Interest share of Profit / (Loss)									(20.31)	7.13	(20.31)	7.13
Share of Losses from Associates									(10,375.04)	(1,968.27)	(10,375.04)	(1,968.27)
Loss for the Year											(26,881.61)	(683.34)
Other Information												
Segment Assets	187,093.17	269,518.55	10,512.70	19,329.82	7,713.19	10,815.25	-	(1,667.90)	-	-	205,319.06	297,995.71
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	39,943.61	42,871.49	39,943.61	42,871.49
Proportionate Share of Joint Venture										51,901.41		51,901.41
Total Assets	187,093.17	269,518.55	10,512.70	19,329.82	7,713.19	10,815.25	-	(1,667.90)	39,943.61	94,772.90	245,262.67	392,768.61
Segment Liabilities	147,027.01	260,189.84	750.83	7,032.72	8,056.17	10.13	-	(1,666.59)	-	-	155,834.01	265,566.10
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	61,151.60	10,911.07	61,151.60	10,911.07
Proportionate Share of Joint Venture										43,057.68		43,057.68
Total Liabilities	147,027.01	260,189.84	750.83	7,032.72	8,056.17	10.13	-	(1,666.59)	61,151.60	53,968.75	216,985.61	319,534.85

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS (contd.)

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012	June 30 2013	March 31 2012
Capital Expenditure (Gross)	5,592.23	573.46	-	-	-	-	-	-	-	-	5,592.23	573.46
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Proportionate Share of Joint Venture										1,555.40		1,555.40
Depreciation	1,492.06	1,284.44	-	-	-	-	-	-	-	-	1,492.06	1,284.44
Proportionate Share of Joint Venture									813.55	670.18	813.55	670.18
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-

B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

₹ in Lakhs

Particulars	June 30 2013	March 31 2012
Rest of the World		
Revenue	10,877.57	17,768.14
Assets	12,487.25	11,286.26
Capital Expenditure	1.70	-
India		
Revenue	181,655.38	170,476.45
Assets	232,775.42	278,130.09
Capital Expenditure	5,590.53	3,139.29

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
38 Related Party Disclosures under Accounting Standard 18

38.1 Disclosure of related party transactions in accordance with Accounting Standard -18 - Related Party Disclosures notified by Central Government of India under Companies (Accounting Standards) Rules, 2006.

Status of the Related Parties	Name of the Related Parties 2012-13	Name of the Related Parties 2011-12
Investing party	Shriram Industrial Holdings Limited (SIHL) Shriram Venture Limited (Holding Company of SIHL)	Shriram Industrial Holdings Limited Shriram Venture Limited (Holding Company of SIHL)
Jointly Controlled Entities	Hamon Shriram Cottrell Private Limited (Ceased to be Jointly Controlled Entity with effect from 25 March 2013) Leitwind Shriram Manufacturing Limited (Ceased to be Jointly Controlled Entity with effect from 25 March 2013)	Hamon Shriram Cottrell Private Ltd Leitwind Shriram Manufacturing Limited
Associates	Haldia Coke and Chemicals Private Limited Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Private Limited) Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals Private Limited) Shriram SEPL Composites Private Limited (Ceased to be Associate with effect from 25 March 2013) Shriram Composites Private Limited (Ceased to be Associate with effect from 25 March 2013)	Haldia Coke and Chemicals Private Limited (with effect from 21 June 2010) Ennore Coke Limited (upto 20 June 2010) (Subsidiary of Haldia Coke and Chemicals Private Limited with effect from 21 June 2010) Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals Private Limited with effect from 21 June 2010) Shriram SEPL Composites Private Limited Shriram Composites Private Limited
Companies over which Key Management Personnel exercise Significant Influence (Only where transactions have taken place during the period / year)	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Limited P S R Green Power Projects Private Limited Amrit Environmental Technologies Private Limited Orient Green Power Company Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Private Limited Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Windfarms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Orient Eco Energy Private Limited Global Power Tech Equipments Private Limited	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Limited P S R Green Power Projects Private Limited Amrit Environmental Technologies Private Limited Orient Green Power Company Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Private Limited Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Windfarms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited
Key Management Personnel	T.Shivaraman - Managing Director M.Amjad Shariff - Joint Managing Director	T.Shivaraman - Managing Director M.Amjad Shariff - Joint Managing Director

Note: Related parties have been identified by the Management.

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
38.2 Transactions during the period / year (upto the date of sale of investments)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Progressive billings/Revenue during the year		
Ennore Coke Limited	6,309.98	107.20
P S R Green Power Projects Private Limited	-	13.42
Global Power Tech Equipments Private Limited	-	4.27
Orient Green Power Company Limited	146.68	968.53
Amrit Environmental Technologies Private Limited	-	34.19
SM Environmental Technologies Private Limited	-	977.84
Orient Green Power Company (Rajasthan) Private Limited	-	959.19
Sanjog Sugars and Eco Power Private Limited	20.11	134.74
Orient Eco Energy Private Limited	-	398.04
Clarion Windfarms Private Limited	-	-
Gamma Green Power Private Limited	75.02	2,034.40
Beta Wind Farm Private Limited	4,654.41	15,591.36
Wellman Coke India Limited	-	824.58
Lease Rental Income		
Clarion Windfarms Private Limited	69.91	66.15
Management Fees Received		
Hamon Shriram Cottrell Private Limited	-	157.64
Purchases of Goods and Services		
Hamon Shriram Cottrell Private Limited	-	544.07
Leitwind Shriram Manufacturing Limited	-	6,445.93
Shriram Composites Private Limited	881.95	-
Transfer of Margins		
Leitwind Shriram Manufacturing Limited	116.54	4,384.33
Expenses incurred on behalf of related party		
Leitwind Shriram Manufacturing Limited	-	33.40
Hamon Shriram Cottrell Private Limited	-	1.14
Shriram SEPL Composites Private Limited	27.34	34.71
Haldia Cokes & Chemicals Private Limited	9.05	1.60
Ennore Coke Limited	28.63	20.49
Orient Green Power Company Limited	34.80	43.95
Bharat Wind Farm Limited	9.18	7.90
Clarion Wind farms Private Limited	-	0.16
Beta Wind Farm Limited	4.50	-
Shriram Composites Private Limited	-	0.53

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
38.2 Transactions during the period / year (upto the date of sale of investments) (Contd.)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year end March 31, 2012
Expenses incurred for the company by the related party		
Leitwind Shriram Manufacturing Limited	-	2.96
Blackstone Group Technologies Private Limited	-	35.58
Orient Green Power Company Limited	85.00	16.83
Clarion Windfarm Private Limited	4.99	4.51
Ennore Coke Limited	4.36	-
Bharat Wind Farm Limited	-	126.00
Beta Wind Farm Private Limited	739.38	310.95
Gamma Green Power Private Limited	-	0.27
Interest Income		
Shriram SEPL Composites Private Limited	225.69	239.80
Hamon Shriram Cottrell Private Limited	-	21.27
Haldia Cokes & Chemicals Private Limited	1,223.33	229.95
Ennore Coke Limited	2,909.49	313.82
Blackstone Group Technologies Private Limited	-	37.71
Orient Green Power Company Limited	17.90	-
Interest Expense		
Shriram Industrial Holdings Limited	2,166.46	-
Shriram Venture Limited	143.01	-
Recovery of SAP Cost		
Leitwind Shriram Manufacturing Limited	-	42.20
Orient Green Power Company Limited	-	18.48
Bharat Wind Farm Private Limited	-	12.10
Ennore Coke Limited	-	7.72
Remuneration to Key Management Personnel		
T. Shivaraman	50.96	60.15
M. Amjad Shariff	54.98	63.99
Purchase of Investments from		
Leitwind Shriram Manufacturing Limited	-	1,349.19
Hamon Shriram Cottrell Private Limited	-	200.00
Shriram SEPL Composites Private Limited	-	675.00

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
38.2 Transactions during the period / year (upto the date of sale of investments) (Contd.)

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Borrowings from		
Shriram Industrial Holdings Limited	116,194.00	-
Shriram Venture Limited	5,000.00	-
Sale of Investments to		
Shriram Industrial Holdings Limited	26,191.00	-
Advance Given (Gross)		
Haldia Cokes & Chemicals Private Limited	22,965.00	11,997.99
Orient Green Power Company Limited	15,827.25	21,035.40
Hamon Shriram Cottrell Private Limited	-	-
Leitwind Shriram Manufacturing Limited	-	4,394.02
Shriram SEPL Composites Private Limited	396.66	222.50
Ennore Coke Limited	7,653.00	6,409.68
Bharat Wind Farm Limited	1,462.00	-
Clarion Windfarms Private Limited	-	989.00
Beta Wind Farm Private Limited	3,020.00	4,509.60
Gamma Green Power Private Limited	272.00	1,762.43

38.3 Closing balance as at the end of the period / year

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Amount outstanding - Dr / (Cr)		
Leitwind Shriram Manufacturing Limited	-	(10,654.93)
Ennore Coke Limited	-	10,357.78
Wellman Coke India Limited	78.91	78.91
Shriram SEPL Composites Private Limited	-	1,847.13
Hamon Shriram Cottrell Private Limited	-	771.13
Shriram EPC (Singapore) Pte Limited	-	509.60
Shriram Composites Private Limited	-	2,869.88
Orient Green Power Company Limited	-	15,658.57
Beta Wind Farm Private Limited	-	(2,556.94)
Gamma Green Power Private Limited	-	1,129.95
Clarion Green Power Private Limited	-	1,095.50
Haldia Cokes & Chemicals Private Limited	(4,178.00)	1,523.93
Bharat Wind Farm Limited	-	127.74
Orient Green Power Company (Rajasthan) Private Limited	-	(138.76)
P S R Green Power Projects Private Limited	-	18.54

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

38.3 Closing balance as at the end of the period / year (Contd.)

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Amrit Environmental Technologies Private Limited	-	35.33
Sanjog Sugars and Eco Power Private Limited	-	(1,332.70)
SM Environmental Technologies Private Limited	-	(866.59)
Orient Eco Energy Private Limited	-	(271.69)
Global Power Tech Equipments Private Limited	-	51.76
Shriram Industrial Holdings Limited	(5,008.60)	-
Shriram Venture Limited	(143.01)	-
Commitments (Net of Advances)		
Orient Green Power Company Limited	-	5,093.69
Corporate Guarantees		
Hamon Shriram Cottrell Private Limited	-	2,100.00
Shriram Composites Private Limited	-	1,000.00
Orient Green Power Company Limited	-	1,600.00
Shriram SEPL Composites Private Limited	-	1,800.00

38.4 The Company accounts for costs incurred by Related parties based on the actual invoice/debit notes raised and accruals as confirmed by such parties. The related parties have confirmed to the Management that as at 30 June 2013, there are no further amounts payable to/receivable from them, other than disclosed above.

38.5 The company has granted advances/loans to its subsidiaries and group companies for the purpose of carrying on operations, based on the business needs and exigencies of those Companies. Some of these advances/loans are interest free. However in the opinion of the management, all these advances/loans (including the interest free loans) are conducive to the interest and development of the business of the group and hence are not prejudicial to the interests of the company.

39 Leases
39.1 Operating Lease

The company has operating lease arrangements primarily for office, the lease period of which is about 6 to 8 years. An amount of ₹668.43 Lakhs (previous year ₹412.36) has been towards lease rental and other charges. The future expected minimum lease payments under operating leases are given below.

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Not later than One Year	229.81	117.22
Later than One Year and less than Five Years	919.25	919.25
Later than Five Years	767.19	1,054.46
TOTAL	1,916.25	2,090.93

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

39.2 Finance Leases

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
a) Cost of Leased asset	425.50	413.72
b) Net carrying amount	309.19	338.47

39.3 Yearwise future minimum lease rental payments on contracts :

Particulars	As at June 30, 2013		As at March 31, 2012	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
Not later than One Year	74.72	62.65	52.13	43.40
Later than One Year and less than Five Years	63.18	58.81	129.05	93.79
Later than Five Years	-	-	-	-
Total	137.90	121.46	181.18	137.19
Less: Future Finance Charges	16.44	-	43.99	-
Present Value of Minimum Lease payments	121.46	121.46	137.19	137.19

40 Earnings Per Share

₹in Lakhs

Particulars	Fifteen months ended June 30, 2013	Year ended March 31, 2012
Basic		
Continuing Operations:		
Profit / (loss) for the year from continuing operations (₹ Lakhs)	(26,881.60)	4,153.32
The weighted average number of equity shares outstanding during the Period / year (In Nos.)	44,351,805	44,322,506.00
Face Value of Share (₹)	10.00	10.00
Earnings per share, from continuing operations - Basic (₹)	(60.61)	9.37
Diluted		
The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares. Since, the effect of the conversion of outstanding stock options was anti-dilutive, it has been ignored.		
Profit / (loss) for the year from continuing operations (₹ Lakhs)	(26,881.60)	4,153.32
Add: Expense on Employee Stock Option (ESOP) Scheme	2.00	14.43
Profit/(Loss) attributable to Equity Shareholders, from continuing operations (In ₹Lakhs)	(26,879.60)	4,167.75
The weighted average number of potential equity shares outstanding during the period / year including Stock Options (In Nos.)	44,351,805.00	44,346,120.00
Face Value of Share (₹)	10.00	10.00
Earnings per share, from continuing operations - Basic (₹)	(60.61)	9.37

41 Taxes on income

41.1 Current Tax (Company)

The current tax expense for the period has been determined based on taxable income for fiscal year ended 31 March 2013 and estimated taxable income for quarter ended 30 June 2013 (based on estimate of total taxable income for fiscal year ended 31 March 2014). Accordingly the company has provided for ₹180.89 Lakhs being current tax liability, computed under normal provisions of Income Tax Act, 1961.

41.2 Deferred Tax (Company) - Disclosure Under Accounting Standard 22

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Deferred Tax Liability		
On Depreciation	4.00	3,229.00
Others	-	21.01
Total Liability	4.00	3,250.01
Deferred Tax Asset		
Provision for Gratuity	86.00	59.12
Provision for Compensated absences	90.04	26.79
Provision for Doubtful Debts	-	-
Carry forward long term capital loss (Refer Note 39.3 below)	1,206.84	-
Carry forward unabsorbed depreciation and business loss (Refer Note 39.3 below)	4.00	-
Others	9.96	12.78
Total Asset	1,396.84	98.69
Net Deferred Tax Asset / (Liability)	1,392.84	(3,151.32)

41.2 Deferred Tax (others) - Disclosure Under Accounting Standard 22

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Deferred Tax Liability		
On Depreciation	-	560.60
Total Liability	-	560.60
Deferred Tax Asset		
Disallowances u/s 43B	-	53.40
Other Disallowances	-	66.59
Carried Forward Losses	-	513.04
Total Asset	-	633.03
Net Deferred Tax Asset	-	72.43

41.3 The Company has carry forward losses and unabsorbed depreciation, which give rise to deferred tax asset of ₹11,383.21 lakhs (Previous Year ₹Nil). However in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, the said deferred tax asset that can be recognized is restricted to the net deferred tax liability of ₹4.00 lakhs (Previous Year ₹Nil).

Pursuant to the approval of shareholders obtained by means of a Postal Ballot on 5 August 2013, the Company has recognized deferred tax asset on long term capital losses as at 30 June 2013 considering the Long term capital gains, arising on sale of Wind Turbine Generators on a slump sale basis on the said date. Further, consequent to the above there has been a significant reversal in deferred tax liability arising on account of depreciation as at Balance sheet date.

41.4 International Transactions

The Company has entered into transactions with related parties. The Management is of the opinion that the Company maintains the necessary documents as prescribed by the Income Tax Act, 1961 to prove that these international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on account of tax expense and provision for taxation.

42 Details of Provisions

Provision for Warranty is estimated based on the terms and conditions

₹in Lakhs

Particulars	Opening Balance	Additions	Withdrawals/ Adjustments	Closing Balance
Provision for Warranty	304.87	-	275.48	29.39
	(180.92)	(184.64)	(60.69)	(304.87)

Figures in bracket represent Previous Year Figures

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
43 Contingent Liabilities

₹in Lakhs

Particulars	Year	As at June 30, 2013	As at March 31, 2012
Letters of Guarantees issued by the Banks		49,570.96	38,962.10
Letters of Credits issued by the Banks		60,807.86	12,831.65
Corporate Guarantees issued		6,100.00	6,800.00
Claims against the Company not acknowledged as debts (includes ₹1,132.64 Lakhs referred to in Note 22.2)		9,300.14	1,294.94
Disputed Service tax demands contested in Appeals, not provided for *			
Appeal pending before			
Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	261.73	261.73
Commissioner of Service Tax (Appeals)	2008-09 to 2011-12	114.54	114.54
Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	106.61	-
Disputed VAT/Central Sales Tax demands contested in Appeals, not provided for *			
Appeal pending before			
Supreme Court	2008 to 2010	223.33	223.33
West Bengal Commercial Taxes Appellate & Revisional Board	2007-08	558.45	558.45
Joint Commissioner (Appeals)	2008-09 to 2010-11	500.39	500.39
Ld. Joint Commissioner (Appeals) of West Bengal Commercial Taxes	2008-09 & 2010-11	86.63	-
Deputy Commissioner of Commercial Taxes, Bokaro	2007-08 to 2008-09	412.95	412.95
Disputed income tax demands contested in Appeals not provided for*			
Appeal pending before			
Commissioner of Income Tax (Appeals)	2000-01	-	48.08
Commissioner of Income Tax (Appeals)	2001-02	-	20.95
Commissioner of Income Tax (Appeals)	2002-03	-	49.15
Commissioner of Income Tax (Appeals)	2003-04	-	155.33
Commissioner of Income Tax (Appeals)	2004-05	-	26.24
Commissioner of Income Tax (Appeals)	2005-06	195.39	298.48
Commissioner of Income Tax (Appeals)	2006-07	120.21	219.68
Commissioner of Income Tax (Appeals)	2007-08	70.00	192.24
Commissioner of Income Tax (Appeals)	2008-09	347.09	63.56
Commissioner of Income Tax (Appeals)	2009-10	107.78	-
Commissioner of Income Tax (Appeals)	2010-11	295.33	-

*Of the above demands, ₹306.66 Lakh (Previous year - ₹309.66 Lakhs) has been deposited by the Company with the respective authorities. The Management is of the opinion that the Appeals preferred by the Company will be decided in its favour.

SHRIRAM EPC LIMITED
Notes forming part of Consolidated Financial Statements
44 Capital Commitments

44.1 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹1,437.84 Lakhs (March 31, 2012: Nil)

44.2 Share Purchase Obligations towards Investments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Sree Jayajothi Cements Limited	-	9,340.00

44.3 Debenture Purchase Obligations towards Investments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Spark Environmental Technology Limited	-	25,650.00

44.4 Other Commitments

₹in Lakhs

Particulars	As at June 30, 2013	As at March 31, 2012
Windmill Purchase Obligation		
Orient Green Power Company Limited (Net of Advances of ₹Nil (Previous year: ₹22,406.31 Lakhs)	-	5,093.69

45 Sale of WEG Business

Though the Company had obtained its Shareholders' approval through Postal Ballot on August 21, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitwind Shriram Manufacturing Limited (LSML) with effect from April 1, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Profit/Loss in the Statement of Profit and Loss for the fifteen months ended June 30, 2013.

and an aggregate amount of ₹42,325.42 was due from it, which was outstanding for a considerable period of time. Apart from this, the company has investment in Equity shares of SJCL amounting to ₹10,856.45 Lakhs. Further, on 19 April 2012, company had invested an amount of ₹25,676.56 Lakhs in Optionally Convertible Debentures (OCD) issued by Spark Environmental Technology Limited ('Spark' a group company and a fellow Shareholder in SJCL), who in turn had subscribed to 256,765,645 shares of ₹10 each in SJCL.

46 Subsequent Events
46.1 Investment, receivables and Interest accrued in Sree Jayajothi Cements Limited and Spark Environmental Technology Limited

46.1.1 The Company had in an earlier year executed an EPC contract for Sree Jayajothi Cements Limited ('SJCL')

46.1.2 The Company along with Spark and the original promoter of SJCL has entered into an agreement to sell their investments in equity in SJCL, to My Home Industries Limited ('MHIL') vide agreement dated 11 August 2013. Based on this agreement the company assessed the realisability of trade and other receivables and the carrying amount of its investments in SJCL and Spark, and has made the following adjustments in the financial statements as an 'exceptional item':

SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

- i) ₹16,725.60 Lakhs has been provided for diminution in value of investments in SJCL and Spark.
- ii) Trade Receivables to the extent of ₹6,176.34 lakhs has been written off.

46.1.3 In addition, the interest accrued on Optionally Convertible Debentures amounting to ₹3,689.98 Lakhs for the period 19 April 2012 to 31 March 2013 has now been derecognized.

46.2 Issue of Optionally Convertible Debentures and Issue of Cumulative Redeemable Preference Shares.

46.2.1 The Board of Directors in their meeting held on 29 August, 2013, subject to approval

T.Shivaraman
Managing Director

K.Suresh
Company Secretary

Place : Chennai
Date : August 29, 2013

of the Shareholders of the Company and other regulatory authorities have approved Issue of Optionally Convertible Debentures amounting to ₹10,000 Lakhs and Issue of Cumulative Redeemable Preference Shares amounting to ₹20,000 Lakhs, on preferential basis to the investing party/parties.

47 Current financial statements are for a period of fifteen months and hence not comparable with the Previous Year. Previous Year's figures have been regrouped and reclassified wherever necessary to correspond with the current period's classification/disclosure.

For and on behalf of the Board of Directors

S.Krishnamurthy
Director

R.S.Chandrasekaran
Chief Financial Officer

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our projects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

