



**Shriram EPC Limited**

*Fifteenth Annual Report 2014-2015*

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. S.R. Ramakrishnan – Chairman  
Mr. S Srinivasan – Vice Chairman  
Mr. T. Shivaraman - Managing Director & CEO  
Mr. M. Amjat 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  
Ms. Chandra Ramesh – Director

## CHIEF FINANCIAL OFFICER

Mr. R.S. Chandrasekharan

## VICE PRESIDENT & COMPANY SECRETARY

Mr. K. Suresh

## REGISTRAR & SHARE TRANSFER AGENT

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

## AUDITORS

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

## BANKERS

Oriental Bank of Commerce  
Punjab National Bank  
Central Bank of India  
Axis Bank Limited  
IDBI Bank Limited  
The South Indian Bank Limited  
State Bank of Patiala  
State Bank of Travancore  
State Bank of Mysore  
Bank of Maharashtra  
Bank of India  
Allahabad Bank  
Dena Bank  
Corporation Bank  
ICICI Bank limited  
DBS Bank Limited  
Indusind Bank Limited  
The Lakshmi Vilas Bank Limited  
The Federal Bank Limited  
Yes Bank Limited  
IFCI Factors Limited

## REGISTERED OFFICE

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

## BRANCH OFFICE

Kolkata

## Contents

Chairman's Message	2
Financial Highlights - 10 Years	3
Directors' Report	4
Management Discussion and Analysis:	30
Corporate Governance Report	40
Auditor's Report	64
Balance Sheet	68
Statement of Profit and Loss	69
Cash Flow	70
Notes on Accounts	73
Auditor's Report on Consolidated Financial Statements	116
Consolidated Balance Sheet	124
Consolidated Statement of Profit and Loss	125
Consolidated Cash Flow	126
Notes on Consolidated Accounts	129

# Chairman's Message

Dear Shareholders,

The past year has been very difficult for the Company due to a significant slow down in infrastructure spending. Delay in project execution due to external reasons, hardening of interest rates and extended working capital cycle affected the profitability. The Financial Year 2014-15 was a mixed year for the global economy which witnessed continuation of existing challenges with emergence of some signs of recovery across select economies. The Indian economy on the other hand, benefitted significantly from falling commodity prices as lower energy prices helped contain worries surrounding inflation and deficit. The International Monetary Fund expects the Indian economy to overtake China as the fastest growing emerging economy in 2015-16 by clocking a growth rate of 7.5%.

As already informed the Company had undergone extremely tough times due to the business environment, cash flows, and delay from customers in terms of receiving payments. Hence, with the consent of the lenders, the Company had restructured its debts with a 2 year moratorium and a 8 year repayment. This process had taken the entire first half of the financial year which greatly affected the business and turnover of the Company.

During the year, the holding Company, Shriram Industrial Holdings Ltd had infused a further ₹210 crs as equity into the Company.

The Company is looking at opportunity in the overseas market where the margins are better—in proximate regions such as SAARC, West Asia and Africa especially in the water sector.

Our order backlog is over ₹1600 crs on a standalone basis.

Coming to the performance of group companies; it was a very challenging year for Haldia Coke despite operations having stabilized in couple of plants.

The initiatives undertaken by the Company during the year will help it to stabilize operations and should result in resumption of growth in the coming years and we remain confident in the Company's potential.

At this juncture, I wish to express my gratitude and appreciation towards our employees, customers, business associates, suppliers and bankers who have stood by us during these trying times. Lastly, I would like to thank our shareholders for their unstinted support.

Yours Sincerely,

**S R Ramakrishnan**  
Chairman

## SHIRAM EPC LIMITED

Financial Performance - Standalone

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Statement of Profit and Loss</b>										
Gross Sales	54,765.89	49,509.13	170,512.96	138,220.03	128,216.76	111,051.76	91,876.55	64,629.93	29,571.71	14,453.39
Other Income	1,102.75	2,677.59	6,034.80	2,568.56	4,304.33	1,121.47	518.87	289.26	485.59	96.96
Interest	19,086.66	19,075.02	41,093.80	19,687.19	8,571.74	4,171.62	1,085.33	1,165.33	411.94	383.96
Profit Before Taxation	-25,261.56	-42,544.12	-30,512.94	3,913.32	9,482.80	6,712.02	6,293.11	5,480.90	2,166.13	932.98
Profit After Taxation	-25,285.17	-43,936.96	-26,286.12	2,550.75	6,961.29	4,466.03	4,001.68	3,539.86	1,313.64	971.34

₹ in Lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Balance Sheet</b>										
Fixed Assets (Net)	7,040.53	6,984.05	5,386.39	12,625.13	13,612.79	14,170.20	10,655.23	4,672.14	1,760.92	906.68
Investments (Current and Non current)	4,549.39	4,549.39	24,433.41	28,981.59	26,757.40	21,064.28	17,201.22	10,122.64	1,720.77	515.16
Net Deferred Tax	-	-	1,392.84	-3,073.33	-2,893.64	-2,802.13	-1,542.80	-567.08	-90.08	-22.06
Net Assets (Current and Non Current)	255,198.02	229,957.83	214,796.57	151,749.91	193,380.78	142,355.03	88,876.75	64,935.04	26,144.72	22,612.15
Share Capital	38,635.82	34,435.82	4,435.82	4,434.43	4,426.24	4,391.38	4,334.89	4,286.78	3,786.78	3,786.78
Reserves & Surplus	-32,437.77	-23,906.74	20,030.22	46,314.34	44,217.91	37,619.10	33,380.25	29,651.22	13,238.25	12,222.00
Loan Funds	212,142.24	172,420.29	155,973.70	179,350.36	121,223.23	63,092.12	26,543.87	11,550.69	1,995.26	4,459.58

# Directors' Report

Dear Shareholder,

Your Directors present the Fifteenth Annual Report together with the accounts of your Company for the financial year ended 31st March 2015.

## FINANCIAL RESULTS

₹ in Lakhs

	Consolidated (12 months)	Consolidated (9 months)	Standalone (12 months)	Standalone (9 months)
	2014-15	2013-14	2014-15	2013-14
Total Income	55,868.64	52,186.72	55,868.64	52,186.72
Profit before Interest, Depreciation, tax and extraordinary items	(5628.20)	(23,089.68)	(5604.57)	(23031.41)
Interest & depreciation	19,657.33	19,512.87	19,656.99	19,512.71
Profit before tax & before extraordinary items	(25,285.53)	(42,602.55)	(25,261.56)	(42,544.12)
Provision for taxation	23.61	1,392.84	23.61	1,392.84
Profit after tax & extraordinary items	(25309.14)	(43,995.39)	(25,285.17)	(43,936.96)
Balance brought forward from last year	(56,864.34)	(7447.38)	(49331.46)	(5,394.50)
Profit available for appropriation	(26,519.11)	(51,863.16)	(25,239.31)	(49,331.46)
Transfer to general reserves				-
Surplus carried forward	(83,453.17)	(56,864.34)	(74,662.49)	(49,331.46)

## OPERATING RESULTS & PERFORMANCE

Your Directors report that during the financial year ended 31st March 2015 the Company recorded a total income at ₹ 55,868.64 Crores (12 months) as against ₹52,186.72 Crores in the previous year (9 months) on a standalone basis. Loss before tax and extraordinary items was at ₹25,261.56 crores.

Loss after tax was at ₹25,285.17 crores compared to a loss in the previous year of ₹43,936.96 crores. The last 2 years figures cannot be compared directly as the current financial year is for a period of 12 months and the figure last year was for a period of 9 months.

Your Company's Standalone Order Book was ₹1600.32 crores as at March 31, 2015.

## BUSINESS HIGHLIGHTS

Your Directors state that last year the Company had undergone difficult times due to the business environment, cash flows, delay from customers in terms of receiving payments. In view of this, the Company had approached the bankers for restructuring its debts. The Corporate Debt Restructuring Group had also accorded approval for the Company to restructure its debts by providing 2 years moratorium and the loan to be repaid in 8 years. This process had taken the entire first half of the financial year which greatly affected the business and turnover of the Company.

During the year, your Company was awarded projects primarily in water worth more than ₹96 crs and these are from:

1. M/s.City Municipal Council, Harihar- Execution of the Expansion of Sewerage system in Harihara City- ₹62.75 crs
2. M/s.Kerala Feeds Ltd., Kerala- Design and Engineering/ Supply/ Erection, Testing and Commissioning of all Structural, Mechanical, Electrical and Instrumentation equipments / works for 500 TPD Cattle Feed Plant at Thodupuzha, Idukki. -₹33.33 crs

## ASSOCIATES

### HALDIA COKE & CHEMICALS PVT. LTD (HCCL)

HCCL is engaged in the business of manufacturing, processing, importing, exporting, trading, buying, selling, stocking and distributing coke.

The last year for HCCL has also been tough due to the general economic scenario. However, the operations at various plants have almost stabilized and we expect things to improve in the coming months.

During the year 2014-15, HCCL recorded a turnover of ₹1045.65 crs compared to ₹454.96 crs in 2013-14.

## SHARE CAPITAL

The paid up Equity Share Capital as on March, 2015 was ₹86.3 Crores. During the year under review, M/s Shriram Industrial Holdings Ltd (SIHL), the holding Company infused ₹210 crs into the Company by way of equity. As per the CDR directive, the promoters had to infuse ₹160 crs as equity capital and the same was infused by SIHL at ₹50/- per share in spite of the market price being ₹33/- per share. Further an additional ₹50 crs was infused by the promoters to repay an unsecured loan, which enabled the Company to shore up its network. This infusion of the promoters resulted in their holding going to 69.87% on the enlarged equity share capital of the Company.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## ECONOMIC SCENARIO AND OUTLOOK

Indian economic growth in 2014 rose to ~5.2% from 4.7% last year as a result of the improving macro-economic situation. The wholesale and consumer price inflation has fallen to ~4.2% and 7.4% from last year's 6.3% and 10.1% on the back of a strong base effect. Falling oil prices, lower food and commodity prices and the proactive measures taken by the Government helped in containing inflation in 2014. Contrary to expectations, agricultural growth was strong at ~4.5% in 2014. However, the slow pace of reforms, lack of impetus for infrastructure projects, high interest rates and tightening of fiscal policies adversely impacted the capital goods sector. Industrial production / output was also sluggish.

The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2015. The medium term to long term growth prospects look positive in view of the Government's determination to bring in reforms. For the year 2015, the economy is expected to grow at a higher rate than in 2014. The long term prospects for the economy is optimistic.

## BUSINESS OVERVIEW

Your Company operates in two main segments; turnkey contracts and wind turbines. A brief review of the business in these segments is given below.

The turnkey contracts segment represents the Company's engineering, procurement and construction projects business, which include renewable energy projects like biomass-based power plants, metallurgical and process plant projects and municipal services projects like water and wastewater treatment plants, water and sewer infrastructure and pipe rehabilitation.

The order book was ₹1600.32 crores as on March 31, 2015.

## DIVIDEND

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

## GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

## 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	--	--
6	Number of options lapsed	3219	6600
7	Number of options forfeited	-	-
8	Variation in terms of options	--	--
9	Money realised by exercise of options	--	--
10	Total number of options in force as on 31st March 2015	--	250
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	--	--

Governance that allows Companies to send notices/documents to shareholders electronically. The Green Initiative endeavors 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 in the current financial year. Your Company would like to continue the Green Initiative further and requests all shareholders to opt for electronic documents.

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 the Subsidiary is attached to the Consolidated Financial Statement.

No further shares were issued pursuant to exercise of options under the Shriram EPC Employee Stock Option Schemes and consequently there is no dilution of EPS during the period under consideration.

## DIRECTORS

Mr. S Krishnamurthy, Mr. S Bapu and Mr. P D Karandikar Independent Directors are seeking election for a consecutive period of 5 years at the ensuing Annual General Meeting.

The Company has appointed Ms. Chandra Ramesh on 23rd March 2015 as an additional Director to hold office till the ensuing Annual General Meeting.

Ms. Chandra Ramesh being an Independent Director will seek election for a consecutive period of 5 years at the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## RE - APPOINTMENT OF MANAGING DIRECTOR & CEO AND JOINT MANAGING DIRECTOR

The Board at its Meeting held on 11th August 2015 had approved, subject to the approval of shareholders, the re-appointment of Mr. T Shivaraman as the Managing Director & CEO and Mr. Amjat Shariff as the Joint Managing Director of the Company for a further period of 3 years from 20th September 2015. The shareholders' approval will be sought in the ensuing Annual General Meeting for their re-appointment on the same terms and conditions of remuneration as was paid to them earlier. The necessary Resolution for the approval of the same will be covered in the Notice convening the forthcoming Annual General Meeting.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

The Remuneration Policy is stated in the Corporate Governance Report.

## MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year 9 Board Meetings and 4 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## 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 5th 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 4 times during the year.

### HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

The Company's HR processes are systemised such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies.





## BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

The key business risks identified by the Company and its mitigation plans are as under:

### Project Risks:

In the context of the projects being executed, the Company reviews the risks associated with a project in all the following aspects, but not restricted to

- Client related details like financial closure of the project, creditworthiness and reputation of the client etc before even signing of the Contract.
- Estimation risk like Price and quantity variances, contingency provision, forex fluctuation etc on a periodic basis.
- Commercial Risks like Taxes and duties, Payment terms, Bank Guarantee requirements etc
- Organisational Risks like availability of Quality technical Managerial resources, Gap funding needs, Consortium partners roles and responsibilities , etc
- Performance Risk like clarity about scope of work, applicable standards of performance, Meeting the time schedule, LD clauses, Warranty and defect liability obligations etc,

- Interfacing Risks like coordination with multiple Agencies for approval clearance etc from Design stage to Commissioning stage.
- Geographical related risks like unfavourable conditions of weather, Earth quake, and Floods.

### Competition Risks:

The Infrastructure Industry is becoming intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings.

### Occupational Health & Safety (OHS) Risks:

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the Company, it has identified Occupational Health & Safety as one of its focus areas. Various training programmes have been conducted at the sites such as behavior based safety training program, Visible Safety Leadership program, Logistics Safety program etc.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.



## RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval if necessary, of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a certificate from the MD & CEO and the CFO. The Company has developed a Related Party Transactions policy for purpose of identification and monitoring of such transactions.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## AUDITORS

### Statutory Auditors

The Company's Auditors, Messrs Deloitte Haskins & Sells, Chartered Accountants, Chennai who retire at the ensuing Annual General Meeting of the Company are eligible for re-appointment. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Members' attention is invited to the observation made by the Auditors under "Emphasis of Matter" appearing in the Auditors Reports.

Your Directors had, on the recommendation of the Audit Committee, appointed Messrs Deloitte Haskins & Sells, Chartered Accountants, Chennai to audit the accounts of the Company for the financial year 2015 on a remuneration of ₹35 lakhs p.a. As required under the Companies Act, 2013, the remuneration payable to the statutory auditor is required to be placed before the Members in General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs Deloitte Haskins & Sells, Chartered Accountants, Chennai, Statutory Auditors is included at Item No.2 of the Notice convening the Annual General Meeting.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Mr. G Sundaresan, CMA to audit the cost accounts of the Company for the financial year 2015 on a remuneration of ₹50000 p.a. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Mr. G Sundaresan, CMA, Cost Auditor is included at Item No.7 of the Notice convening the Annual General Meeting.

### Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs R Sridharan & Associates, a firm of Company Secretaries



in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith.

There were 4 observations made by the secretarial auditors in their aforementioned report in terms of certain procedures not followed by the Company based on the new Companies Act 2013. The management has ensured that these procedures have been complied with from the 2nd quarter of 2014-15 itself and the earlier lapses was due to ambiguity and uncertainty of the applicability of the new Companies Act provisions.

As required under the Companies Act, 2013, the remuneration of ₹1 lakh p.a. payable to the secretarial auditor is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice is included at Item No.8 of the Notice convening the Annual General Meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:.

- that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;

- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 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

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on corporate governance practices followed by the Company, together with a certificate from the Secretarial Auditors confirming compliance forms an integral part of this Report.

## BUSINESS RESPONSIBILITY REPORTING

As per Clause 55 of the Listing Agreement with the Stock Exchanges, a separate section on Business Responsibility Reporting forms an integral part of this Report.

## CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company prepared in accordance with relevant Accounting Standards (AS) viz. AS 21, AS 23 and AS 27 issued by the Institute of Chartered Accountants of India form part of this Annual Report.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is given below:

Earnings in Foreign Currency: ₹10.35 lakhs  
Expenditure in Foreign Currency: ₹11.97 crores

Travelling and Conveyance	25.23
Professional and Consultation Fees	151.93
Erection, Construction & Operation Expenses	294.44
Others	725.67
Total	1,197.27

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been incurring losses for the last 3 years. Hence, the Corporate Social Responsibility Committee has not been formed and no initiatives have been taken by the Company on CSR as per the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company shall comply with this requirement once this provision comes into force.

## EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith.

## PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## 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 during these testing period. 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

Place: Chennai  
Date : 28<sup>th</sup> May, 2015

S. R. Ramakrishnan  
Chairman





IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (contd...)

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
e.	Any Other									
	Sub - Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Share Holding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	18334526	0	18334526	41.3329	60334526	0	60334526	69.8654	28.5325
<b>B.</b>	<b>Public Shareholding</b>									
<b>1.</b>	<b>Institutions</b>									
a.	Mutual Funds/Ufi	1300900	0	1300900	2.9327	0	0	0	0.0000	-2.9327
b.	Financial Institutions/Banks	317646	0	317646	0.7160	322646	0	322646	0.3736	-0.3424
c.	Central Government/ State Government(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	Foreign Institutional Investors	1128530	0	1128530	2.5441	1128530	0	1128530	1.3068	-1.2373
g.	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	Any Other									
	Sub - Total (B)(1)	2747076	0	2747076	6.1929	1451176	0	1451176	1.6804	-4.5125
<b>2.</b>	<b>Non-Institutions</b>									<b>0.0000</b>
a.	Bodies Corporate	4837087	0	4837087	10.9046	3960308	0	3960308	4.5859	-6.3187
b.	Individuals -									
	Individual Shareholders Holding Nominal Share Capital Upto ₹1 Lakh	2003092	43	2003135	4.5158	3033274	1171	3034445	3.5137	-1.0020

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (contd...)

Category code	Category of Shareholder	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
c.	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Any Other									
	Clearing Members	7832	0	7832	0.0176	44718	0	44718	0.0517	0.0341
	Directors And Their Relatives	16437	20	16457	0.0371	14100	20	14120	0.0163	-0.0207
	Foreign Corporate Bodies	11731762	0	11731762	26.4477	11731762	0	11731762	13.5850	-12.8627
	Hindu Undivided Families	119302	0	119302	0.2689	233514	0	233514	0.2704	0.0014
	Non Resident Indians	44606	0	44606	0.1005	64810	0	64810	0.0750	-0.0255
	Trusts	3786779	0	3786779	8.5368	3786779	0	3786779	4.3849	-4.1518
	Sub - Total (B)(2)	15706718	20	15706738	35.4088	15875683	20	15875703	18.3835	-17.0253
	Total Public Shareholding (B) = (B)(1)+(B)(2)	23276519	63	23276582	52.4741	24571291	1191	24572482	28.4541	-24.0200
	Total (A)+(B)	26023595	63	26023658	58.6670	26022467	1191	26023658	30.1345	-28.5325
	Shares Held By Custodians And Against Which Depository Receipts Have Been Issued	44358121	63	44358184	100.0000	86356993	1191	86358184	100.0000	0.0000
<b>C.</b>	<b>Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b>									
	Promoter And Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Custodian (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Grand Total (A)+(B)+(C)	44358121	63	44358184	100.0000	86356993	1191	86358184	100.0000	0.0000

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(ii) Shareholding of promoters

Name of the Company		: SHRIRAM EPC LIMITED									
SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year	
		No of shares	% of total shares of the company"	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares				
1	Shriram Industrial Holdings Ltd	12460123	28.0897	0.0000	0	0.0000	0.0000	-14.4284	0	0	
	Having Same Pan										
1	Shriram Industrial Holdings Pvt Ltd	5874403	13.2431	0.0000	10000000	11.5796	0.0000	4.7773	0	0	
	Having Same Pan										
1	Shriram Industrial Holdings Limited	0	0.0000	0.0000	44460123	51.4833	45.0943	51.4833	0	38942674	
	Having Same Pan										
1	Shriram Industrial Holdings	0	0.0000	0.0000	5874403	6.8023	0.0000	6.8023	0	0	
	Having Same Pan										

16

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

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

Name of the Company		: SHRIRAM EPC LIMITED									
SI No	Name of the Share holder	Shareholding at the beginning of the year			Cumulative Shareholding during the year			No of shares	% of total shares of the company		
		No of shares	% of total shares of the company"	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company					
1	Shriram Industrial Holdings Ltd	12460123	28.0897		12460123	28.0897		28.0897			
	At The Beginning Of The Year 01-Apr-2014							12460123	28.0897		
	Sale 21-Nov-2014	-12460123						0	0.0000		
	At The End Of The Year 31-Mar-2015	0						0	0.0000		
	Having Same Pan										

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

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

Name of the Company		: SHRIRAM EPC LIMITED									
SI No	Name of the Share holder	Shareholding at the beginning of the year			Cumulative Shareholding during the year			No of shares	% of total shares of the company		
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company					
1	Shriram Industrial Holdings Pvt Ltd	5874403	13.2431		5874403	13.2431		5874403	13.2431		
	At The Beginning Of The Year 01-Apr-2014							5874403	13.2431		
	Sale 31-Dec-2014	-5874403						0	0.0000		
	Purchase 13-Feb-2015	32000000						32000000	37.0549		
	Purchase 27-Feb-2015	10000000						42000000	48.6346		
	Sale 06-Mar-2015	-32000000						10000000	11.5796		
	At The End Of The Year 31-Mar-2015	10000000						10000000	11.5796		
	Having Same Pan										
1	Shriram Industrial Holdings Limited	0	0.0000		0	0.0000		0	0.0000		
	At The Beginning Of The Year 01-Apr-2014							0	0.0000		
	Purchase 21-Nov-2014	12460123						12460123	14.4284		
	Purchase 13-Mar-2015	32000000						44460123	51.4833		
	At The End Of The Year 31-Mar-2015	44460123						44460123	51.4833		
	Having Same Pan										
1	Shriram Industrial Holdings	0	0.0000		0	0.0000		0	0.0000		
	At The Beginning Of The Year 01-Apr-2014							0	0.0000		
	Purchase 31-Dec-2014	5874403						5874403	6.8023		
	At The End Of The Year 31-Mar-2015	5874403						5874403	6.8023		
	Having Same Pan										

17

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

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

Name of the Company		: SHRIRAM EPC LIMITED			
Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Bessemer Venture Partners Trust</b>				
	At The Beginning Of The Year 01-Apr-2014	10481762	23.6298	10481762	23.6298
	At The End Of The Year 31-Mar-2015	10481762	12.1375	10481762	12.1375
2	<b>Unit Trust Of India Investment Advisory Services Ltd- A/C Ascent India Fund</b>				
	At The Beginning Of The Year 01-Apr-2014	3786779	8.5368	3786779	8.5368
	At The End Of The Year 31-Mar-2015	3786779	4.3849	3786779	4.3849
3	<b>Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power Sector Fund</b>				
	At The Beginning Of The Year 01-Apr-2014	1300900	2.9327	1300900	2.9327
	Sale 25-Apr-2014	-38800	0.0449	1262100	1.4614
	Sale 16-May-2014	-76100	0.0881	1186000	1.3733
	Sale 23-May-2014	-386000	0.4469	800000	0.9263
	Sale 30-May-2014	-121414	0.1405	678586	0.7857
	Sale 06-Jun-2014	-150000	0.1736	528586	0.6120

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (contd.)**

Name of the Company		: SHRIRAM EPC LIMITED			
Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	Sale 13-Jun-2014	-253400	0.2934	275186	0.3186
	Sale 20-Jun-2014	-119900	0.1388	155286	0.1798
	Sale 30-Jun-2014	-155286	0.1798	0	0.0000
	At The End Of The Year 31-Mar-2015	0	0.0000	0	0.0000
4	<b>Argonaut Ventures</b>	1250000	2.8179	1250000	2.8179
		1250000	1.4474	1250000	1.4474
5	<b>Gkff Ventures</b>				
	At the Beginning of the year 01-Apr-2014	1123364	2.5324	1123364	2.5324
	At the end of the year 31-Mar-2015	1123364	1.3008	1123364	1.3008
6	<b>Asts Management Consultancy LLP</b>				
	At the Beginning of the year 01-Apr-2014	875000	1.9725	875000	1.9725
	At the End of the year 31-Mar-2015	875000	1.0132	875000	1.0132
7	<b>Nms Consultancy Pvt Ltd</b>				
	At The Beginning Of The Year 01-Apr-2014	658436	1.4843	658436	1.4843
	Sale 27-Mar-2015	-658436	0.7624	0	0.0000
	At The End Of The Year 31-Mar-2015	0	0.0000	0	0.0000

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

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

Name of the Company		: SHRIRAM EPC LIMITED					
SI No	Name of the Share holder	Shareholding at the beginning of the year		Shareholding during the year		% of total shares of the company	
		No of shares	% of total shares of the company	No of shares	No of shares		
8	<b>Inspire Management Consultants Private Limited</b>						
	At the Beginning of the year 01-Apr-2014	400000	0.9017	400000	400000	0.9017	
	At the end of the year 31-Mar-2015	400000	0.4631		400000	0.4631	
9	<b>Nissan Management Consultants Private Limited</b>						
	At the beginning of the year 01-Apr-2014	400000	0.9017	400000	400000	0.9017	
	At the end of the Year 31-Mar-2015	400000	0.4631		400000	0.4631	
10	<b>CS Holdings Pvt Ltd</b>						
	At the beginning of the year 01-Apr-2014	392416	0.8846	392416	392416	0.8846	
	At the end of the Year 31-Mar-2015	392416	0.4544		392416	0.4544	
11	<b>SMA Professional Services Pvt Ltd</b>						
	At the beginning of the year 01-Apr-2014	356958	0.8047	356958	356958	0.8047	
	At the end of the Year 31-Mar-2015	356958	0.4133		356958	0.4133	
	New top 10 as on (31-Mar-2015)						
12	<b>Mani N JT1 : Sankar R</b>						
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0	0.0000	
	Purchase 27-Mar-2015	658436	0.7624		658436	0.7624	
	At the end of the Year 31-Mar-2015	658436	0.7624		658436	0.7624	

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)**

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Company		: SHRIRAM EPC LIMITED					
SI No	Name Of The Share Holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		PAN	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		FOLIO/DP_CL_ID
1	<b>S R Ramakrishnan</b>	NIL	-	NIL	-	ACHPR5729C	
2	<b>T Shivaraman</b>	4010	-	3000	-	AACPS3488G	
			-	1000	-		
			-	10	-	Physical	
3	<b>M Amjat Shariff</b>	310	-	310	-	AAQPS9393A	
4	<b>S Srinivasan</b>	NIL	-	NIL	-	AAHPS1168A	
5	<b>S Krishnamurthy</b>	NIL	-	NIL	-	AAEPK1302P	
6	<b>R Sundararajan</b>	9800	-	9800	-	AACPR1580Q	
7	<b>S Bapu</b>	NIL	-	NIL	-	AACPB1060F	
8	<b>Vishal Gupta</b>	NIL	-	NIL	-	AEIPG519C	
9	<b>Sunil Kolangara</b>	NIL	-	NIL	-	AAF5199R	
10	<b>P D Karandikar</b>	NIL	-	NIL	-	AZPK 8207J	
11	<b>Chandra R Ramesh</b>	NIL	-	NIL	-	AAAAPR6582L	
12	<b>R S Chandrasekharan</b>	NIL	-	NIL	-	ACPPC0839G	
13	<b>K Suresh</b>	50	-	50	-	AAMP5523L	



## V INDEBTEDNESS

The Company had no indebtedness with respect to secured or unsecured Loans or Deposits during the financial year 2014-15

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl no	Particulars of Remuneration	Name of the MD/WTD		Total amount
		T Shivaraman	M Amjat Shariff	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.15	43.99	84.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.42	2.00	3.42
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock option	-	-	
3	Sweat Equity	-	-	
4	Commission			
5	Others (Contribution to PF & Superannuation)			
	Total (A)	41.57	45.99	87.56

## V INDEBTEDNESS

The Company had no indebtedness with respect to secured or Unsecured Loans or Deposits during the financial year 2014-15

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Names of other Directors									
	S R Ramakrishnan	S Srinivasan	R Sundararajan	S Krishnamurthy	S Bapu	Sunil Kolangara	Vishal Gupta	P D Karandikar	Chandra Ramesh	
	Chairman-Independent	Vice Chairman*	Independent	Independent	Independent	Nominee	Nominee	Independent	Independent	
- Fee for attending Board	1,21,500	-	1,08,000	1,08,000	1,08,000	54,000	13,500	94,500	-	
Committee meetings	90,000	-	99,000	36,000	45,000	-	-	95,000		
Total	2,11,500	-	2,07,000	1,44,000	1,53,000	54,000	13,500	1,89,500	-	

Sl no	Particulars of Remuneration	Name of the KMP		Total amount
		R S Chandrasekharan	K Suresh	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.47	33.00	70.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock option			
3	Sweat Equity			
4	Incentive	1.25	0.00	1.25
5	Others (Contribution to PF & Superannuation)			
	Total (A)	38.72	33.00	71.72

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

### Annexure to the Directors' Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2014-15.

Sl no	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	T Shivaraman	Managing Director & CEO	10.91	Nil
2	M Amjat Shariff	Joint Managing Director	12.07	Nil
3	R Chandrasekharan	Chief Financial Officer	10.16	15%
4	K Suresh	Vice President & Company Secretary	8.26	10%

\* Governed under remuneration structure, impacted by currency fluctuations

#### Note:

- a) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions. The details of remuneration of Non- executive Directors are provided in the Corporate Governance report.

The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the above purpose.

- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2014-15

- ii. The percentage increase in the median remuneration of Employees for the financial year was 7.20%.
- iii. The Company has 590 permanent Employees on the rolls of Company as on 31st March, 2015

- iv. **Relationship between average increase in remuneration and Company's performance:** The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. During the year, similar approach was followed to establish the remuneration increases to the Employees. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance. Salary increases during the year were in line with Company's performance as well as per Company's market competitiveness.

- v. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:** In line with Company's reward philosophy, merit increases of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the Company business. Given the present economic scenario and the sluggish market condition and the performance rating of the Key Managerial Personnel, appropriate reward by way of variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved.

- vi. The Market Capitalisation of the Company as on 31st March, 2015 was ₹276.35 crs as compared to ₹146.39 crores as on 31st March, 2014. The price earnings ratio of the Company was -0.76 as at 31st March, 2015 and was -0.33 as at 31st March, 2014.

- vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 8% whereas the increase in the managerial remuneration was 0.8 %. The average increase every year is an outcome of Company's market competitiveness as against its peer group

companies. In keeping with our reward philosophy and benchmarking results, the increase this year reflect the market practice.

- viii. **The key parameters for any variable component of remuneration:** Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. At the start of the year, every Employee (including Executive Directors), have the KRAs fixed and their roles assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. The Company's targets are a combination of goals such as Sales Growth, Operating Margin etc.

- ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

Not Applicable

- x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,  
The Members,  
SHRIRAM EPC LIMITED  
Sigappi Achi Building, 4th Floor  
18/3 Rukmini Lakshmi pathi Road,  
Egmore  
Chennai – 600008.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram EPC Limited [Corporate Identity No. L74210TN2000PLC045167] (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- (iv) During the year, the Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under Foreign Exchange Management Act, 1999 (FEMA) and hence, the question of complying with the provisions of FEMA and the rules and regulations made there do not arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines, 1999 – During the year under review the company has not allotted any shares to its employees.
  - e) The Company has not issued any debentures during the period under review, hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) During the year under review, the Company has not delisted its Securities from any of the Stock

Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and

- h) The Company has not bought back any shares during the period under review and hence the provisions of compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable;
- (vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are applicable to the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary, Managing Director and CEO and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has complied with the following laws specifically applicable to the company
  1. Factories Act, 1948;
  2. Industrial Disputes Act, 1947
  3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, maternity benefit, provident fund, insurance, compensation etc.;
  4. Industries (Development & Regulation) Act, 1951;
  5. Acts and Rules prescribed under prevention and control of pollution;
  6. Acts and Rules relating to Environmental protection and energy conservation;
  7. The Shops and Establishments Act, 1953
  8. Acts relating to protection of IPR;
  9. The Information Technology Act, 2000;
  10. Indian Stamp Act, 1899
  11. Motor Vehicles Act, 1988
  12. Employment Exchange Act, 1959 and
  13. Other local laws as applicable to various offices.

With respect to Fiscal laws such as Income Tax, Finance Act, Wealth Tax, Professional Tax Rules, Central Sales Tax & Local Sales Tax, Value Added Tax, and Service Tax Rules based on the information and explanation provided to us by the management and officers of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

- (i) The Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act are applicable with effect from 1st July, 2015. However, the Secretarial Standards 1 and 2 relating to Board and General Meetings which were issued by the ICSI as recommendatory in nature have been generally complied with.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, etc as mentioned above except to the extent as mentioned below:

1. Section 12 of the Companies Act, 2013 mandates the company to get its Name, Address of its registered office, CIN, Telephone number, Fax, E- mail, and website address printed in the official publication.

But the Company has not complied with the above in the following cases:

  - 1) Postal Ballot advertisement dated 05.07.2014
  - 2) Notice under Clause 41 dated 05.08.2014 for the Board Meeting
  - 3) Scrutinizer’s Report on the result of postal ballot dated 07.08.2014

2. Section 110 & Rule 22 of the Companies (Management & Administration) Rules 2014 of the Companies Act, 2013 relating to Postal Ballot, mandates the company to give advertisement in the vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is located.

However the company has advertised in the vernacular news paper on 05.07.2014, the text of advertisement is not in the vernacular language.

3. Clause 41 of the Listing Agreement mandates the company to give advertisement in the daily news paper in the language of the region where registered office of the Company is situated. However the Company has placed advertisement in the daily news paper the text of advertisement is not in the language of the region - Notice under Clause 41 dated 05.08.2014.

4. The Company has given prior intimation of Board Meeting held on 11.11.2014 in which the 2nd quarter financial results were considered but intimation was made on 5.11.2014 which was less than seven clear calendar days prior to the meeting as prescribed under clause 41 of the Listing Agreement (excluding the date of intimation and date of the meeting).

#### We further report that

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

Adequate notice is given to all Directors before schedule of the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the

Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes. Further, in the minutes of the General Meeting, the members who voted against the resolution(s) have been properly recorded.

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

We further report that during the audit period, the Company has

- a) Obtained approval of the Shareholders through postal ballot on 05th August, 2014
  - i. Under Section 186 of the Act to make or give any loan(s) / advances to the extent of ₹500 crore, and to give any guarantee(s) to the extent of ₹100/- Crore.
  - ii. Under Section 180 (1) (c) of the Act to increase the borrowing limit from ₹1500 crore to 2500 crore.
- b) Obtained approval of the Shareholders through postal ballot on 31st October, 2014
  - i. to confirm the Corporate Debt Restructuring Scheme in relation to the Company's debt.
  - ii. Pursuant to Sections 42 and 62 of the Act to create, offer, issue and allot 3,20,00,000 equity shares of ₹10 each (with a premium of ₹40 each) aggregating to ₹160,00,00,000/- to Shriram Industrial Holdings Limited on preferential basis pursuant to Corporate Debt Restructuring Scheme.
  - iii. Pursuant to Sections 42 and 62 of the Act to create, offer, issue and allot 10,000,000 equity shares of ₹10 each (with a premium of ₹40 each) aggregating to ₹50,00,00,000/- to Shriram Industrial Holdings Limited on preferential basis.
- c) pursuant to Corporate Debt Restructuring Scheme the Board of Directors of the Company has allotted 3,20,00,000 equity shares of ₹10 each (with a premium of ₹40 each) aggregating to

₹160,00,00,000/- on 14th November, 2014 to Shriram Industrial Holdings Limited the promoter of the Company on preferential basis.

- d) The Board of Directors of the Company on preferential basis, has allotted 10,000,000 equity shares of ₹10 each (with a premium of ₹40 each) aggregating to ₹50,00,00,000/- on 15th November, 2014 to Shriram Industrial Holdings Limited, the promoter of the Company.

Place : Chennai  
Date : 28th May 2015

For R. Sridharan & Associates  
Company Secretaries

CS R.SRIDHARAN  
CP No. 3239  
FCS No. 4775

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

#### 'Annexure A'

To,  
The Members

SHRIRAM EPC LIMITED  
Sigappi Achi Building, 4th Floor, 18/3 Rukmini Lakshmi pathi Road,  
Egmore, Chennai – 600008.

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

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai  
Date : 28th May 2015

For R. Sridharan & Associates  
Company Secretaries

CS R.SRIDHARAN  
CP No. 3239  
FCS No. 4775



# Management Discussion and Analysis: FY 2014-15

## Company Overview

Headquartered in Chennai, Tamil Nadu, Shriram EPC Limited (SEPC), part of the conglomerate Shriram Group is one of the country's leading service provider of integrated design, engineering, procurement, construction and project management services for process and metallurgy plants, thermal power plants, biomass based power plants, solar power plants, mines and mineral processing, water and waste-water treatment plants, water and sewer infrastructure and pipe rehabilitation.

SEPC has a proven track record having executed some of the most complex and technically challenging projects across the country and in overseas market. Further, tie up with some of the well-known and well regarded global brands for executing projects has enabled the Company to widen and strengthen its presence in the international market. Its global track record includes projects executed in Zambia and France. It has also geared up its operations for sourcing projects in South Asia, Africa and the Middle East.

## Economic Overview

FY 2014-15 was a mixed year for the global economy which witnessed continuation of existing challenges with emergence of some signs of recovery across select economies. The USA and UK region demonstrated early signs of recovery in economic activity though they continue to face pressures from political uncertainties and depressed consumer spending, uncertainty in commodity prices and a subdued labor market which neutralized the impact of stimulus and easy monetary policy prevailing in the region. Performance of the Asia Pacific region also continued to remain under pressure as weaker demand and flagging investments continue to challenge the prospects of economic revival. Growth moderated in leading Asian Economies like China & Japan as regulatory initiatives did not fully achieve desired target of reviving growth.

The Indian economy on the other hand, benefited significantly from falling commodity prices as lower energy prices not only helped contain worries surrounding inflation and deficit exceeding desirable levels but also provided the country's

Reserve Bank freedom to lower interest rates. Further, the political stability following BJP's landslide victory in the national election helped strengthen the sentiments and hopes of implementation of structural reforms and growth directed policies. While the economy has witnessed initial benefits from some of the government's initiatives such as liberalizing of defence and insurance sector, decontrolling of diesel prices and increase in number of operational coal fired power projects following higher coal production the recovery is expected to be more meaningful in the coming years when the economy starts accruing the full benefits of the Government measures and actions.

The confluence of the above also resulted in transforming the country's perception amongst international rating agencies and financial institutions.

The International Monetary Fund expects the Indian economy to overtake China as the fastest growing emerging economy in 2015-16 by clocking a growth rate of 7.5%.

## OVERVIEW OF KEY SECTORS OF OPERATIONS

### Mining & Minerals

Accompanying the country's rapid economic growth, the Indian mining and mineral industry delivered significant growth during the previous decades; growing at a CAGR of 5.2 % during 2007-11. The country's iron and steel exports expanded at 4.2 % CAGR to US\$ 8.1 billion over FY 2008-13. India has a competitive edge over the others in terms of cost of production and conversion cost for steel and alumina. India currently produces 89 minerals under different groups.

The country which presently features amongst top 10 global producers for many minerals has tremendous potential for mining resources and reserves.

While the sector grew rapidly in the past, its recent performance has been fairly muted mirroring the slowdown in overall economic activities. Weakening of demand across varied industries has resulted in halting the growth momentum for the mining and mineral sector following limited demand for metals across the major consuming sector.

While decline in commercial activities is partially responsible for the segment's subdued performance, other impediments like stricter compliance, stringent environmental laws, increase in royalties are further throttling the progress.

However, the sector's prospects are starting to brighten following the Government's recent actions directed towards clearing the segment's and economy's roadblock. It is cognizant of the role the sector will play in making its 'Make in India' campaign successful wherein it aims to promote India as a global manufacturing hub and as such it intends to bring in transparency and wants to continue mining in the country.

In addition, the recent MMRD Ordinance has also assisted the sector by providing clarity in terms of renewal of existing concessions and allocation of new concessions, royalty sharing. Further, the Union cabinet's approval to the ordinance has also paved the way for leases to be easily transferred. All this is expected to lead to a revival in the sector.

### Power

The Indian power sector has evolved significant over the years and is well diversified with sources for power generation spanning from conventional ones such as coal, natural gas etc., to other viable non-conventional sources such as wind, solar, and Biomass. The country is currently the third largest power generating country in the world. The National installed capacity as of March 2015 stood at ~268 Gw.

While consistent and ever rising need for electricity offers the benefit of strong visibility for the sector, the power market remains partially distorted given subsidized tariffs for certain section of the population, restriction on bilateral trade amongst private parties on account of variation in power delivery charges and insufficient transmission in many parts of the country are restraining the sector's growth. Further, while recent rural electrification efforts have yielded improved accessibility of power to villages, a large proportion roughly 400 million people still lack reliable access to electricity.

However, the government is taking corrective measures to improve the country's transmission and distribution infrastructure network as it aims to supply 24-hour power to all households in a chronically power-short country. It has recently introduced

schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana for strengthening and augmentation of sub transmission and distribution infrastructure in rural areas, including metering of distribution transformers/ feeders/ consumers. Also, the Integrated Power Development Scheme will ensure last mile connectivity in rural areas while simultaneously helping to connect cities with smart grids and better technology.

### Renewable Energy India

At the end of March 2015, India had 35,777 Mw of renewable energy capacity. It added more than 4,000 Mw of grid-connected renewable energy power projects in 2014-15, beating the target by 8.5%. The highlight of the year being the addition in solar capacity, which stood at a record 1,112 Mw, compared with the 948 Mw achieved in 2013-14 and higher than the target of 1,100 Mw.

Economic policies and incentives like accelerated depreciation and generation based incentive has resulted in development of 22 Gw of renewable energy capacity from 2006-13. Also feed in tariff and long term agreement providing revenue clarity has also spurred the segment's growth. It is world number five in solar water heating systems, number two in biogas plants and number one in bagasse co-generation.

While coal still remains the main component of country's power system, renewable energy over the years has become an important and growing part of the nation's overall energy matrix. Steadily rising power demand, good-to-excellent renewable resources and often-impaired fossil fuel supply chains makes the country a growth market for clean energy.

The outlook for renewable energy for the current fiscal appears to be bright. Given that utilization of renewable energy sources still being at a nascent stage, it offers excellent business potential. The Wind industry expects 3,000 Mw of capacity addition in the current year.

The Government recently announced its intention of almost doubling its use of renewable energy, from 6% to at least 15% by 2020. India today has one of the most active renewable energy programmes in the world and renewable energy applications have brought about significant changes in the Indian energy

scenario. It is also working on creating the supportive framework for achieving this target by taking announcing various incentives such as –

**Debt – Equity incentives:** Various grants and capital subsidies have been made by the Central Government to develop small-scale biogas, biomass & waste-based systems, solar lighting and rural electrification.

**Feed in Tariffs:** State-level electricity regulations mandate FiTs that are applicable for a set period of time, for each energy source.

**Net Metering:** The states of Tamil Nadu (2013) and Rajasthan (2014) have net metering for rooftop solar projects. The latter also provides a 20% capital subsidy for projects under the scheme.

Supportive measures by Government have been backed by corporate backing as the new Government has secured pledges from 213 companies for setting up renewable energy capacity of 266 Gw over the next five years.

## Metallurgy

The metal and metallurgy industry is an important cog in the Country's growth engine. Further, the requirements of inputs from several sectors like automobiles & components, electrical appliance & products, infrastructure, building & construction, power, irrigation, telecom, railways means that the sector is critically important for the nation's manufacturing sector as well. Steel along with its associate mining and metallurgy sectors have seen major investment and attracted sizeable FDI inflows in the recent past. While Metallurgical industries attracted FDI worth USD 453 million during the period Apr'14 to Feb'15, it has received FDI worth USD 1466 million and USD 568 million during 2012 and 2013 respectively. Cumulatively, the Indian Mining and Metallurgical Industries has attracted FDI inflows worth USD 8,527 million during April'00 – February 2015 according to Department of Industrial Policy and Promotion (DIPP).

The sector is expected to grow significantly in the future especially with the Government planning on increasing the steel production

in the Country to 300 MT by 2025. The Government has started undertaking several measures towards this and some of the key initiatives include –

- Setting up of an Inter-Ministerial Group (IMG) in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- Constituted a Project Monitoring Group under the Cabinet Secretariat to fast track various clearances/resolution of issues delaying the investments in the sector.

Further, the Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry.

## Water and waste- water treatment

The demand for water treatment in the Country is expected to gain significant traction following the Government's attempts towards bridging the shortage of treated water, cleaning up existing rivers and implementing policies for wastewater and effluent treatment.

With supply being greater than consumption in the country at present, availability of water is not an issue, limited waste water treatment, availability of treated water and greater dependency on monsoon for meeting irrigation requirement poses major challenges for the nation. Further, inadequate water infrastructure has also resulted in overuse of ground water, leading to worrisome declines in ground water levels in several regions across the Country forcing many local Governments to ban its use.

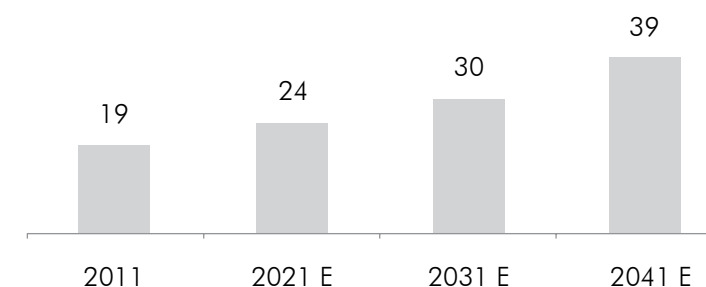
Further, responsibility for water management is split between organizations and across the Central and the State Governments. With responsibility for the supply and discharge of water under two different bodies, there is an absence of uniformity in planning and policies. Also with water primarily being a State issue, there is

no clear water policy. Further the responsibilities are overlapping in many cases which in turn reduces the accountability. Moreover, a sizeable proportion of the nation's water supply is still not metered. In addition, with water pricing in the Country being majorly volumetric based, it results in inefficient usage of water for both domestic and industrial purposes.

However, rising urbanization, greater requirement from industry and agriculture are expected to sustain and maintain strong demand for water and water related businesses. India at present consumes ~800BCM of water per year of which ~90% of is being used for irrigation, 5% for domestic use and 5% for industrial use. A sizeable proportion of industrial use ~88% is diverted to power plants.

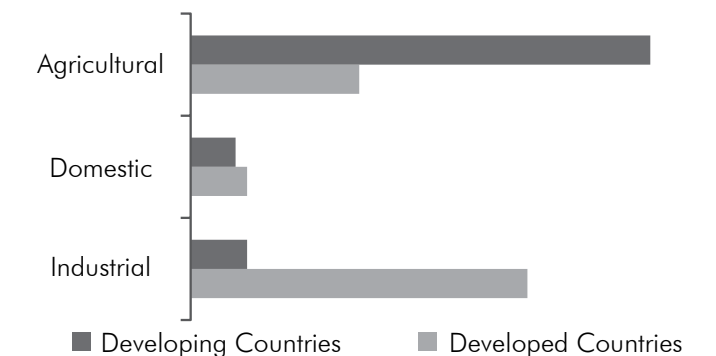
According to a recent Barclays report, urban India's domestic water consumption is expected to increase from ~20BCM per annum to over 30BCM by 2030 and 40BCM by 2041. A third of this demand is expected to emerge from urban agglomerations where the population is anticipated to exceed over a million.

## Domestic water required by Urban India annually (in BCM)



Industrial demand for water in the Country which presently constitutes a meager 5% pales in comparison with other developed and neighboring nations. Global water use data suggests that the proportion of water consumed for industrial purpose is significantly higher at almost 60% in developed countries compared with paltry 10% usage in developing nations. Demand from the segment in the Country is expected to pick up significantly going ahead following the Government's recent measures towards reviving industrial growth. Further, with power capacity additions increasing at a faster pace than GDP growth, demand from the sector is expected to remain strong.

## Segment wise usage of water



Dominance of Irrigation in terms of usage of water is expected to persist in the future despite taking into account improving efficiency. Flood irrigation system process wherein more than 50% of water is lost in evaporation and run-off, continues to be the dominant mode of irrigation in the Country. The same also increases the salinity in the soil.

## Corporate Debt Restructuring

The Country's infrastructure sector has been witnessing extreme difficulties over the past few years in commensuration with the slowdown in overall economic activities. Factors ranging from policy indecisiveness, reduced Government spending, stalling of key projects and issues related to land acquisition created barriers which not only halted the pace of project execution but also dampened the sentiments towards the sector.

Shriram EPC's performance over the last few years is reflective of the challenging times afflicting the economy in general and the sector in particular. Factors such as projects getting cancelled, slowing down of project execution cycle, sustained high interest rates rendering projects-in-progress unviable affecting the Company revenue. Further, cancellations of projects, delayed payment by debtors and the consequent impact on the working capital resulted in a rising debt burden and interest liability. The impact on the Company's core operations of the EPC business have forced it to opt for the Corporate Debt Restructuring.

Total bank exposure aggregating to ₹2,922 Crs (both fund and non-fund based) has been restructured. The package provides a 10 year repayment plan (including 2-year moratorium) for the existing debt.

The interest rate has been lowered to 11.25 % P.A, all liquidated damages / penal charges for delays / irregularities etc., have been waived and additional funding provided by way of priority loan. All securities envisaged under the CDR scheme have been created.

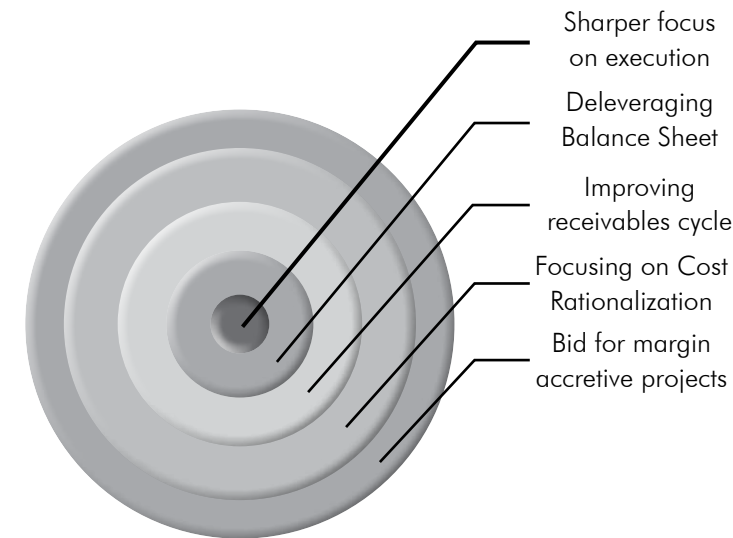
The debt restructuring offers us an opportunity to revive and gradually strengthen our business by getting to a better product mix, reschedule part of debt and improve working capital. Further, it will also help ease the burden on the Company's cash flows besides providing additional funding to meet working capital requirement.

### Details of CDR Terms

Loan	Particulars	Original Terms	CDR Terms
Term Loan	Interest Rate	BR + 3.75 % P.A. with annual reset	11.25% P.A. with annual reset
	Repayment	24 equal quarterly instalments starting from March 2016.	32 structured quarterly instalments after the moratorium of 2 years
	Repayment Moratorium	5 Months	2 years from Cut-off Date
	Interest Moratorium	NIL	2 years from Cut-off Date
Working Capital Term Loan	Interest Rate	NIL	11.25% P.A. with annual reset
	Repayment	NIL	32 structured quarterly installments after the moratorium of 2 years
	Repayment Moratorium	NIL	2 years from Cut-off Date
	Interest Moratorium	NIL	2 years from Cut-off Date
Funded Interest Term Loan	Interest Rate	NIL	11.25% P.A. with annual reset
	Repayment	NIL	20 structured quarterly installments after moratorium of 2 years

The Company is in the midst of formulating a recovery plan aligned towards hastening the execution of its existing projects, culling out avoidable expenses and exiting potentially unviable business segments to enhance its earnings.

### Growth Revival Strategy



**Sharper focus on Execution** – The Company's project execution cycle has increased during the last couple of years which in turn has led to weakening of its working capital cycle. SEPC however is now primarily focused on executing its existing orders and work actively on its delayed projects. Improved execution efficiency in turn will help in generating cash flows for the business and improving the margins.

**Deleveraging Balance Sheet** – The Company has taken necessary steps towards pruning down its high cost debt. Further, the Company expects to benefit from the reversal in the interest rate cycle by refinancing part of its existing debt.

**Improving Receivables cycle** – The Company's efforts in the coming years will also be towards recovering pending dues from clients to help it meet working capital requirements. SEPC plans to actively follow up on its target of recuperating arbitration awards, final bills and retention money in an attempt to lessen its receivables period.

**Focusing on Cost rationalization** – The Company is working towards lowering its operational expenditures and improve its

efficiencies in its bid of becoming a slimmer organisation with increased top line and generate better margins.

**Bidding for Newer Projects** – The outlook for the sector has improved significantly following the new Government's implementation of structural reforms aimed towards boosting the nation's economic growth. With increasing bout of fresh orders on the horizon SEPC is committed towards bidding for value-accretive orders across segments not only in India but also overseas, where the margins are better.

### SWOT Analysis

#### Strengths

**Strong Promoter Support** –SEPC is part of the Shriram Group, a conglomerate with presence across varied business segments like real estate, information technology and financial services. The support offered has been extremely valuable and has aided in business sustenance during extremely challenging periods in recent times.


**Technical Proficiency** – SEPC's efficiency in providing high end designing and engineering solutions have enabled it to carve out a niche for itself in domestic and international market. The Company's ability to offer cost effective solutions to its clients facilitates them to improve their competitive positioning, maximize assets and increase long term business success. Further, SEPC's capability in offering customized solutions helps it to differentiate itself from the rest. The confluence of such factors results in securing repeat orders from its clients.

**Well established in sectors with high potential** – SEPC has developed strong expertise and offerings catering to sectors such as Renewable Energy Including Biomass Power Plants, Thermal Power Plants; Coal Gasification, Mines & Mineral Processing, Water and Waste-Water Distribution and Water Treatment Plants. The Water Sector especially enjoy high potential and provides the Company significant opportunity for further growth in India and overseas market.

**Skilled Management** – A strong management is a backbone of any successful organization. SEPC's management team







comprises well qualified personnel with rich experience who have been instrumental in guiding the Company through some of the most challenging and difficult times for the EPC Industry. Also, the management is equally supported by its Board of Directors, both of whom are working towards ensuring growth and development of the business of the Company.

### Weakness

**Cyclical nature of business**– Despite offering solutions and services across various sectors, the Company's success is dependent upon the business climate and health of the overall economy. Any slowdown in domestic or global business environment might result in clients delaying or curtailing their expansion plan in turn affecting the growth of our business.

**Financial Position** - SEPC's financial strength remains subdued at present primarily owing to lower revenue generation on account of slowdown in project execution, the procedural formalities for completing its plan for restructuring the debts and the delay in fresh limits release by the bankers. While the promoter has infused additional fund in the Company, it is now focused on the necessary revival in operations to resurrect the financial position.

### Opportunities

#### Domestic Market

Domestic demand is expected to gain traction following the new Government's measures towards kick starting the growth engine. The Government by implementing structural reforms has laid the foundation for growth and development of various sectors like steel, cement, power, water and infrastructure. Further, the Government's "Make in India" campaign designed to promote India as a global manufacturing hub should ensure significant growth opportunities. With renewed focus and thrust SEPC is well geared for meeting the imminent demand from the end user verticals.

#### International Market

While SEPC remains focused on tapping domestic market, it is also taking significant steps towards increasing its presence in

the international market as well especially in the Middle East. Entering into an alliance or collaboration with global player for executing complex and large orders will help SEPC diversify and increase its geographical presence. Increasing proportion of international projects with better margins will also help negate and lower the impact of domestic slowdown.

### Widening Offerings

SEPC has broadened its offerings over the years by not only becoming horizontally integrated but by also venturing into newer segments. Expertise across multiple verticals has not only enabled the Company to lower its concentration risk but the same has also enabled SEPC accrue synergetic benefits for its existing core business.

### Threats

#### Regulatory & Political Risk


The Company functions in a dynamic and ever changing business environment, wherein any sudden withdrawal or policy cancellation can have an adverse impact on the businesses overall operations. In addition, higher level of regulations can also have an adverse impact on the Company's profitability.

#### Increasing Competition

Heightened competition results in increased bidding for projects which in turn forces companies to bid for projects at unviable margins. In addition, increased competition can have a negative impact on profitability owing to lower revenue generation and greater operating cost.

#### SEPC Outlook –

While the Company is going through difficult time at present, it is optimistic that it will be able to improve its current situation and turn around its performance over the coming years. The positive outlook towards the business stems from the recent measures undertaken by the Company towards strengthening its network and sharpening its focus on improving its efficiencies and project execution. The Company is also assessing profitable



opportunities across geographies in an attempt to diversify its order mix and geographical presence.

Further, the improving external environment in terms of consistent policies, greater visibility and transparency, softening of interest rates and gradual pick up in investment cycle following the Government's recent steps will assist SEPC in stabilizing and strengthening its operations.

The current experience has also made the Company to refocus on its strategy to expand and grow its operations. However, with experienced personnel at the helm SEPC is poised to emerge out of the existing situation and be a strong EPC player.

### Financials

#### Profit and Loss

**Revenue** – Total income during the year stood at ₹547.66 crore, higher by 10.61% when compared with ₹495.09 crore generated during corresponding period last year. Lower revenue was primarily on account of muted EPC activity because of a slowing economy.

**Other Income** – Other income comprising mainly of interest income for the period stood at ₹11.03 crore as against ₹26.78 crore.

**Expenditure** – Total expenditure for the year stood at ₹620.44 crore lower by 18% when compared with last year. Cost of material component fell due to fall in EPC related activity during the year.

**Interest** – Interest expense for the year stood at ₹190.87 crore as against ₹190.75 crore. The increase has been primarily on account of additional borrowing to meet the working capital requirement.

**Depreciation** - Depreciation expense for the year stood at ₹5.70 crore as against ₹4.38 crore on account of increased capital expenditure, which was driven by facility expansions.

**Provision for Taxation** - During the year the Company provided ₹ Nil crore for taxation as against ₹ Nil crore.

**Loss after Tax** - The Company reported a Loss after tax of ₹252.85 crore for the year as against ₹439.37 crore during previous year.

### Balance Sheet

#### Sources of Funds

**Equity Funds** – The Company's share capital increased by 12.19% during 2014-15 mainly on account of the equity infusion by the promoters. Reserves & Surplus increased by 35.68% during the year due to a loss for the full year. However, in pursuant to condition in CDR scheme the promoters have infused ₹160 crore into the business.

**Loan Funds** – The Company borrowed additional funds worth ₹424.47 crore primarily to meet its working capital requirement. During the year the Company repaid loans worth ₹ nil crore and the balance worth ₹ 2121.42 crore stood at March 31, 2015.

#### Application of Funds

**Fixed Assets** – Gross Block at the end of FY 2015 stood at ₹81.08 crore as against ₹77.23 crore; increase of 5%.

**Investments** – The Companies total investments for the year stood at ₹45.49 crore as against ₹45.49 crore during last year.

#### Current Assets

**Cash and Cash Balance** – Cash and bank balance as of March 31 2015 stood at ₹107.84 crore.

**Loans and Advances** – Loans and advances stood at ₹1164.92 crore as against ₹899.79 crore.

### Company Overview

Your Company offers services relating to Industrial Processes, Metallurgy, Thermal Power Plants, Biomass Power Plants, Mines and Mineral Processing, Water and Waste and Water Management and Distribution Systems.





## Process & Metallurgy

SEPC provides turnkey contracting solutions comprising of designing, engineering and construction for Ferrous & Non Ferrous Industries, Cement Plants, Coke Oven & By-product Plants, Process Plants and Material Handling.

The Company's broad range of metallurgical process design options helps reduce risk, enhance value and maximize return.

SEPC's technology partners in this segment include Danieli of Italy, Siemens VAI of Austria, Envirotherm GmbH of Germany, CKDNove Energo of Czech Republic.

Our list of customers for Process & Metallurgy includes Grasim, SAIL, RINL, NMDC, Hindustan Copper, Kerala Feeds etc.

## Power Projects

SEPC is amongst the few players in the Country that are actively involved in building broad range of energy projects. With significant expertise and experience in executing complex power projects across conventional and renewable projects the Company is more than just a contractor.

## Water and Waste Water Management

SEPC provides turnkey design – build environmental projects related to water and waste water treatment, management and water distribution system.

SEPC is amongst the leading player offering technologies and services that help municipal and industrial customers meet their wastewater treatment requirements.

The Company undertakes municipal services projects and is involved in EPC projects for water treatment plants, underground drainage systems, wells and pump houses and pipe rehabilitation systems.

## Risk Management and Internal Controls

### Risk Management

Your Company's risk management policy, approved by the Board of Directors supports business endurance and ensures

achievement of strategic goals. The purpose of risk assessment is to identify and analyze risks that could affect the achievement of specified targets, and to identify measures to reduce risks.

Your Company's risk management policies comprises of all actions related towards setting up of targets, identification, measurement, review, handling, monitoring & reacting to risks. The Company puts risk management under constant review to rise above complex and volatile market conditions. It makes continual efforts to optimize and build a comprehensive risk management system that employs state-of-the-art expertise to identify, assess, monitor and control risks.

The primary objective of the Company's risk management policy is to ensure systematic and thorough identification and assessment of major risks, threatening the achievement of objectives, including risks related to business operations, currencies, financing and strategy. Further, the policy also aims to recognize and identify uncertainties and subsequently develop the prediction of risks and measures needed to manage risks.

Your Company's risk management process also strives to ensure safety of products, solutions and services and establishment of a safe working environment for its employees.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company believes in deploying strong and efficient internal controls to provide assurance on the operations and safeguarding of its assets. The internal controls are designed and developed to ensure recording and reporting of complete, factual and accurate financial and operational information in compliance with corporate policies and requisite statutes.

The Internal Audit team comprises of qualified accountants who regularly visit and review the project sites and provide feedback to the management on the corrective steps to be taken.

Further, the audit committee is headed by experienced professionals comprises of independent directors. The Committee meets periodically to review the Auditor's reports and



their observations and makes recommendations for adequacy, effectiveness of Internal Controls and required remedial action, if any, to the Board of Directors for its implementation.

## HUMAN RESOURCES

SEPC recognizes that its employees are amongst its key assets and that the Company's eventual performance is dependent on its ability to motivate and retain quality people.

The Company strives to create a competitive and level playing field for its employees so as to groom and prepare them for

taking additional responsibilities in the future. The Company is providing a fair compensation in line with industry norms, and a clear career and growth path.

The Company also imparts necessary training and education on its employees in the area of Health, Safety and Environment.

As of March 2015, the Company's total human capital comprising of experienced and well skilled employees stood at 590.





# Corporate Governance Report

## 1. Company's practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organisation. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholder value. This is demonstrated in shareholder returns, high credit ratings, governance processes and an entrepreneurial performance focused work environment. Additionally, our customers have benefited from high quality products delivered on time at high competitive prices.

Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit. Good Governance practices stem from the dynamic culture and positive mind-set of the organization. The Corporate Governance guidelines are in compliance with the requirements of the clause 49 of the Listing Agreements with the stock exchanges. In its pursuit of excellence towards Corporate Governance, Company has adopted the Board Effectiveness, exclusive Code of Conduct for Independent Directors and Non-Executive Directors, Whistle Blower Policy.

### 1.1 Key Board activities during the year

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation

and budgets. In addition, the Board reviews the Strategic Business plans. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit and Secretarial Standards as per guidelines of ICSI and Companies Act, 2013 (Act).

### 1.2 Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. He ensures that all relevant information, details and documents are made available to the Directors for effective decision making at the meetings.

He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the Company and Regulatory Authorities. All the Directors of the Company have access to the services of the Company Secretary. The Company Secretary ensures that all the decisions and observations of the Board are covered and implemented through Action Taken Report (ATR) and Board is apprised of the actions taken.

### 1.3 Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board and the broad guidelines issued, eminent persons having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.



## 1.4 Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. The Company has adopted a broad guideline on selection criteria of Board members. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

### Familiarization Program of Independent Directors

The Independent Directors of SEPC are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance Guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations. The new Board members are also requested to access the necessary documents / Brochures, Annual Reports and internal policies available at our website [www.shriramepc.com](http://www.shriramepc.com) to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

### 1.6 Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the guidelines received and

adopted by the Company, Code of Conduct for Prevention of Insider Trading for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the designated employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the trading window closure. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company [www.shriramepc.com](http://www.shriramepc.com).

### 1.7 Whistle Blower

Your Company has established a mechanism called 'Whistle Blower' for Directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the Directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Whistle Blower Policy' uploaded at the website of the Company.

It is here by affirmed that no person has been denied access to the Audit Committee.



## 2. Board of Directors

The Company has a high profile Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. Directors are provided with well-structured and comprehensive agenda papers in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussion in the meeting.

During the year, information as per Clause 49 of the Listing Agreement has been placed before the Board for its consideration from time to time as and when required.

Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

### (A) Composition of Board

The present Board of the Company consists of Two Executive Directors and Nine Non-Executive Directors including one Woman Director. The Company has an appropriate size of the Board for strategic discussion and avails benefit of diverse experience and view points.

All Directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

### (B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee within the limits prescribed under Section 197(1)(ii) of the Act. No stock options are granted to Non-Executive Directors. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2014-15.

Independent Directors are not serving as Independent Directors in more than seven listed companies.

None of the Directors of the Company hold the position as Whole Time Director in Company itself nor serve as Independent Director in more than three listed companies.

### (C) Performance Evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors based on their commitment towards attending the meetings of the Board/Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

#### Evaluation Process

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. Independent Directors are required to evaluate the performance of Non – Independent Directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act.

To enable Directors to evaluate their individual performance as well as the collective performance of the Board and Chairperson, the Company has developed a framework for evaluating Board's effectiveness, Directors' and Chairperson's performance.

#### Criteria

##### Board

1. The Board Meetings are conducted with sufficient focus on important matters and views of all Directors are considered before taking a decision.
2. The Board composition has the right mix of knowledge and skills required to drive organizational performance.

3. Meetings are scheduled with adequate notice and are conducted as per defined schedules.
4. The Board Meetings are adequate and Directors are provided opportunity to suggest agenda items for the Board/Committees, allowing appropriate time for critical issues.
5. The Board prioritizes organizational needs.
6. The Board provides feedback to management.
7. The Board members are aware of their Roles, duties, responsibilities, liabilities and powers.
8. The Board materials sufficiently covers the subject and are sent adequately in advance to allow Board to understand the information.
9. The Board is effective in establishing a Corporate Governance that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
10. The internal control systems are effective for identifying material risks and reporting material violations of policies.
11. The Board has the desired diversity in terms of expertise and knowledge, gender etc. to discharge its responsibilities.
12. The minutes adequately captures the Board deliberations and directions and are circulated to the directors well in advance for their review.

13. The management periodically updates the Board on the action taken on the directions given by the Board.

### (D) Other provisions as to Board and Committees

The Board comprises of Mr. S R Ramakrishnan, as Non-Executive Independent Chairman, Mr. T Shivaraman as Managing Director & CEO, Mr. M. Amjat Shariff, Joint Managing Director, Mr. S Srinivasan, Vice Chairman and Mr. Vishal Vijay Gupta, Mr. Sunil Kolangara, Mr. S Krishnamurthy, Mr. R Sundararajan, Mr. P D Karandikar, Mr. S Bapu and Mrs. Chandra Ramesh as Non-Executive Directors.

During the year 2014-15, 09 (nine) meetings of the Board of Directors were held on 27th May 2014, 15th July 2014, 12th August 2014, 11th September 2014, 31st October 2014, 11th November 2014, 14th November 2014, 15th November 2014, 12th February 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2015 have been made by the Directors as per Clause 49 (II) (D) of the listing agreement.

Details of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31 March, 2015 are given below:

Name of Director & DIN Number	Position	Whether attended Last AGM held on 10-09-2014 or not	Directorships held as on March 31, 2015 in other Indian Public Limited Companies	**Member in Committees -Position held in other Indian Public Limited Companies	
				Member	Chairman
Mr. S R Ramakrishnan 00015839	Non – Executive Chairman	YES	3	2	--
Mr. S Srinivasan 00014652	Non - Executive Vice Chairman	YES	6	2	--
Mr. T. Shivaraman 01312018	Executive Managing Director	YES			
Mr. M Amjat Shariff 00009562	Executive Joint Managing Director	YES	--	--	
Mr. R. Sundararajan 00498404	Non – Executive Independent Director	YES	9	3	3
Mr. Sunil K Kolangara 00022480	Non – Executive Non- Independent Nominee Director	NO	4	2	--
Mr. S. Krishnamurthy 00140414	Non – Executive Independent Director	YES	3	3	1
Mr. S Bapu 02541697	Non – Executive Independent Director	YES	-	-	--
Mr. Vishal Vijay Gupta 01913013	Non – Executive Non Independent Nominee Director	NO	5	1	--
Mr. P D Karandikar 02142050	Non – Executive Independent Director	NO	5	4	
Ms. Chandra Ramesh* 00938694	Non – Executive Independent Director	NO	1	--	--

\*Includes Directorship in the Companies incorporated under the Companies Act, 1956 /2013.

\*\*Only membership in Audit Committee and Stakeholders Relationship Committee are considered.

None of the directors are related to each other

Other directorships do not include alternate Directorships, Directorships of Private Limited Companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of Companies incorporated outside India. Chairmanships/ Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

#### Code of Conduct

- The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.shriramepc.com.
- The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31 March, 2015. The Annual Report of the Company contains a Certificate by the Managing Director & CEO in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

### 3. Board Committees

#### 3.1 Audit Committee

##### (A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the four Non-Executive Independent Directors.

- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 10th September, 2014.

##### (B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

##### A. The regulations governing the committee are:

- The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of Audit Committee shall be Independent Directors.
- All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- The Chairman of the Audit Committee shall be an Independent Director;
- The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;
- The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the company. The Finance Director, head of Internal Audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee;
- The Company Secretary shall act as the Secretary to the Committee.



## B. Meeting of Audit Committee

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit committee whichever is greater, but there should be a minimum of two independent members present.

## C. Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

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.

## D. The role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management
  - Significant adjustments made in the financial statements arising out of audit findings

- Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of any related party transactions
  - Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with Internal Auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Risk Management- To evaluate the Risk Management System including Risk Policy, Risk Process (Risk Identification, Assessment, Mitigation and Monitoring) and Risk Registers, laid down by the management;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Committee is Mr. S R Ramakrishnan, Chairman, Mr. R Sundararajan, Mr. S Krishnamurthy and Mr. S Bapu as members of the Committee.

During the year, 4 Audit Committee meetings were held on 27th May 2014, 12th August 2014, 11th November 2014 and 12th February 2015.

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Mr. S R Ramakrishnan – Chairman	4	2
Mr. R Sundararajan – Member	4	4
Mr. S Krishnamurthy – Member	4	3
Mr. S Bapu – Member	4	4

**Mr. K Suresh, Company Secretary is the Secretary of the Audit Committee.**

## 3.2 Nomination and Remuneration Committee

### (A) Constitution

The Nomination and Remuneration Committee comprises of Mr. S R Ramakrishnan, Mr. R Sundararajan, Mr. T Shivaraman and Mr. Vishal Gupta as members of the Committee.

### (B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity; and

Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

### (C) Meetings and attendance during the year:

During the year, 3 meetings of Nomination and Remuneration Committee were held on 11th September 2014, 12th February 2015 and 20th March 2015.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Mr. S R Ramakrishnan – Chairman	3	NIL
Mr. R Sundararajan – Member	3	3
Mr. T Shivaraman – Member	3	3
Mr. Vishal Gupta – Member	3	NIL

(D) **Remuneration policy**

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

(E) **Remuneration to Managing Director & CEO and Joint Managing Director**

(a) Mr. T Shivaraman is the Managing Director & Chief Executive Officer (MD & CEO) of the Company. The salary, benefits and perquisites paid to Mr. T Shivaraman, MD & CEO during the year 2014-15 was ₹41.57 Lakh.

Details of Remuneration to MD & CEO	Amount (₹ / Lakh)
Salary	40.15
Allowances and Perquisites	1.42
Number of Shares held	4010

(b) Mr. M Amjat Shariff, Joint Managing Director (JMD) of the Company. The salary, benefits and perquisites paid to Mr. M Amjat Shariff, JMD during the year 2014-15 was ₹45.99 Lakh.

Details of Remuneration to JMD	Amount (₹ / Lakh)
Salary	43.99
Allowances and Perquisites	2.00
Number of Shares held	310

**PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

- (a) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of person	% increase to remuneration
Mr. S.R. Ramakrishnan	NIL
Mr. S Srinivasan	NIL
Mr. R Sundararajan	NIL
Mr. S Krishnamurthy	NIL
Mr. S Babu	NIL
Mr. Vishal Gupta	NIL
Mr. Sunil Kumar Kolangara	NIL
Mr. P D Karandikar	NIL
Ms. Chandra Ramesh	NIL
Mr. T Shivaraman, MD & CEO	NIL
Mr. Amjat Shariff, JMD	NIL
Mr. R S Chandrasekharan, CFO	15%
Mr. K Suresh, VP & Company Secretary	10%

- (b) the percentage increase in the median remuneration of employees in the financial year 7.20%.

- (c) the number of permanent employees on the rolls of company: 590

- (d) the explanation on the relationship between average increase in remuneration and company performance;

On an average, employees received an increase of 8%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

- (e) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Rs/lac
Remuneration of Key Managerial Personnel (KMP) during financial year 2014-15 (aggregated)	159.28
Revenue from operations	55869
Remuneration (as % of revenue)	0.0029%
Profit before tax (PBT)	(25262)
Remuneration (as % of PBT)	NA

**Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Managing Director & CEO	Joint Managing Director	Chief Financial Officer	Company Secretary
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
Remuneration	41.57	45.99	38.72	33.00
Revenue	55869	55869	55869	55869
Remuneration (as % of revenue)	0.0007 %	0.0008 %	0.0006 %	0.0005 %
Profits before tax (PBT)	(25262)	(25262)	(25262)	(25262)
Remuneration (as % of PBT)	NA	NA	NA	NA

(F) **Remuneration to Non-Executive Directors**

Remuneration by way of Sitting Fees is paid to Directors at ₹15, 000/- for attending each Meeting of the Board and ₹10,000/- for attending each Committee Meetings i.e. for Audit Committee, Stake holders relationship committee Nomination & Remuneration Committee, Borrowing Committee and Investment Committee.

Payment of sitting fee to the Non-Executive Directors for the year ended 31 March, 2015 are as under:

Names of Directors	Board meeting (net of TDS) Rs	Audit Committee meeting (net of TDS) Rs	Stake holders relationship committee (net of TDS)	Nomination & remuneration Committee meeting (net of TDS) Rs	Investment Committee
S R Ramakrishnan	121500	36000	54000	-	-
R Sundararajan	108000	36000	72000	9000	-
S Krishnamurthy	108000	27000	-	-	9000
S Babu	108000	36000	-	-	9000
P D Karandikar	108000	-	72000	-	-

**Notes:**

- (i) The Non-Executive Directors have disclosed separately the shares held by them in the Company.
- (ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

**3.3 Stakeholders Relationship Committee****(A) Composition, Members, its meetings and attendance**

Stakeholders Relationship Committee comprises of Mr. R Sundararajan as Chairman with Mr. S R Ramakrishnan and Mr. P D Karandikar as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

During the year, 5 meetings of the Stakeholders Relationship Committee were held on 15th July, 2014 12th Aug, 2014 11th Sep, 2014 ,11th Nov 2014 and on 12th February 2015.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Mr. R Sundararajan - Chairman	5	5
Mr. S R Ramakrishnan, Member	5	3
Mr. P D Karandikar- Member	5	4

**(B) Name and Designation of the Compliance Officer**

Mr K Suresh, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges and can be contacted at:

Shriram EPC Ltd  
4th Floor, Sigappi Achi Building,  
Door no.18/3, Rukmini Lakshmi pathi salai (Marshalls Road)  
Egmore, Chennai- 600 008, India  
Tel: (91 44) 4901 5678, Fax: (91 44) 4901 5655  
Email: suresh@shriramepc.com  
Website: www.shriramepc.com

In addition to the above e-mail of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at info@shriramepc.com. A link has been provided to the Shareholders to register their grievances to Company's website www.shriramepc.com.

**(C) Complaints received and redressed during the year 2014-15**

Opening Balance	Received during the year 2014-15	Resolved during the year 2014-15	Closing Balance
0	0	0	0

Pursuant to clause 47(c) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

**3.4 INVESTMENT COMMITTEE****(A) Composition, Members, its meetings and attendance**

Our Investment Committee comprises of six directors - Mr. S. R. Ramakrishnan, Mr. R. Sundararajan, Mr. S. Krishnamurthy, Mr. S. Bapu, Mr. Vishal Vijay Gupta, and Mr. S. Srinivasan as members of the Committee.

**The Committee is set up:**

- a. 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.

- b. 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.
- c. 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.

**(B) Investment Committee Attendance**

One Investment Committee meeting was held during the year on 24<sup>th</sup> December, 2014.

Members	No. of Meetings held	No. of Meetings Attended
Mr. S. R. Ramakrishnan	1	-
Mr. R. Sundararajan	1	-
Mr. S. Krishnamurthy	1	1
Mr. S. Bapu	1	1
Mr. Vishal Vijay Gupta	1	-
Mr. S. Srinivasan	1	1

**3.5 Independent Directors Meeting**

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. S R Ramakrishnan, Mr. S Krishnamurthy, Mr. R Sundararajan & Mr. P D Karandikar met on 11th September 2014 without any Senior Management Personnel.

**4. Subsidiary Company**

- (i) The Company does not have any Indian Subsidiary Company.
- (ii) The financial statements of the unlisted foreign Subsidiary Company is being placed before the Board.

**5. Disclosures****(A) Basis of related party transactions**

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

The related party transaction policy is disclosed in the web link <http://www.shriramepc.com/investors-corporate-governance.aspx>.



## (B) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

## (C) Board Disclosures - Risk Management

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

## (D) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, Listing Agreement, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

## (E) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have

been included separately in the Annual Report to the Shareholders.

## (F) Shareholders

- (i) The quarterly results and presentations made by the Company to analysts are put on the Company's website [www.shriramepc.com](http://www.shriramepc.com) under the Disclosure Requirements Section.
- (ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant / Registrar & Transfer Agent.
- (iii) Mr. S Krishnamurthy, Mr. S Babu, Mr. P D Karandikar are being appointed as Independent Directors at the ensuing Annual General Meeting for a consecutive period of 5 years till 24th September 2020.
- (iv) Ms. Chandra Ramesh, Additional Director and, being eligible, has given consent to continue as Director of the company. Her appointment is being regularized in the ensuing Annual General Meeting of the Company and is being appointed as Independent Director for a consecutive period of 5 years till 24th September 2020. A brief profile is published elsewhere in the Annual Report.

## 6. CEO and CFO Certification

The Managing Director & CEO and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Clause 41 and 49 II(E)(2) of the Listing Agreement.

## 7. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Secretarial Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

## 8. General Body Meetings

### (A) Location and time of General Meetings held in the last 3 years:

Year	Date	Time	Venue
2011-12	21.9.2012	11.00 AM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017
2012-13	12.12.2013	11.30 AM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017
2013-14	10.9.2014	03.00PM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017

### (B) Special Resolution passed through postal Ballot- Deemed General Meetings:

Year	Date of deemed meeting	Section	Particulars
2011-12		372 A	Making investment, providing loans/guarantees to Shree jayjothi Cements Ltd, Spark Environmental Technology Ltd
2012-13		372 A	Making investment, providing loans/guarantees to corp/associate/group Cos
2013-14	20.6.2013	198,269	Reappointment of Managing Director & Joint Managing Director
	6.8.2013	293(1)(a)	Transfer of 11 nos. wind electric generators to M/s. Hexa Wind Farm P Ltd by way of slump sale
	29.11.2013	198,269	Payment of managerial remuneration to Managing Director & Joint Managing Director inspite of loss/inadequacy of profits
	29.11.2013	31	Alteration of Articles of association pertaining to capital clause
	29.11.2013	81(1A)	Issuance of Cumulative redeemable Preference shares to the holding company
2014-15	05.08.2014	186	To provide loans/advances/ guarantees to other body corporates
	05.08.2014	180(1)(c)	To borrow money from time to time
	31.10.2014		To confirm the corporate debt restructuring scheme in relation to the company's debt
	31.10.2014	42,62	Preferential issue to the promoters for the capital infusion as directed by the CDR EG
	31.10.2014	180(1)(a)	To sell , lease or otherwise dispose the whole/substantially whole of the undertaking
	31.10.2014	186	To increase the limit of loans and advances/investments
	31.10.2014	180(1)(c)	To increase the limit of borrowings
	31.10.2014	14	Alteration of articles of association of the Company
	31.10.2014	42,62(1)(c)	Preferential issue to the promoters for the fresh capital infusion of ₹50 crs

The postal ballot exercise was conducted by Mr. R. Sridharan of R. Sridharan & Associates, Company Secretaries, Chennai. The Voting details of the above postal ballot were as follows:



Sl. No. 1

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	171	18412304	14	2485	185	18414789	99.83
Dissent	40	19939	4	12016	44	31955	0.17
Total	211	18432243	18	14501	229	18446744	100

Sl. No. 2

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	175	18412739	15	13485	190	18426224	99.89
Dissent	36	19504	3	1016	39	20520	0.11
Total	211	18432243	18	14501	229	18446744	100

Sl. No. 3

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	63	3822853	15	28824405	78	32647258	99.998%
Dissent	1	10	2	567	3	577	0.002%
Total	64	3822863	17	28824972	81	32647835	100%

Sl. No. 4

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	59	3822709	13	28824303	72	32647012	99.997%
Dissent	5	154	4	669	9	823	0.003%
Total	64	3822863	17	28824972	81	32647835	100%

Sl. No. 5

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	63	3822858	14	28824305	77	32647163	99.998%
Dissent	1	5	3	667	4	672	0.002%
Total	64	3822863	17	28824972	81	32647835	100%

Sl. No. 6

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	56	3822123	12	28816581	68	32638704	99.972%
Dissent	8	740	5	8391	13	9131	0.028%
Total	64	3822863	17	28824972	81	32647835	100%

Sl. No. 7

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	50	3821884	13	28816681	63	32638565	99.972%
Dissent	14	979	4	8291	18	9270	0.028%
Total	64	3822863	17	28824972	81	32647835	100%

Sl. No. 8

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	54	3822133	13	28816681	67	32638814	99.972%
Dissent	10	730	4	8291	14	9021	0.028%
Total	64	3822863	17	28824972	81	32647835	100%

Particulars	No. of Postal Ballot Forms	No. of shares (Postal Ballot votes)	No of E-Voting	No of shares (E-Voting)	Total No of Postal Ballot Forms and E-Voting	Total No. of shares (Votes)	% on Total Shares (Votes) Received
Assent	63	3822853	14	28824305	77	32647158	99.998%
Dissent	1	10	3	667	4	677	0.002%
Total	64	3822863	17	28824972	81	32647835	100%

## 9. Means of Communication

The Company's website is a comprehensive reference on the management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, to comply with MCA Guidelines and Listing Agreement. The website covers all major press reports, releases, etc.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of Shareholders	The results of the Company are published in the newspapers
Quarterly results and in which newspaper normally published in.	Results are published in Business Line (all editions) and in Maalai Thamizhagam (Tamil - Chennai edition)
Any website where displayed	Yes, the results are displayed on the Company's website www.shriramepc.com
Whether it also displays official news releases	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

## 10. General Shareholder Information

Corporate Identification No. : L74210TN2000PLC045167

### Annual General Meeting:

- Date, time and Venue: Thursday, 24th September, 2015 at 10 AM.**  
SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017
- Financial Year: 1st April, 2014 to 31st March, 2015**
- Date of Book Closure: Friday, 18th September, 2015 to Thursday, 24th September, 2015 (both days inclusive)**
- Listing**

The Stock Exchanges on which the Company's shares are listed:

- BSE Limited
- National Stock Exchange of India Limited

## (v) Stock Code

BSE Limited: 532945

National Stock Exchange of India Limited: SHRIRAMEPC

The ISIN of the Company for its shares: ISIN INE-964H01014

The Stakeholder relationship committee approves, transfer/transmissions/transpositions, sub – division and consolidation etc.

## (vi) Market price information

- The reported high and low closing prices during the year ended 31 March, 2015 on the National Stock Exchange and the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	BSE PRICE		NSE PRICE	
	High Price	Low Price	High Price	Low Price
Apr-14	41.90	29.00	41.25	29.3
May-14	43.00	32.05	43.7	32.05
Jun-14	38.95	32.15	38.9	31.65
Jul-14	39.00	30.50	38.5	30.5
Aug-14	38.65	25.20	38.8	28.1
Sep-14	38.95	30.40	38.8	28.1
Oct-14	39.60	29.60	39.6	29.7
Nov-14	49.45	37.25	49.6	36.65
Dec-14	44.50	30.00	44.35	31.65
Jan-15	41.60	32.30	41.65	32.2
Feb-15	37.95	32.05	38.25	30.8
Mar-15	42.35	29.95	42.5	30.05

## (vii) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents – 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: shriramepc@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R.D. Ramasamy

SEBI Registration Number: INR000003753

## Statutory Compliances, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI and statutory authorities on all matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority.

(xi) Shareholding as on 31 March, 2015

(a) Distribution of shareholding as on 31 March, 2015

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 -5000	8699	86.52	961061	9610610	1.11
5001 - 10000	567	5.64	485091	4850910	0.56
10001 - 20000	336	3.34	521389	5213890	0.60
20001 - 30000	136	1.35	355481	3554810	0.41
30001 - 40000	70	0.70	251981	2519810	0.29
40001 - 50000	58	0.58	274418	2744180	0.32
50001 - 100000	101	1.00	756563	7565630	0.88
100001 - And Above	87	0.87	82752200	827522000	95.82
Total :	10054	100.00	86358184	863581840	100.00

b) Shareholding pattern as on 31 March, 2015

CLIENT TYPE	NO.OF HOLDERS	TOTAL POSITIONS	% OF HOLDINGS
Promoters	1	60334526	69.87
Directors & Relatives	6	14120	0.02
Resident	9581	4665800	5.40
FI	1	317646	0.37
FII	2	1128530	1.31
NRI - Repatriable	55	22471	0.03
NRI - Non Repatriable	21	42339	0.05
Corporate Body	270	3960308	4.59
Foreign Corporate Body	2	11731762	13.59
Clearing Member	41	44718	0.05
Trusts	1	3786779	4.38
Bank	1	5000	0.01
EMPLOYEES	70	304185	0.35
TOTAL	10054	86358184	100.00

(c) Capital of the Company

The authorized and paid-up capital of your Company is ₹410 crs and ₹386.3 crores respectively.

(d) Top ten Shareholders as on 31 March, 2015

Names	No. of Shares	% of holding
Shriram Industrial Holdings Limited	60334526	69.87
Bessemer Venture Partners	10481762	12.14
UTI - IAS	3786779	4.38
GKFF ventures	2373364	2.75
Life Insurance Corporation of India	317646	0.37
ASTS Management consultancy LLP	875000	1.06
Mani N	658436	0.76
Inspire management consultants P Ltd	400000	0.46
Nissan management consultants P Ltd	400000	0.46
Canola Consultancy P Ltd	392416	0.45

(xii) Dematerialisation of shares and liquidity

Category	No.of Holders	Total Positions	% Of Holdings
PHYSICAL	38	1191	0.001379
NSDL	6326	67584323	78.260472
CDSL	3690	18772670	21.738148
TOTAL	10054	86358184	100

Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are traded in BSE and NSE.

## 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. The Company has submitted the compliance reports in the prescribed format to the stock exchanges for every quarter during the year ended 31st March, 2015. The certificate of compliance with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement forms part of the Annual Report.

The other non-mandatory requirements of Clause 49 to certain extent have been adopted by the Company.

### (xiii) Plant locations

The Company is not a manufacturing unit and thus not having any Plant. However, the branch office of the Company is located in Kolkata, India.

### (xiv) Address for correspondence

The Company Secretary  
Shriram EPC Ltd  
4th Floor, Sigappi Achi Building,  
Door no.18/3, Rukmini Lakshmi pathi salai (Marshalls Road)  
Egmore, Chennai- 600 008, India  
Tel: (91 44) 4901 5678  
Fax: (91 44) 4901 5655  
Email: suresh@shriramepc.com  
Website: www.shriramepc.com

### (xv) Electronic Clearing Service (ECS)

The Company is availing of the ECS facility to distribute dividend in main cities to those Members who have opted for it.

## 11. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

## 12. Details of mandatory requirement of listing Agreement

Sl. No.	Particulars	Clause No.	Compliance Status
I.	Board of Directors	49 (II)	
	(A) Composition of Board	49 (II A)	Complied with
	(B) Independent Directors	49 (II B)	Complied with
	(C) Non-Executive Directors' Compensation & Disclosures	49 (II C)	Complied with
	(D) Other provisions as to Board and Committees	49 (II D)	Complied with
	(E) Code of Conduct	49 (II E)	Complied with
	(F) Whistle Blower Policy	49 (II F)	Complied with
II.	Audit Committee	49 (III)	
	(A) Qualified & Independent Audit Committee	49 (III A)	Complied with
	(B) Meeting of Audit Committee	49 (III B)	Complied with
	(C) Powers of Audit Committee	49 (III C)	Complied with
	(D) Role of Audit Committee	49 (III D)	Complied with
	(E) Review of Information by Audit Committee	49 (III E)	Complied with
III.	Nomination and Remuneration Committee	49 (IV)	Complied with
IV.	Subsidiary Companies	49 (V)	Complied with
V.	Risk Management	49 (VI)	Complied with
VI.	Related Party Transaction	49 (VII)	Complied with
VII.	Disclosures	49 (VIII)	Complied with
	(A) Related party transactions	49 (VIII A)	Complied with
	(B) Disclosure of Accounting Treatment	49 (VIII B)	Complied with
	(C) Remuneration to Directors	49 (VIII C)	Complied with
	(D) Management	49 (VIII D)	Complied with
	(E) Shareholders	49 (VIII E)	Complied with
	(F) Proceeds from public issue, rights issue, preference issue etc.	49 (VIII F)	Complied with
VIII.	CEO/ CFO Certification	49 (IX)	Complied with
IX.	Report on Corporate Governance	49 (X)	Complied with
X.	Compliance	49 (XI)	Complied with





**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

**Corporate Identification No.** : L74210TN2000PLC045167

**Nominal Capital** : Rs. 4,100,000,000/-

To,  
The Members  
MESSRS. SHRIRAM EPC LIMITED  
No.18/3 Rukmini Lakshmi pathi Road, Egmore  
Sigappi Achi Building, 4th Floor  
Chennai – 600008.

We have examined all relevant records of **M/s. SHRIRAM EPC LIMITED**, having its Registered Office at No.18/3 Rukmini Lakshmi pathi Road, Egmore, Sigappi Achi Building, 4th Floor, Chennai – 600008, for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the BSE Ltd and National Stock Exchange of India Limited for the financial year ended March 31, 2015. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 all the mandatory conditions of the Clause 49 of the listing Agreement.

**Place: Chennai**  
**Date : 28th May, 2015**

**For R Sridharan & Associates**  
**Company Secretaries**  
**CS R Sridharan**  
**FCS No. 4775**  
**CP No. 3239**



**DECLARATION REGARDING COMPLIANCE BY BOARD  
MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
WITH THE COMPANY'S CODE OF CONDUCT**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – [www.shriramepc.com](http://www.shriramepc.com).

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2015.

**Chennai**  
**28th May, 2015**

**T SHIVARAMAN**  
**Managing Director & CEO**





## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHRIRAM EPC LIMITED

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of SHRIRAM EPC LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting

and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its loss and its cash flows for the year ended on that date.



### Emphasis of Matters

- a) We refer to Note 48 in the financial statements regarding Unbilled revenue, Trade Receivables, Short term loans and advances aggregating to ₹9538.08 Lakhs in respect of a project which has been suspended by the customer due to financial difficulties. In view of the steps contemplated by the Company as more fully described in the note, the management is hopeful of recovery of all its dues.
- b) We draw attention to the Note 49 in the financial statements regarding the dues of ₹12,257.73 Lakhs in respect of an overseas project which was cancelled by the customer during the previous year. For the reasons mentioned in the note, the said dues as considered fully realizable by the management.
- c) Attention is invited to Note 50 in the Financial Statements regarding the dues of ₹8,300.19 Lakhs in respect of one project which has been suspended. These dues are considered fully realizable by the management at this stage in view of the steps taken by the Company to recommence the project and realize its dues.

Our report is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described in Emphasis of Matters paragraph above and clause VIII in the annexure to this report and Note 1B of financial statements, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Also Refer Note 39 of Financial Statements)
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.: 008072S)

**M K Ananthanarayanan**  
Partner

(Membership No.: 19521)

Chennai, 28 May 2015



## 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)

(i) In respect of its fixed assets:

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

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

(ii) 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 year 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.

(iii) According to the information and explanations given to us, the Company has granted loans, unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act 2013, in respect of such loans:

(a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.

(b) There were no overdue amounts exceeding ₹1 Lakh remaining outstanding as at the year-end.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. In respect of Service Tax, the Company has not been generally regular in depositing the dues with the appropriate authorities though the delays in deposit have not been serious.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax and Value Added Tax which have not been deposited as on 31 March, 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Income Tax, interest and penalty	Commissioner of Income Tax ( Appeals )	2005-06 to 2011-2012	1,406.02
Income Tax Act, 1961	Income Tax, interest and penalty	Income Tax Appellate Tribunal	2005-06, 2007-08 & 2008-09	60.22
Service Tax (Chapter V of the Finance Act 1994)	Service Tax and penalty	Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	314.28
Service Tax (Chapter V of the Finance Act 1994)	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	2008-2009 & 2009-2010	223.33
Tamil Nadu Value added Tax Act	Value Added Tax	High Court	2008-09 to 2012-13	1,123.31
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	2009-10, 2010-11 & 2011-12	551.95
West Bengal Value Added Tax Act	Value Added Tax	Joint Commissioner (Appeals)	2008-09	319.25
Jharkhand Value Added Tax Act	Value Added Tax	Commercial Tax Officer	2008-09 to 2010-11	661.82
Andhra Pradesh Value Added Tax Act	Value Added Tax	Deputy Commissioner (Appeals)	2008-09 to 2011-12	40.17
Orissa Value added Tax Act	Value added Tax	High Court	2011-12 & 2012-13	6,700.75

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

(viii) The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.(Also Refer Note 1B of Financial Statements)

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from financial institutions and has not issued any debentures during the year.(Also Refer Note 5(ii) of Financial Statements)

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken

by others a bank are not, prima facie, prejudicial to the interest of the Company.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, Associate and its subsidiary Companies, no material fraud on the by the Holding Company, Associate and its subsidiary Companies has been noticed or reported during the year.

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

M K Ananthanarayanan  
Partner

Chennai, 28 May 2015

(Membership No.: 19521)

**SHRIRAM EPC LIMITED**  
BALANCE SHEET AS AT 31 MARCH 2015

₹in Lakhs

Particulars		Note No	As at 31 March 2015	As at 31 March 2014
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	Share Capital	3	38,635.82	34,435.82
	Reserves and Surplus	4	(32,437.77)	(23,906.74)
			6,198.05	10,529.08
2	Non-Current Liabilities			
	Long Term Borrowings	5	170,369.55	19,446.41
	Other Long Term Liabilities	6	7,469.63	6,956.19
	Long Term Provisions	7	308.89	258.38
			178,148.07	26,660.98
3	Current Liabilities			
	Short Term Borrowings	8	41,772.69	150,248.52
	Trade Payables	9	23,665.16	30,374.45
	Other Current Liabilities	10	16,611.60	23,388.45
	Short Term Provisions	11	392.39	303.67
			82,441.84	204,315.09
	TOTAL		266,787.96	241,505.15
<b>B</b>	<b>ASSETS</b>			
1	Non-Current Assets			
	Fixed Assets	12		
	Tangible Assets		3,971.08	4,219.13
	Intangible Assets		135.81	106.86
	Capital Work-in-Progress		2,933.66	2,658.06
			7,040.55	6,984.05
	Non-Current Investments	13	4,505.17	4,505.17
	Long-term Loans and Advances	14	102,195.28	71,356.35
	Other Non-Current Assets	15	40,957.83	53,089.60
			154,698.83	135,935.17
2	Current Assets			
	Current Investments	16	44.22	44.22
	Inventories	17	8,486.27	11,426.08
	Trade Receivables	18	25,150.43	24,607.22
	Cash and Cash Equivalents	19	10,784.17	11,875.96
	Short Term Loans and Advances	20	14,297.22	18,622.79
	Other Current Assets	21	53,326.82	38,993.71
			112,089.13	105,569.98
	TOTAL		266,787.96	241,505.15
	See accompanying notes forming part of the financial statements			

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

M. K. Ananthanarayanan  
Partner

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

T. Shivaraman  
Managing Director

K. Suresh  
Company Secretary

S. Krishnamurthy  
Director

R. S. Chandrasekharan  
Chief Financial Officer

**SHRIRAM EPC LIMITED**  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

₹in Lakhs

Particulars		Note No	Twelve months Ended 31 March 2015	Nine Months Ended 31 March 2014
I	Revenue from Operations	22	54,765.89	49,509.13
II	Other Income	23	1,102.75	2,677.59
III	Total Revenue (I+II)		55,868.64	52,186.72
IV	Expenditure :			
	Cost of Raw Materials and Components Consumed	24	603.90	487.38
	Erection, Construction & Operation Expenses	25	45,538.69	38,882.95
	Purchases of Stock in Trade	26	1,296.00	-
	Change in Inventories of Contract Work in Progress, Finished Goods and Stock In Trade	27	2,658.92	20,868.09
	Employee Benefits Expense	28	5,476.92	4,090.34
	Finance Costs	29	19,086.66	19,075.02
	Depreciation and Amortisation Expense	12	570.33	437.69
	Other Expenses	30	5,898.78	10,889.37
	Total Expenses		81,130.20	94,730.84
V	Loss Before Exceptional Items and Tax (III-IV)		(25,261.56)	(42,544.12)
VI	Exceptional Items		-	-
VII	Loss Before Tax (V+VI)		(25,261.56)	(42,544.12)
VIII	Tax expense / (benefit):			
	(1) Current tax		-	-
	(2) Deferred tax (Net) (Refer Note 12.3)		23.61	1,392.84
	Net tax expense / (benefit)		23.61	1,392.84
IX	Loss After Tax for the year / period		(25,285.17)	(43,936.96)
X	Earnings per Share:( Face value of ₹10/- per share)			
	Basic		(42.22)	(99.05)
	Diluted		(42.22)	(99.05)
	See accompanying notes forming part of the financial statements			

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

M. K. Ananthanarayanan  
Partner

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

T. Shivaraman  
Managing Director

K. Suresh  
Company Secretary

S. Krishnamurthy  
Director

R. S. Chandrasekharan  
Chief Financial Officer



**SHRIRAM EPC LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

₹in Lakhs

Particulars	Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before Tax	(25,261.56)	(42,544.12)
Depreciation and amortisation expense	570.33	437.69
Provision for Gratuity	88.23	16.54
Provision for Compensated Absences	80.39	(1.69)
Provision for Warranty	(29.39)	-
Loss on disposal of Fixed Assets (Net)	39.06	6.20
Bad Trade Debts/Advances Written off	139.20	4,962.17
Liabilities / provisions no longer required written back	(156.95)	(1,197.61)
Interest Income	(705.87)	(1,215.58)
Interest and Finance Charges	19,086.66	19,075.02
Write down in the carrying value of Inventories	-	16,779.45
Provision for Unbilled Revenue	6,320.12	8,693.20
Deferred rent	11.21	27.08
	25,443.00	47,582.47
<b>Operating Profit before working capital changes</b>	181.44	5,038.35
<b>Working capital changes :</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	2,939.81	4,180.90
Trade Receivables	(682.41)	28,665.32
Short Term Loans and Advances	4,325.57	15,260.21
Long Term Loans and Advances	(18,921.20)	(63,944.65)
Other Current Assets	(14,096.87)	25,261.66
Other Non-Current Assets	5,811.65	(48,690.47)
	(20,623.45)	(39,267.03)
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(6,820.18)	(5,237.45)
Other Current Liabilities	(1,699.61)	2,800.53
Other Long Term Liabilities	2.51	-
	(8,517.28)	(2,436.92)
Cash generated from /(used in) operations	(28,959.29)	(36,665.60)
Net income tax paid	(885.57)	(767.62)
<b>Net Cash flow (used in) / from Operating Activities (A)</b>	<b>(29,844.86)</b>	<b>(37,433.22)</b>

**SHRIRAM EPC LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015 (contd.)

₹in Lakhs

Particulars	Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure (including Capital Work in progress)	(2,375.54)	(2,585.24)
Proceeds from sale of fixed assets	14.85	269.91
Bank balances not considered as Cash and cash equivalents (Net)		
- Placed	(7,239.11)	(10,505.24)
- Matured	10,505.24	8,464.78
Purchase of Long Term investments		
- Subsidiary	-	(24.26)
- Others	-	19,908.28
Interest Received	469.63	1,158.50
<b>Net Cash from Investing Activities (B)</b>	<b>1,375.07</b>	<b>16,686.74</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity Shares (Including Securities Premium) / Preference shares	21,000.00	30,000.00
Proceeds from long term borrowings (Refer Note 5.1)	59,879.18	12,150.77
Repayment of long term borrowings	(12,500.00)	(5,822.54)
Repayment of Long term borrowings from a related party(Net)	(4,251.70)	
Repayment of Short term Borrowings (net)	(13,267.00)	
Dividend paid	(0.18)	
Movement in current maturities of long term borrowings	(2,574.59)	718.73
Net Increase / (Decrease) in Working Capital Borrowings	-	10,721.52
Interest and Finance Charges Paid	(17,641.58)	(26,224.37)
<b>Net Cash from Financing Activities (C)</b>	<b>30,644.12</b>	<b>21,544.11</b>
<b>D NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR / PERIOD ( A + B + C )</b>	<b>2,174.34</b>	<b>797.62</b>
Cash and Cash equivalents as at the beginning of the year / period	1,370.72	573.10
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>Cash and Cash equivalents as at the end of the year / period</b>	<b>3,545.06</b>	<b>1,370.72</b>

**SHRIRAM EPC LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

₹ in Lakhs

Particulars	Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>Significant Non Cash Adjustments:</b>		
Interest accrued on loans to group companies	(11,032.17)	(4,072.99)
Conversion of unpaid interest to Funded Interest Term Loans	13,553.32	
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
<b>Cash and cash equivalents as per Balance Sheet</b>	10,784.17	11,875.96
<b>Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements</b>		
- Margin Money having maturity period exceeding three months	(7,239.11)	(10,505.24)
<b>Cash and cash equivalents at the end of the year / period *</b>	3,545.06	1,370.72
<b>* Comprises:</b>		
(a) Cash on hand	26.42	12.84
(b) Balances with banks		
(i) In current accounts	3,485.24	329.02
(ii) In deposit accounts with original maturity of less than 3 months	14.71	1,009.99
(iii) In earmarked accounts (Unpaid Dividend Account)	18.69	18.87
	3,518.64	1,357.88
	3,545.06	1,370.72
See accompanying notes forming part of the financial statements		

**Note:**

Capital expenditure includes adjustments for current liabilities relating to acquisition of fixed assets to the extent identified.

**In terms of our report attached**

For Deloitte Haskins and Sells  
Chartered Accountants

M. K. Ananthanarayanan  
Partner

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

T. Shivaraman  
Managing Director

K. Suresh  
Company Secretary

S. Krishnamurthy  
Director

R. S. Chandrasekharan  
Chief Financial Officer

**SHRIRAM EPC LIMITED**  
**Notes forming part of Financial Statements**

**1A Corporate Information**

Shriram EPC Limited (the "Company" or "SEPC") is the flagship company of the Shriram Group. The Shriram Group has diverse interests across Financial Services, IT Services, Project Engineering & Construction, Property Development, Life Insurance and General Insurance. Company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

**1B Going Concern**

The financial statements have been prepared on principles applicable to a going concern despite substantial erosion of net worth, considering

- the committed orders on hand and in pipeline
- expected higher cash flows based on future business projections
- the company's debts have been restructured under Corporate Debt Restructuring (CDR) proposal which was approved by CDR Empowered group on 20th August 2014. The details regarding the restructured debt is as specified in the Master Restructuring Agreement between the company and the lenders are given in Note 5 (i) and
- the continued operational and financial support given by the Holding Company.

**2 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 specified under Section

133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.1 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.

**2.2 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 point of sale, including octroi and other levies, transit insurance and receiving charges.

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

**2.3 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



## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.4 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.

#### 2.5 Depreciation and amortisation

"Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset".

- (i) Leasehold improvements are written off over the primary period of their lease.
- (ii) Certain items of Plant and Machinery used at project sites are depreciated over an estimated useful life of 2 to 4 years.
- (iii) Technical Know-how fees are amortised over the period of 5 to 10 years based on estimated useful life of the asset.
- (iv) Software cost are amortised over a period of 5 years based on Management's evaluation of their estimated useful life.
- (v) Lease hold Land Using Rights is amortised over the primary period of lease, which is 20 years.
- (vi) Individual assets costing ₹5,000/- each or less is depreciated in fully in the year of acquisition.

#### 2.6 Revenue Recognition

##### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are inclusive of all taxes.

##### Revenue from Construction contracts

"When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs".

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.



## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

"Revenue from Joint Venture Contracts : In respect of Jointly Controlled Operations, 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 is reflected as 'Unbilled Revenue' under 'Other Current Assets' and 'Other Non Current Assets' as the case may be and billing in excess of Contract Revenue has been reflected as 'Advances 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 included under the head "other Income" in the Statement of Profit and Loss.

#### 2.7 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.

#### 2.8 Foreign Currency Transaction / Translations

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.

Integral foreign operations: Transactions in foreign currencies entered into by the Company's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

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.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Company's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company's integral foreign operations are carried at historical cost.

#### 2.9 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.

#### 2.10 Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

##### 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 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:**

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**(ii) Defined Benefit Plans:**

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

**(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.

**2.11 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.

**2.12 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".



**2.13 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.

**2.14 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".

**2.15 Taxation**

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

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 highly 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, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence 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.

**2.16 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





## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

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.

#### 2.17 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.

#### 2.18 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.

#### Provision for Liquidated Damages

Liquidated damages are provided based on contractual terms and negotiations with the customer when the delivery/ commissioning dates of an individual project have exceeded or are likely to exceed the delivery/ commissioning dates as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms upto closure of the contract. (including defect liability period).

#### Provision for losses on contracts

"A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits".

#### 2.19 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

#### 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 reasonable certainty 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 normal operating cycle of the entity for Construction Contracts is the duration of 2 to 3 years depending on each contract. For all other segments, the normal operating cycle has been considered as a duration of 12 months.

## 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	
	31 March 2015	31 March 2014
<b>Authorised :-</b>		
110,000,000 Equity Shares of ₹10 each	11,000.00	8,500.00
30,000,000 Convertible Preference shares of ₹100 each	30,000.00	30,000.00
	41,000.00	38,500.00
<b>Issued, Subscribed and fully Paid-up:-</b>		
8,63,58,184 Equity Shares (previous year - 44,358,184 Equity Shares) of ₹10 each	8,635.82	4,435.82
<b>Preference Share Capital</b>		
(30,000,000 10% Cumulative Redeemable Preference shares of ₹100/- each)	30,000.00	30,000.00
<b>Total</b>	<b>38,635.82</b>	<b>34,435.82</b>

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

Particulars	As at 31 March 2015		As at 31 March 2014	
	In Shares	Amount (in ₹ Lakhs)	In Shares	Amount (in ₹ Lakhs)
<b>Equity Shares</b>				
At the beginning of the year / period	44,358,184	4,435.82	44,358,184	4,435.82
Issued during the year / period (Refer Note 3.2 below)	42,000,000	4,200.00	-	-
Outstanding at the end of the year / period	86,358,184	8,635.82	44,358,184	4,435.82

Particulars	As at 31 March 2015		As at 31 March 2014	
	In Shares	Amount (in ₹ Lakhs)	In Shares	Amount (in ₹ Lakhs)
<b>Cumulative Redeemable Preference Shares</b>				
At the beginning of the year / period	30,000,000	30,000.00	-	-
Issued during the year / period	-	-	30,000,000	30,000.00
Outstanding at the end of the year / period	30,000,000	30,000.00	30,000,000	30,000.00

3.2 During the year, pursuant to Master Restructuring Agreement dated 20 September 2014 entered by Company with Corporate Debt Restructuring (CDR) lenders, Company has allotted 42,000,000 of ₹10 per share at a price of ₹50 (including Premium of ₹40 per share). Also Refer Note 5.1, Consequent to this acquisition, Shriram Industrial Holdings Limited has become Holding Company of the Company.

## SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

### 3.3 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No of Shares	% holding in that class of shares	No of Shares	% holding in that class of shares
<b>Equity Shares</b>				
Shriram Industrial Holdings Limited	60,334,526	69.87%	18,334,526	41.33%
Bessemer Venture Partners	10,481,762	12.14%	10,481,762	23.63%
Unit Trust of India Investment Advisory Services Limited	-	-	3,786,779	8.54%
<b>Cumulative Redeemable Preference Shares</b>				
Shriram Industrial Holdings Limited	30,000,000	100.00%	30,000,000	100.00%

### 3.4 Details of shares held by Holding Company and Ultimate Holding Company

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No of Shares	% holding in that class of shares	No of Shares	% holding in that class of shares
<b>Shriram Industrial Holdings Limited (Holding Company)</b>	60,334,526	69.87%	18,334,526	41.33%
Shriram Venture Limited (Ultimate Holding Company)	-	-	-	-
<b>Cumulative Redeemable Preference Shares</b>				
Shriram Industrial Holdings Limited (Holding Company)	30,000,000	100.00%	30,000,000	100.00%

### 3.5 Terms/rights attached to the 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.

The Preference shares have a face value of ₹100 each, and are entitled to receive a cumulative dividend at the rate of 10%. The preference shares shall have a maximum tenure of 10 years. The preference shares are redeemable before 10 years at the option of the shareholders.

## SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

### 4 Reserves and Surplus

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
a) Capital Reserve	12.92	12.92
b) Securities Premium Account		
Opening Balance	24,849.88	24,849.88
Add: Receipts during the year (Refer Note 3.2)	16,800.00	-
Closing Balance	41,649.88	24,849.88
c) Share Options Outstanding Account		
Opening Balance	97.29	97.29
Less: Transfer to General Reserve	97.12	0.00
Closing Balance	0.17	97.29
d) General Reserve		
Opening Balance	464.63	464.63
Add: Transfer from Stock Options Outstanding Account	97.12	0.00
Closing Balance	561.75	464.63
e) (Deficit) in Statement of Profit and Loss		
Opening balance	(49,331.46)	(5,394.50)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax ₹23.61 lakhs) (Refer Note 12.3)	45.86	-
Add: Loss for the year / period	(25,285.17)	(43,936.96)
Closing Balance	(74,662.49)	(49,331.46)
Total	(32,437.77)	(23,906.74)

### 5 Long Term Borrowings

Particulars	Long term portion		Current maturities	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>				
From Banks				
- Term Loans	2,972.89	10,000.00		2,520.89
- Working Capital Term Loans	147,912.62	-	-	-
- Funded Interest Term Loans	13,553.32	-		
From Others				
- Working Capital Term Loans	671.00			
- Funded Interest Term Loans	75.49			
Finance Lease Obligations	10.52	21.00	12.34	66.04
<b>Unsecured</b>				
From Related Parties (Refer Note XX)	5,173.71	9,425.41	-	-
Total	170,369.55	19,446.41	12.34	2,586.93

## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

#### 5.1 Corporate Debt Restructuring

During the year, at the request of the Company, the Corporate Debt Restructuring Proposal (CDR Proposal) of the Company was referred to Corporate Restructuring Cell (CDR Cell) by the consortium of bankers led by Oriental Bank of Commerce (OBC). The CDR Proposal as recommended by OBC and other lenders was approved by CDR Empowered Group (CDR EG) on 20 August 2014 and communicated to the Company vide Letter of Approval dated 11 September 2014. The Master Restructuring Agreement (MRA) between the Company and the CDR lenders was executed on 20 September 2014, by virtue of which the restructured facilities are governed by the provisions specified in the MRA with cut off date as 01 April, 2014.

#### The key features of the MRA are as follows :

- Term loans are repayable after moratorium of 2 years from cut off date in 32 structured quarterly instalments commencing from June 2016 upto March 2024.
- Conversion of various irregular / outstanding / devolved financial facilities into Working Capital Term Loan (WCTL) repayable after moratorium of 2 year from cut off date in 32 structured quarterly instalments commencing from June 2016 upto March 2024.
- The interest payable on Term Loans and WCTL during moratorium period of 2 years from cut off date shall be converted into Funded Interest Term Loan (FITL) and repayable over 20 structured quarterly instalments commencing from June 2016 upto March 2021.
- Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- The rate of interest on TL, WCTL, FITL and fund based working capital facilities shall be (linked to OBC base rate) increased in a stepped up manner:

Particulars	FY15 to FY16	FY17 to FY19	FY20 to FY24
Interest rate ( p.a)	BR + 1%	BR + 1.75%	BR + 3.50%
Present Effective Rate	11.25%	12.00%	0.14

- Waiver of existing events of defaults, penal interest and charges etc, in accordance with MRA.
- Right to Recompense to CDR Lenders for the relief and sacrifice extended subject to provisions of CDR Guidelines and MRA.
- Infusion of ₹160 crores in the Company by Promoters on or before 31 March 2015. (Also Refer Note 3.2)
- The Company to operate Trust and Retention account (TRA) with OBC and entire cash flow should be routed through said TRA.
- The Company and the CDR Lenders executed a MRA during the year. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the borrowers is contingent on future uncertain events including improved performance of the Company and many other conditions, including negotiations with the banks, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. (Refer Note 39) The aggregate present value of the sacrifice made by CDR Lenders as per the MRA is approximately ₹18,500 lacs for the Company.

## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

- The Board of Directors in its meeting held on 10 April 2015 resolved to issue equity shares of ₹10 each at a price of ₹32.98 per share (including a premium of ₹22.98 per share) for an amount not exceeding ₹314 crores in consideration of the amounts outstanding from the Company to the CDR Lenders under the Funded Interest Term Loan, being the interest for the period of 2 (two) years from the cut-off date i.e. from April 1, 2014 to March 31, 2016 on the Term Loan and the Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders as per the MRA and as and when approved by lender's individual sanctioning authority, by way of preferential allotment, and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit subject to the approval of the Shareholders.

#### 5.2 Terms of Repayment and Security details

₹in Lakhs

Particulars	As at 31 March 2015	Interest Rate	Terms of Repayment	Secured by
Central Bank of India	2,972.89	11.25%	32 structured quarterly instalments, shall be during Jun 2016 and Mar 2024.	Primary- Exclusive charge on 5 Wind Energy Generator of 1.5 MW from Lietwind Shriram Manufacturing Ltd
Central Bank of India	12,500.00	11.25%	32 structured quarterly instalments, shall be during Jun 2016 and Mar 2024.	First PariPassu Charge over the pooled assets( ie, all moveable( both fixed ,current and non current assets ) and immovable assets of the Company.
Term Loans from Banks	149,712.43	11.25%	Refer Note 5.1 above	First PariPassu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
L&T Finance Limited	6.32	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	4.20	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Loan from related parties - Shriram Industrial Holdings Limited	5,173.71	9.00%		
Total	170,369.55			

5.3 Terms loans are further covered by a Corporate Guarantee of Shriram Industrial Holdings Limited (Holding Company), Shriram Venture Limited (Ultimate Holding Company) and SVL trust.

5.4 2,64,82,551 Equity shares (representing 30.67% of share capital) held by Shriram Industrial Holdings Limited under Non Disposal Undertaking (NDU) are pledged to Joint Lenders Forum (JLF) / CDR Lenders, on 18/03/2015 and the balance 1,24,60,123 Equity Shares (representing 14.43 % of share capital) are pledged on 17/04/2015.

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**6 Other Long-term Liabilities**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Security Deposit Received	18.90	16.39
Deferred Rent Obligations	91.65	80.44
Sundry Creditors- Retention	3,866.16	4,134.00
Interest accrued and due to Loan from related parties (Refer Note 35)	3,492.92	2,725.36
<b>Total</b>	<b>7,469.63</b>	<b>6,956.19</b>

**7 Long-term Provisions**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 32.1)	308.89	258.38
<b>Total</b>	<b>308.89</b>	<b>258.38</b>

**8 Short Term Borrowings (Refer Note 5.1)**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Loans Repayable on Demand - Secured		
<b>From Banks</b>		
Cash Credit and Overdraft facilities	41,279.26	104,973.76
Working Capital Demand Loan	-	4,045.03
<b>From Others</b>		
Cash Credit and Overdraft facilities	493.43	-
<b>Short Term Loans</b>		
From Banks	-	15,475.00
From Other Parties	-	-
<b>Bills Discounted</b>		
With Banks	-	3,144.42
With Other Parties	-	1,136.49
<b>Short Term Loans - Unsecured</b>		
From other parties	-	21,473.82
<b>Total</b>	<b>41,772.69</b>	<b>150,248.52</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**8.1 Details of Borrowings**

₹in Lakhs

Particulars	As at 31 March 2015	Nature of security
Cash Credit Facilities	41,772.69	First PariPassu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
<b>Total</b>	<b>41,772.69</b>	

**9 Trade Payables**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Acceptances	9,258.92	9,995.96
Other than Acceptances (Refer Note 9.1 and Note 35)	14,406.24	20,378.49
<b>Total</b>	<b>23,665.16</b>	<b>30,374.45</b>

9.1 There are no dues to Micro and Small Enterprises in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 as of 31 March 2015 and 31 March 2014, on the basis of such parties having been identified by the management and relied upon by the auditors.

**10 Other Current Liabilities**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Advance from Customers	15,723.43	16,866.43
Advance Billing	510.82	956.75
Current Maturities of Long Term Borrowings	-	2,520.89
From Banks	-	-
Current Maturities of Finance Lease Obligations	12.34	66.04
Payables on Purchase of Fixed Assets	233.64	1,858.98
Statutory Remittances	79.43	189.25
Interest accrued but not due on borrowings	50.65	410.50
Interest accrued and due on borrowings	-	518.16
Unclaimed Dividend	1.27	1.45
<b>Total</b>	<b>16,611.60</b>	<b>23,388.45</b>

**11 Short-term Provisions**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for Employee Benefits		
Gratuity (Refer Note 32.1)	48.85	11.13
Compensated Absences (Refer Note 32.2)	343.54	263.15
Provision for Warranties (Refer Note 11.1)	-	29.39
<b>Total</b>	<b>392.39</b>	<b>303.67</b>



**SHRIRAM EPC LIMITED**  
Notes forming part of Financial Statements

**11.1 Movement of Warranty Provision**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Opening Balance	29.39	29.39
Add: Provision created during the year / period	-	-
Less: Utilized during the year / period	29.39	-
Closing Balance	-	29.39

**12 Fixed Assets**

**12.1 Fixed Assets - Current Year**

₹in Lakhs

S. No	Block of Assets	Gross Block				Accumulated Depreciation and Amortisation					Net Block
		As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation/Amortisation for the year	Transitional Adjustment (Refer Note 12.3 below)	Depreciation on disposals	As at 31 March 2015	As at 31 March 2015
	<b>Tangible Assets</b>										
1	Freehold Land	241.50			241.50	-				-	241.50
2	Buildings	174.00	3.32		177.32	62.84	6.31			69.15	108.17
3	Leasehold Improvements	623.08	2.59	79.42	546.26	105.60	75.00		31.41	149.18	397.07
4	Plant and Equipments (Refer Note 12.4 below)	4,198.72	375.35	1.97	4,572.10	1,302.50	302.66	21.55	0.82	1,625.89	2,946.22
5	Furniture and Fixtures	96.31	13.74	0.08	109.97	59.32	8.00		0.01	67.30	42.66
6	Office Equipment	114.59	6.34	0.62	120.29	34.17	22.94	18.60	0.09	75.62	44.69
7	Computers	397.83	14.60	1.48	410.95	225.36	87.66	27.12	1.22	338.92	72.03
8	Vehicles (Refer Note 12.4 below)	276.95	8.90	5.98	279.87	114.07	46.95	2.20	2.09	161.13	118.74
		6,122.98	424.84	89.55	6,458.26	1,903.86	549.52	69.47	35.65	2,487.19	3,971.08
	<b>Intangible Assets</b>										
9	Technical Knowhow	1,101.97	-	-	1,101.97	1,090.14	4.56		-	1,094.70	7.27
10	Software	418.40	49.76	-	468.16	378.65	12.77		-	391.42	76.73
11	Leasehold Right to Use	80.00	-	-	80.00	24.71	3.48		-	28.19	51.81
		1,600.37	49.76	-	1,650.13	1,493.50	20.82	-	-	1,514.32	135.80
	<b>Total</b>	<b>7,723.35</b>	<b>474.60</b>	<b>89.55</b>	<b>8,108.40</b>	<b>3,397.36</b>	<b>570.33</b>	<b>69.47</b>	<b>35.65</b>	<b>4,001.51</b>	<b>4,106.89</b>

**SHRIRAM EPC LIMITED**  
Notes forming part of Financial Statements

**12.2 Depreciation and Amortisation expense**

₹in Lakhs

Particulars	For the Year ended 31 March 2015	For the nine months ended 31 March 2014
Tangible Assets	549.52	333.16
Intangible Assets	20.82	104.53
Total	570.33	437.69

**12.3** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has changed its estimated useful life of certain categories of assets to align the useful life with those prescribed in Schedule II. The details of previously applied and currently adopted depreciation method, rates / useful life are as follows:

₹in Lakhs

Asset	Basis	Previous depreciation rate / useful life	Useful life as per Schedule II	Useful Life Adopted
<b>Tangible Assets</b>				
Buildings	Schedule - II	1.63% / 61 years	30 years	30 years
Plant & Equipments	Schedule - II	4.75% / 21 years	15 years	15 years
Furniture & Fixtures	Schedule - II	20.00% / 5 years	10 years	10 Years
Office Equipment	Schedule - II	33.33% / 3 years	5 Years	5 Years
Vehicles	Schedule - II	20.00% / 5 years	8 Years	8 Years
<b>Intangible Assets</b>				
Technical Knowhow	Technical Assessment	5 to 10 years	Based on Technical Estimate	5 to 10 years
Software	Based on expected useful life	5 years	Based on expected useful life	5 years
Leasehold Improvements	Technical Assessment	5 years		5 years
Leasehold Right to Use	Over the lease period	Over the lease period	Over the lease period	Over the lease period

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 01 April, 2014, and has adjusted an amount of ₹45.86 lakhs (net of deferred tax of ₹23.61 lakhs) against the opening deficit balance in the Statement of Profit and Loss.

The increase in depreciation expense in the Statement of Profit and Loss for the year consequent to the change in the useful life of the assets is not material.

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**12.4 Details of Assets taken under finance lease:**

₹in Lakhs

Block of Assets	As at 31 March 2015	As at 31 March 2014
<b>Plant and Machinery</b>		
Gross Block	189.91	189.91
Accumulated Depreciation	45.44	33.13
Net Book value	144.47	156.78
<b>Vehicles</b>		
Gross Block	61.17	240.23
Accumulated Depreciation	15.50	101.55
Net Book value	45.67	138.68

**12.4 Fixed Assets - Previous Year**

₹in Lakhs

S. No	Block of Assets	Gross Block				Accumulated Depreciation and Amortisation					Net Block	
		As at July 1, 2013	Additions	Deletions	Reclas-sified as held for Sale	As at March 31,2014	As at July 1, 2013	Depre-ciation for the Year	Depre-ciation on De-letions	As at March 31,2014	As at 31 March 2014	
	<b>Tangible Assets</b>											
1	Freehold Land	510.97	2.72	272.19	-	241.50	-	-	-	-	241.50	
2	Buildings	174.00		-	-	174.00	57.45	5.39	-	62.84	111.16	
3	Leasehold Improvements	612.77	10.31		-	623.08	59.63	45.97		105.60	517.48	
4	Plant and Equipments											
	Owned	3,521.77	487.98	0.94		4,008.81	1,056.80	212.57		1,269.37	2,739.44	
	Taken under Finance Lease	189.91	-	-	-	189.91	33.13		-	33.13	156.78	
5	Furniture and Fixtures	92.25	4.06		-	96.31	56.56	2.76		59.32	36.99	
6	Office Equipment	110.49	5.49	1.39	-	114.59	25.51	8.82	0.16	34.17	80.42	
7	Computers	331.72	66.11		-	397.83	187.47	37.89		225.36	172.47	
8	Vehicle											
	Taken under Finance Lease	235.59	7.77	3.13	-	240.23	83.18	19.76	1.39	101.55	138.69	
	Owned	35.28	1.44		-	36.72	12.51			12.52	24.20	
		5,814.75	585.89	277.65	-	6,122.98	1,572.24	333.16	1.55	1,903.86	4,219.13	
	<b>Intangible Assets</b>											
9	Technical Knowhow	1,101.97	-	-	-	1,101.97	1,074.19	15.95	-	1,090.14	11.83	
10	Software	418.40		-	-	418.40	292.69	85.96	-	378.65	39.75	
11	Leasehold Right to Use	80.00	-	-	-	80.00	22.10	2.62	-	24.71	55.29	
		1,600.37	-	-	-	1,600.37	1,388.98	104.53	-	1,493.50	106.87	
	Total	7,415.12	585.89	277.65	-	7,723.35	2,961.22	437.69	1.55	3,397.36	4,326.00	

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Investments</b>		
<b>Investments in Associates - Non Trade</b>		
22,239,167 Equity Shares (Previous year: 22,239,167 Equity Shares) of ₹10/- each fully paid up in Haldia Coke and Chemicals Private Limited	4,007.22	4,007.22
<b>Investments in Others - Trade</b>		
661,300 Equity shares (Previous year: 661,300 Equity shares) of ₹10/- each fully paid in Hexa Wind Farm Private Ltd	66.13	66.13
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹10/- each fully paid up in Leitwind Shriram Manufacturing Limited	407.56	407.56
1 Equity share (Previous year: 1 Equity share) of 150,000 DHS in Shriram EPC (FZE)	24.26	24.26
Total	4,505.17	4,505.17
Aggregate amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	4,505.17	4,505.17

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Capital advances	3,605.00	3,605.00
Loans and advances (Refer Note 35)	94,691.12	64,712.31
Advance tax (Net of Provisions ₹8,653.24 lakhs (Previous year: ₹8,653.24 Lakhs)	3,682.98	2,797.41
Deposits	216.18	241.63
Total	102,195.28	71,356.35

**14.1 Long term loans and Advances include due from:**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Private Companies in which directors are interested		
Hamon Shriram Cottrell Private Limited	416.48	387.57
Haldia Cokes and Chemicals Private Limited	43,755.73	36,338.16

**SHRIRAM EPC LIMITED**  
Notes forming part of Financial Statements

**15 Other Non Current Assets**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Long Term Trade Receivables - Retention Monies - Considered good	15,570.45	14,600.57
Long Term Trade Receivables - Retention Monies - Considered Doubtful	303.65	-
Less: Provision for doubtful debts	(303.65)	-
	15,570.45	14,600.57
Other Long Term Trade Receivables - Considered good	2,297.63	-
Other Long Term Trade Receivables - Considered doubtful	301.79	-
Less: Provision for doubtful debts	(301.79)	-
	2,297.63	-
Other Receivables (Refer Note 15.1 below)	3,877.15	7,281.12
Receivables on sale of Fixed Assets	2,460.00	4,960.91
Unbilled Revenue (Refer Note 48, Note 49 and Note 50)	16,752.60	26,247.00
Total	40,957.83	53,089.60

15.1 The amount of ₹3,877.15 Lakhs represents the balance consideration receivable from My Home Industries Limited("MHIL") towards the value of certain receivables due from Sree Jayajothi Cements Limited("SJCL") taken over by MHIL pursuant to an agreement dated 11 August 2013 entered into with them. This amount has been deposited in a Joint Escrow Account to be received by the Company after completion of certain formalities of Sree Jayajothi Cements Limited.

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
386,526 (386,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited	44.22	44.22
Total	44.22	44.22
Aggregate amount of Quoted Investments - Cost	2,827.50	2,827.50
Market Value of Quoted Investments	56.24	44.22

**17 Inventories** (Lower of Cost and Net Realisable Value)

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Raw Materials and Components for Wind Turbine Generators	415.00	695.89
Contract Work-in-Progress	8,071.27	10,730.19
Total	8,486.27	11,426.08

**SHRIRAM EPC LIMITED**  
Notes forming part of Financial Statements

**18 Trade Receivables** (Unsecured and considered good , unless otherwise stated)

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good	12,282.11	8,186.20
Unsecured, Considered Doubtful	4,031.70	4,197.09
	16,313.81	12,383.29
Other Trade Receivables		
Unsecured, Considered Good	12,868.32	16,421.02
Unsecured, Considered doubtful	-	120.70
Less: Provision for Doubtful Trade Receivables		
Total	(4,031.70)	(4,317.79)
	25,150.43	24,607.22

**18.1 Trade receivables include due from:**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Private Companies in which directors are interested		
Hamon Shriram Cottrell Private Limited	376.50	-
Haldia Cokes and Chemicals Private Limited	16.92	16.92

**19 Cash and Cash Equivalents**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Cash on hand and in imprest accounts	26.42	12.84
<b>Balances with Banks</b>		
Current Account (Refer Note 5.1)	3,485.24	329.02
Deposit Account (Original maturity of 3 months or less)	-	10.48
Unpaid Dividend Account	18.69	18.87
Margin Money (Original maturity of 3 months or less)	14.71	999.51
<b>Total Cash and Cash Equivalents</b>	3,545.06	1,370.72
<b>Other Bank Balances</b>		
Deposit Account (Original maturity of more than 3 months)	1,817.92	3,890.63
Margin Money (Original maturity of more than 3 months)	5,421.19	6,614.61
<b>Total Other Bank Balances</b>	7,239.11	10,505.24
Total	10,784.17	11,875.96
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	3,545.06	1,370.72
Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date		

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**20 Short Term Loans and Advances** (Unsecured, considered good unless otherwise stated) ₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Short-term Loans and Advances	342.47	802.02
Security Deposits	1,882.20	2,116.86
Loans and advances to Employees	40.29	56.69
Prepaid Expenses	90.15	133.69
<b>Advances to Suppliers</b>		
- Considered good	11,504.63	15,127.38
- Considered doubtful	644.38	644.38
Provision for doubtful Advances	(644.38)	(644.38)
	11,504.63	15,127.38
Balance with Government Authorities	437.48	386.15
<b>Total</b>	<b>14,297.22</b>	<b>18,622.79</b>

**21 Other Current Assets** ₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Unbilled Revenue	53,018.68	38,921.81
Interest accrued on Deposits	308.14	71.90
<b>Total</b>	<b>53,326.82</b>	<b>38,993.71</b>

**22 Revenue from Operations** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Revenue from Engineering and Construction Contracts	53,020.40	48,962.14
Revenue from Sale of Traded Goods - Windmills	1,422.49	-
Revenue from Sale of Wind Turbine Generators	323.00	293.00
Other Operating Revenue - Sale of Power	-	253.99
<b>Total</b>	<b>54,765.89</b>	<b>49,509.13</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**23 Other Income** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Interest Income - Bank / Margin Money deposits	705.87	1,215.58
Lease Rentals Received	-	6.65
Management Fees Received	-	22.75
Liabilities no longer required written back	156.95	1,197.61
Miscellaneous Income	239.93	235.00
<b>Total</b>	<b>1,102.75</b>	<b>2,677.59</b>

**24 Cost of Raw Materials and Components Consumed** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Opening Stock	695.90	788.15
Add: Purchases	323.00	395.13
Less: Closing Stock	415.00	695.90
<b>Total</b>	<b>603.90</b>	<b>487.38</b>

**25 Erection, Construction & Operation Expenses** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Cost of Materials and Labour	34,423.74	22,151.29
Other Contract Related Costs	2,282.73	2,307.81
Commercial Taxes	2,512.10	5,730.65
Provision for Contract Losses	6,320.12	8,693.20
<b>Total</b>	<b>45,538.69</b>	<b>38,882.95</b>

**26 Purchases of Stock in Trade** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Windmills	1,296.00	-
<b>Total</b>	<b>1,296.00</b>	<b>-</b>




**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

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

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Opening Stock of Contract Work in Progress	10,730.19	30,038.28
Less: Closing Stock of Contract Work in Progress	8,071.27	10,730.19
	2,658.92	19,308.09
Opening Stock in Trade	-	1,560.00
Less: Closing Stock in Trade	-	-
	-	1,560.00
Total	2,658.92	20,868.09

**28 Employee Benefits Expense** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Salaries and Wages	4,870.89	3,594.67
Contribution to Provident and other funds	243.75	185.00
Gratuity	101.96	41.45
Staff Welfare Expenses	260.32	269.22
Total	5,476.92	4,090.34

**29 Finance Costs** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Interest on Cash Credits	4,677.51	11,428.86
Interest on Term Loans	16,312.31	3,672.16
Interest - Others	7,163.40	4,601.62
Bank Charges, Letter of Credit / Guarantee charges	1,965.61	3,445.37
	30,118.83	23,148.01
Less : Interest recovered	11,032.17	4,072.99
Total	19,086.66	19,075.02


**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**30 Other Expenses** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Rent including lease rentals	524.71	509.80
Rates and taxes	164.26	210.15
<b>Repairs and Maintenance:</b>		
Building	162.77	144.44
Plant and Machinery and Equipments	84.45	105.03
Others	48.51	82.33
Auditors' Remuneration (Refer Note 30.1 below)	35.00	35.21
Printing and stationery	59.52	58.83
Communication expenses	120.20	106.31
Advertisement & Business Promotion	29.69	28.82
Travelling and conveyance	913.38	845.02
Electricity & water	97.31	67.92
Legal & Professional Charges (Refer Note 30.2 below)	2,299.65	2,396.06
Donation	1.26	0.80
Sitting Fees	10.70	8.40
Insurance premium	377.90	902.55
<b>Bad Debts and Advances</b>		
Bad Trade and Other Receivables Written off (Net)	139.20	-
Provision for doubtful trade and Other receivables and Loans and Advances	319.35	4,962.17
Loss on sale of Investments	-	14,726.92
Less: Provision released	-	(14,726.92)
	-	-
Loss on Sales/ Disposal of Fixed Assets	39.06	6.20
Miscellaneous Expenses	471.86	419.33
Total	5,898.78	10,889.37

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**30.1 Auditors Remuneration**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Payments to the Statutory auditors comprise:		
For audit	25.00	25.00
For other services	10.00	10.00
Reimbursement of expenses	-	0.21
Total	35.00	35.21

30.2 Includes Rs. 904.24 lacs relating to earlier year.

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

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Details of Contract revenue and costs		
Contract Revenues recognised	53,020.40	48,962.14
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	51,413.25	59,751.04
Advances received for contracts in progress	15,723.43	16,866.43
Retention money for contracts in progress	15,570.45	14,600.57
Gross amount due from customers for contract work (Asset)	69,771.28	65,168.81
Gross amount due to customers for contract work (Liability)	510.82	956.75

**32 Disclosures under Accounting Standard 15 (Revised)**

**32.1 Gratuity**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
<b>Change in Defined Benefit Obligations (DBO) during the year / period</b>		
Present Value of obligations at the beginning of the year / period	269.49	252.94
Current Service Cost	103.91	45.89
Interest Cost	24.91	15.33
Actuarial (Gain)	(26.86)	(19.78)
Benefits paid	(13.71)	(24.89)
<b>Present Value of obligations at the end of the year / period</b>	<b>357.74</b>	<b>269.49</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**32.1 Gratuity (contd.)**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Current portion	48.85	11.13
Non Current portion	308.89	258.37
<b>Components of Employer Expense</b>		
Cost for the year / period		
Current Service Cost	103.91	45.89
Interest Cost	24.91	15.33
Net actuarial Loss / (Gain) recognised in the year / period	(26.86)	(19.78)
Net Cost	101.96	41.44
<b>Assumptions</b>		
Discount Rate	7.80%	8.50%
Attrition rate per annum	3.00%	3.00%
Expected rate of Salary increases	5.00%	5.00%
Rate of Mortality	Ind Assured Lives (2006-08) Ultimate	Ind Assured Lives (2006-08) Ultimate

**Notes:**

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

**c Experience adjustments :**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014	Fifteen months ended 30 June 2013	Year ended 31 March 2012
Defined benefit obligation	357.74	269.50	252.94	180.97
Plan assets	-	-	-	-
Deficit	357.74	269.50	252.94	-
On plan liabilities - Losses / (Gains)	(26.86)	(19.78)	2.22	(28.12)

The details of experience adjustments relating to earlier years have been disclosed to the extent of available information.

## SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

### 32.2 Compensated absences

#### Actuarial Assumptions for Compensated Absences

₹ in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Rate of Mortality	Ind (2006-08)	Ind (2006-08)
Discount rate	7.80%	8.50%
Expected rate of Salary increases	5.00%	5.00%

### 33 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 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.

#### 33.1 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 associates 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 to 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:

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Options at the beginning of the year / period		
Vested	3,219	75,424
Unvested	-	-
Add: Granted during the year / period	-	-
Add: Vested during the year / period	-	-
Less: Lapsed during the year / period	3,219	72,205
Less: Exercised during the year / period	-	-
Options outstanding at the end of the year / period		
Vested	-	3,219
Unvested	-	-
Exercisable at the end of the year / period	-	3,219

#### Deferred Stock Compensation Expense

During the period , an amount of ₹ Nil (Previous period: ₹ 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.

#### 33.2 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 31 March 2015	As at 31 March 2014
Options at the beginning of the year / period		
Vested	6,850	52,500
Unvested		
Add: Granted during the year / period	-	
Add: Vested during the year / period		
Less: Lapsed during the year / period	6,600	45,650
Less: Exercised during the year / period		
Options outstanding at the end of the year / period		
Vested	250	6,850
Unvested	-	-
Exercisable at the end of the year / period	250	6,850

#### Deferred Stock Compensation Expense

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

#### 33.3 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

#### 34 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.

#### A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
External Sales	53,020.40	49,216.13	323.00	293.00	1,422.49	-	-	-	-	-	54,765.89	49,509.13
Intersegmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	53,020.40	49,216.13	323.00	293.00	1,422.49	-	-	-	-	-	54,765.89	49,509.13
Result												
Segment Result	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	-	-	(2,967.41)	(11,317.14)
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure	-	-	-	-	-	-	-	-	(5,153.90)	(17,426.97)	(5,153.90)	(17,426.97)
Operating Loss	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(5,153.90)	(17,426.97)	(5,153.90)	(17,426.97)
Finance Costs (Net of amounts identified with 'Construction Contracts' segment)									17,140.25	13,800.01	17,140.25	13,800.01
Exceptional Items												
Profit / (Loss) before Tax	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(22,294.15)	(31,226.98)	(25,261.56)	(42,544.12)
Tax Expense	-	-	-	-	-	-	-	-	23.61	1,392.84	23.61	1,392.84
Profit / (Loss) after Tax	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(22,317.76)	(32,619.82)	(25,285.17)	(43,936.96)



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

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Other Information												
Segment Assets	153,547.36	141,949.27	2,450.41	5,812.27	1,529.53	10,357.63	-	-	-	-	157,527.30	158,119.17
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	109,260.64	83,385.98	109,260.64	83,385.98
Total Assets	153,547.36	141,949.27	2,450.41	5,812.27	1,529.53	10,357.63	-	-	109,260.64	83,385.98	266,787.94	241,505.15
Segment Liabilities	251,784.16	191,739.16	(29.35)	5,510.25	168.45	162.01	-	-	-	-	251,923.26	197,411.42
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	8,666.63	33,564.65	8,666.63	33,564.65
Total Liabilities	251,784.16	191,739.16	(29.35)	5,510.25	168.45	162.01	-	-	8,666.63	33,564.65	260,589.89	230,976.07
Capital Expenditure (Gross)	750.19	2,311.45	-	-	-	-	-	-	-	-	750.19	2,311.45
Depreciation	570.33	437.69	-	-	-	-	-	-	-	-	570.33	437.69
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Provision for doubtful debts	319.35	4,962.17	-	-	-	-	-	-	-	-	319.35	4,962.17
Provision for Contract losses	6,320.12	8,693.20	-	-	-	-	-	-	-	-	6,320.12	8,693.20
Aggregate write down in value of current Investments	-	-	-	-	-	-	-	-	-	-	-	-

## SHRIRAM EPC LIMITED

## Notes forming part of Financial Statements

## B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Rest of the World</b>		
Revenue	10.35	214.73
Assets	9,074.74	7,314.60
Capital Expenditure	-	172.44
<b>India</b>		
Revenue	54,755.54	49,294.40
Assets	257,713.20	234,176.67
Capital Expenditure	750.19	2,139.01

## 35 Related Party Disclosures under Accounting Standard 18

35.1 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.

Description of Relationship	Name of the Related Parties Year ended 31 March 2015	Name of the Related Parties Nine Months ended 31 March 2014
Holding Company#	Shriram Industrial Holdings Limited (SIHL) (w.e.f. 17 November 2014)	
Ultimate Holding Company#	Shriram Venture Limited (Holding Company of SIHL) (w.e.f. 17 November 2014)	
Enterprises which exercise significant influence over the Company (Investing parties)		Shriram Industrial Holdings Limited (SIHL) Shriram Venture Limited (Holding Company of SIHL)
Subsidiaries	Shriram EPC FZE, Sharjah	Shriram EPC FZE, Sharjah Hexa Wind Farm Private Limited (Ceased to be subsidiary with effect from 31 March 2014)
Fellow Subsidiaries	Shriram SEPL Composites Private Limited Blackstone Consulting Technologies Private Limited Chem Project Consulting Private Limited Shriram Epc (Singapore) Pte Ltd	Shriram SEPL Composites Private Limited Blackstone Consulting Technologies Private Limited Chem Project Consulting Private Limited Shriram Epc (Singapore) Pte Ltd

## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

35.1 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. (contd.)

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)	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)
Companies over which Key Management Personnel exercise Significant Influence (Only where transactions have taken place during the year / period)	Orient Green Power Company Limited Theta Management Consultancy Private Limited Subsidiaries of Orient Green Power Company Limited Bharath Wind Farm Limited Clarion Windfarms Private Limited Beta Wind Farm Private Limited Orient Eco Energy Private Limited	Orient Green Power Company Limited Theta Management Consultancy Private Limited Subsidiaries of Orient Green Power Company Limited Bharath Wind Farm Limited Clarion Windfarms Private Limited Beta Wind Farm Private Limited Orient Eco Energy Private Limited
Key Management Personnel	T.Shivaraman - Managing Director M.Amjad Shariff - Joint Managing Director	T.Shivaraman - Managing Director M.Amjat Shariff - Joint Managing Director
Joint Venture of Holding Company (w.e.f 17 November 2014)	Leitwind Shriram Manufacturing Limited Hamon Shriram Cottrell Private Limited	- -
Associate of Holding Company (w.e.f 12 December 2014)	Prosperity Shop India Private Limited	-

**Note:** Related parties have been identified by the Management.

# Shriram Venture Limited has merged with Shriram Industrial Holdings Limited with effect from 11 May 2015.

## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

35.2 Transactions during the year / period

₹ in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Progressive billings/Revenue</b>		
Orient Green Power Company Limited		53.09
Beta Wind Farm (Pvt) Limited	1,422.48	1,144.41
<b>Sale of Fixed assets</b>		
Hexa Wind farm (Pvt) Limited	-	9,291.12
<b>Lease Rental Income</b>		
Clarion Windfarms (Pvt) Limited	-	6.65
Ennore Coke Limited	29.72	12.43
Haldia Cokes & Chemicals (Pvt) Limited	-	8.80
Shriram Venture Limited	41.23	15.41
Shriram SEPL Composites P Ltd	24.96	-
Leitwind Shriram Manufacturing Ltd	11.23	-
<b>Purchases of goods and Services</b>		
Hamon Shriram Cotrell P Ltd	77.66	-
Shriram SEPL Composites P Ltd	53.68	-
Blackstone Group Technology P Ltd	26.36	-
Leitwind Shriram Manufacturing Ltd	1,544.11	-
<b>Management fees paid</b>		
Shriram Industrial Holdings Limited	-	1,624.45
<b>Transfer of Margins</b>		
Leitwind Shriram Manufacturing Ltd	368.12	-
<b>Expenses incurred on behalf of related party</b>		
Shriram EPC FZE, Sharjah	13.91	18.86
Haldia Cokes & Chemicals (Pvt) Limited	-	0.24

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**35.2 Transactions during the year / period**

₹in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
Ennore Coke Limited	39.46	24.87
Orient Green Power Company Limited	42.67	122.59
Bharat Wind Farm Limited	8.41	26.22
Shriram Venture Limited	1.01	-
Blackstone Consulting Technologies (Pvt) Limited	4.62	-
Shriram SEPL Composites P Ltd	16.81	-
Leitwind Shriram Manufacturing Ltd	51.92	-
Hamon Shriram Cotrell P Ltd	1.19	-
Hexa Wind farm (Pvt) Limited	-	10.10
<b>Expenses incurred for the Company by the related party</b>		
Orient Green Power Company Limited	24.44	81.52
Ennore Coke Limited	-	41.90
Theta Management Consultancy P Ltd	-	50.00
Shriram Venture Limited	0.58	0.72
<b>Interest Income</b>		
Haldia Cokes & Chemicals (Pvt) Limited	5,785.49	1,213.26
Ennore Coke Limited	2,813.81	1,202.95
Leitwind Shriram Manufacturing Ltd	1,402.08	-
Hamon Shriram Cotrell P Ltd	29.09	-
Orient Green Power Company Limited	-	229.50
Hexa Wind farm (Pvt) Limited	-	1,068.05
<b>Interest Expense</b>		
Shriram Industrial Holding Limited	767.55	950.44
Shriram Venture Limited	-	123.54
<b>Remuneration to Key Management Personnel</b>		
T. Shivaraman	42.99	30.11
M. Amjad Shariff	47.99	35.16

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**35.2 Transactions during the year / period**

₹in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Borrowings from</b>		
Shriram Industrial Holding Limited	29,358.93	22,774.00
Prosperity Shop India P Ltd	300.00	-
<b>Repayment of borrowings</b>		
Shriram Industrial Holdings Limited	15,683.00	23,788.47
Prosperity Shop India P Ltd	300.00	-
<b>Allotment of Preference Shares</b>		
Shriram Industrial Holdings Limited	-	30,000.00
<b>Transfer of Advances / Receivables to</b>		
Shriram Industrial Holdings Limited	14,400.00	5,000.00
Orient Green Power Company Limited	-	353.09
Haldia Cokes & Chemicals Private Limited	1,604.40	-
Ennore Coke Limited	1,589.39	-
<b>Investments in Equity Shares (including premium)</b>		
Shriram Industrial Holdings Limited	21,000.00	-
Shriram EPC FZE, Sharjah	-	24.26
<b>Advance Given / (Received) - (Gross)</b>		
Haldia Cokes & Chemicals (Pvt) Limited	14,427.69	47,446.71
Beta Wind Farm (Pvt) Limited	(1,272.33)	-
Orient Green Power Company Limited	-	722.00
Gamma Green Power (Pvt) Limited	-	20.00
Hexa Wind Farm Private Limited	-	50.00

## SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

### 35.3 Closing balance as at the year end / period end

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Amount outstanding - Dr / (Cr)</b>		
Shriram EPC FZE, Sharjah	32.76	18.86
Haldia Cokes & Chemicals Private Limited	43,755.73	36,355.08
Ennore Coke Limited	26,092.82	14,089.23
Orient Green Power Company Limited	64.26	99.64
Bharat Wind Farm Limited	22.22	13.88
Clarion Windfarms Private Limited	(0.32)	0.28
Shriram Industrial Holdings Limited	(8,400.23)	(11,884.21)
Shriram Venture Limited	(266.39)	(263.17)
Beta Wind Farm Private Limited	1,402.86	(4.31)
Shriram SEPL Composites Private Limited	(134.80)	-
Shriram Epc (Singapore) Pte Ltd	4,449.64	-
Leitwind Shriram Manufacturing Limited	11,146.93	-
Hamon Shriram Cotrell Private Limited	1,035.40	-
BlackStone Group Technologies Private Limited	(49.04)	-
Corporate Guarantees given by Company		
Orient Green Power Company Limited	1,600.00	1,600.00

**35.4** 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 31 March 2015 and as at 31 March 2014, there are no further amounts payable to/receivable from them, other than disclosed above.

## 36 Leases

## SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

### 36.1 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 ₹524.71 Lakhs (Previous period - ₹509.80 lakhs) 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 March 31, 2015	As at March 31, 2014
Not later than One Year	194.06	229.81
Later than One Year and less than Five Years	776.25	919.25
Later than Five Years	365.02	1,076.49
<b>TOTAL</b>	<b>1,335.33</b>	<b>2,225.55</b>

### 36.2 Yearwise future minimum lease rental payments on contracts:

₹in Lakhs

Particulars	As at March 31, 2015		As at March 31, 2014	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
Not later than One Year	18.67	17.39	30.92	27.60
Later than One Year and less than Five Years	4.18	3.92	11.46	10.64
Later than Five Years	-	-	-	-
<b>Total</b>	<b>22.85</b>	<b>21.31</b>	<b>42.38</b>	<b>38.24</b>
Less: Future Finance Charges	1.54	-	4.12	-
<b>Present Value of Minimum Lease payments</b>	<b>21.31</b>	<b>21.31</b>	<b>38.26</b>	<b>38.24</b>



**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**37 Earnings Per Share**

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Basic &amp; Diluted</b>		
Continuing operations:		
Loss for the year / period from continuing operations (₹ Lakhs)	(25,285.17)	(43,936.96)
Weighted average number of equity shares outstanding during the year / period (In Nos.)	59,892,431	44,358,184
Par Value of Share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	(42.22)	(99.05)
The weighted average number of equity shares used for computing Basic and Diluted EPS are same since the outstanding potential equity shares as at 31 March 2015 and 31 March 2014 are anti dilutive in nature.		

**38 Taxes on income**

**38.1 Current Tax**

The Current tax has been computed based on the estimated taxable income for the year ended 31 March 2015. However, Company is not liable to current tax in view of losses incurred.

**38.2 Deferred Tax - Disclosure Under Accounting Standard 22**

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
On Depreciation	265.75	1,256.23
Total Liability	265.75	1,256.23
<b>Deferred Tax Asset</b>		
Provision for Gratuity	123.81	91.96
Provision for Compensated absences	118.89	112.99
Others (Restricted to the extent of liability)	23.05	1,051.28
Total Asset	265.75	1,256.23
Net Deferred Tax Asset / (Liability)	-	-

**38.3 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.

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**39 Contingent Liabilities**

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
Arrears of Fixed Cumulative Dividend	3,780.82	780.82
Compensation payable in lieu of bank sacrifice (Refer Note 5.1)	18,500.00	-
Corporate Guarantees issued	1,600.00	1,600.00
Claims against the Company not acknowledged as debts	12,482.32	8,126.60
Central Excise, Service tax and Custom duties demands contested in Appeals, not provided for	428.82	322.21
Disputed VAT/Central Sales Tax demands contested in Appeals, not provided for	10,179.02	3,574.65
Income tax demands contested in Appeals, not provided for	1,732.88	1,366.16

Management is of the opinion that the Appeals preferred by the Company will be decided in its favour. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

**40 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for ₹ Nil (31 March 2014: ₹503.87 lakhs)

**41 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, Lietner 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 year ended 31 March 2015.

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

**42.1 Maximum amount outstanding at any time during the year:**

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Subsidiaries</b>		
Shriram EPC FZE, Sharjah	32.76	18.86
<b>Associates</b>		
Haldia Cokes & Chemicals (Pvt) Limited	53,567.08	36,916.95
Orient Green Power Company Limited	86.34	2,907.82
Ennore Coke Limited	24,503.44	12,605.36
Bharat Wind Farm Limited	22.29	20.62
Total	78,211.91	52,469.61

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**43 CIF value of Imports** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Materials consumed in execution of Engineering Contracts	245.28	1,817.87

**44 Expenditure in Foreign Currency** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Travelling and conveyance	25.23	106.74
Professional and consultation fees	151.93	232.84
Erection, Construction & Operation Expenses	294.44	1,502.61
Others	725.67	1,220.75
<b>Total</b>	<b>1,197.27</b>	<b>3,062.94</b>

**45 Earnings in Foreign Currency** ₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
FOB Value of Exports	10.35	214.73

**46 Details on derivative instruments and unhedged foreign currency exposures**

I. The following derivative positions were open as at 31 March, 2014. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may qualify to be designated as hedging instruments. The accounting for these transactions is stated in Notes 2.21

Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company and outstanding as on 31 March 2015 - Nil (PY - 1 No.)

Details of contracts outstanding as at 31 March 2014 are as follows:

Currency	Amount in USD	Buy / Sell	Cross currency
USD	979,943	Buy	Rupees

**SHRIRAM EPC LIMITED**

Notes forming part of Financial Statements

**(ii) Unhedged foreign currency exposure** ₹in Lakhs

Particulars	Currency	As at 31 March 2015	
		Amount in Foreign Currency	₹in Lakhs
Bank balance	IQD	318.11	16.83
Trade Payables (including Payables on purchase of fixed assets)	USD	37.26	2,328.36
	AUD	0.36	17.01
	EURO	5.88	395.13
	SGD	0.40	18.18
	GBP	0.22	20.71
Trade and other receivables	USD	74.61	4,662.82
	EURO	5.92	397.67
Deposits	AUD	10.38	493.13

Particulars	Currency	As at 31 March 2014	
		Amount in Foreign Currency	₹in Lakhs
Bank balance	IQD	3.44	0.18
	USD	0.01	0.43
Trade Payables (including Payables on purchase of fixed assets)	IQD	451.82	23.29
	USD	74.26	4,449.67
	AUD	3.74	207.57
	EURO	9.17	758.05
	RMB	4.75	45.90
	SGD	0.40	19.08
	GBP	0.10	9.73
Trade and other receivables	USD	74.61	4,469.95
	EURO	5.93	490.04
Deposit	AUD	10.38	576.23



## SHRIRAM EPC LIMITED

### Notes forming part of Financial Statements

47 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.


48 The Company had secured an EPC Contract from M/s Abhijeet Projects Limited (APRL) for execution of a Solar Thermal power project at Rajasthan with technology support from M/s EnerT international limited, Israel. The contract should have been executed by 28th February 2013. But due to the financial encumbrances of APRL, the project came to standstill since March 2013. The effort of the Company and APRL to identify potential financial and strategic investor which would enable the company to complete the project is still in process and a banker has been identified to take this proposal forward. During the year, the Company has reviewed the outstanding dues from APRL and written off ₹5,948 Lakhs as irrecoverable. The balance amount outstanding after this write off under Trade Receivables, Unbilled revenue and Short Term loans and advance (net of advance received) aggregates to ₹9,538.08 lakhs. Considering the steps initiated by the Company along with the customer to complete the project the dues are considered good and recoverable by the Management.

49 The Company was in the course of executing project for Governorate of Basra, Government of Iraq ('the customer'). There were some delays in commencement of the project due to regulatory compliances. However the said contract has been cancelled by the Customer during February 2014. The construction activities for the project has been ceased, and the legal dispute with the customer

for the recovery of the amounts so far incurred in respect of the said project, or for re-commencement of the project and its completion thereon, was decided in our favour at the trial court. Governorate of Basra went on appeal and the appeal court reversed the decision of the trial court and Company has gone on appeal to Supreme Court in Iraq. Based on legal advice company is confident that if the Basra Court decides against restoration of the contract, the court would award a compensation or damages to us as per existing Iraqi law. The Government of India has also been extremely supportive for revival of the project. The customer has opened a Letter of credit ('LC') for a value of USD 235 million (INR 139,590 Lakhs) which is an irrevocable LC backed by 100% margin deposited by the customer. Cancellation of this LC is possible only on settlement being reached with the company. Further, the Company has also filed a claim with concerned authorities and insurers towards compensation for cancellation of contract. The total amounts due to Company under Trade Receivables, Unbilled revenue representing the actual cost incurred and Short Term loans and advances aggregate to ₹12,257.73 Lakhs. For the reasons mentioned above, the management is confident of realizing the monies and do not expect any shortfall in realization of the dues

50 The Company has an exposure amounting to ₹8,300.19 Lacs in respect of a project which has been inordinately delayed. Company is considering various options available with the Company to recommence the project and financial and operation support extended by the Holding Company, the Company's management believes that the project is viable and these dues are considered fully realizable.

51 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also



confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 28 May 2015.

52 Current year figures are for a period of twelve months as against previous period of nine months and hence not comparable. Previous period figures have been regrouped and reclassified wherever necessary to conform with the current year's presentation / disclosure.

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 : 28<sup>th</sup> May, 2015



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHRIRAM EPC LIMITED

### Report on Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Shriram EPC Limited (hereinafter referred to as "the Holding Company") and its subsidiary ((the Company and its subsidiary constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") 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, including the Accounting standards, specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation 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 whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



## 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 the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate company as at March 31, 2015, and its consolidated loss and its consolidated cash flows for the year ended on that date.

### Emphasis of Matters

- We refer to Note 48 in the consolidated financial statements regarding Unbilled revenue, Trade Receivables, Short term loans and advances aggregating to ₹9,538.08 Lakhs in respect of a project which has been suspended by the customer due to financial difficulties. In view of the steps contemplated by the Company as more fully described in the note, the management is hopeful of recovery of all its dues.
- We draw attention to the Note 44 in the consolidated financial statements regarding the dues of ₹12,257.73 Lakhs in respect of an overseas project which was cancelled by the customer during the previous year. For the reasons mentioned in the note, the said dues as considered fully realizable by the management.
- Attention is invited to Note No. 45 in the consolidated financial Statements regarding the dues of ₹8,300.19 Lakhs in respect of one project which has been suspended. These dues are considered fully realizable by the management at this stage in view of the steps taken by the Company to recommence the project and realize its dues.

Our report is not qualified in respect of these matters.

### Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹2.85 lakhs as at March 31, 2015, total revenue of ₹ Nil and net cash flows amounting to (₹32.39 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 loss of ₹1,255.84 Lakhs for the year ended 31 March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiaries, and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory requirements

- As required by the Companies (Auditor's Report) order, 2015 ("the order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, based on the comments in the auditor's reports of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
- As required by Section 143(3) of the Act, we report, to the extent applicable that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account, as required by the law relating to preparation of the aforesaid consolidated financial statements, have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement







dealt with by this report are in agreement with the relevant books of account, maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in Emphasis of Matters paragraph above and clause VIII in the annexure to this report and Note 1B of financial statements, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representation received from the directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and Associate Company incorporated in India, none of the Directors of the Holding Company and Associate Company is disqualified as on March 31, 2015 from being appointed as a director in terms of section 164(2) of the Act.
- g) With respect to other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit

and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanation given to us:

- i) The Consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India.

For **DELOITTE HASKINS & SELLS**

**Chartered Accountants**  
(Firm's Registration No.: 008072S)

**M K Ananthanarayanan**  
Partner

**Chennai, 28 May 2015**

(Membership No.: 19521)



## 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)

Our reporting on the Order includes One Associate Company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of this entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company and Associate company:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Holding Company and associate company incorporated in India have a program of verification of fixed assets to cover all the items in a phased manner over a period of 1 to 3 years which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the respective entities and the nature of their assets. Pursuant to the program, certain fixed assets were physically verified by the Management of the respective entities during the year. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company and associate company incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were

reasonable and adequate in relation to the size of the respective entities and the nature of their business except in case of one of the subsidiaries of associate where the verification procedure needs to be strengthened.

- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and discrepancies noticed on verification between the physical stocks and book records of the Associate and its subsidiaries have been properly dealt with in their books of Account.
- (iii) According to the information and explanations given to us, the Holding Company and Associate Company have granted loans, unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act 2013, in respect of such loans:
  - (a) In the absence of stipulations, the regularity of the receipts of principal amounts and interest has not been commented upon.
  - (b) There were no overdue amounts exceeding ₹1 Lakh remaining outstanding as at the year-end.
- (iv) In our opinion and the opinion of the auditors and according to the information and explanations given to us and other auditors, there is an adequate internal control system in the Holding Company and Associate Company, commensurate with the size of the respective entities and the nature of their business for the purchase of Inventory and fixed assets for the sale of goods and services. During the course of our and the other auditor's audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) According to the information and explanations given to us, the Holding Company, and associate company have not accepted any deposit during the year.



(vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and associate company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013 except one subsidiary of associate. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company:

(a) The Holding Company has been generally regular in depositing undisputed statutory dues, including

(c) Details of dues of Income-tax, Sales Tax and Value Added Tax which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates (Financial Year)	Amount involved (Rs. in lakhs)
Income Tax Act, 1961	Income Tax, interest and penalty	Commissioner of Income Tax ( Appeals )	2005-06 to 2011-2012	1,406.02
Income Tax Act, 1961	Income Tax, interest and penalty	2005-06 to	2005-06, 2007-08 & 2008-09	60.22
Service Tax (Chapter V of the Finance Act 1994)	Service Tax and penalty	Customs Excise and Service Tax Appellate Tribunal	2006-07 to 2008-09	314.28
Service Tax (Chapter V of the Finance Act 1994)	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	2008-2009 & 2009-2010	223.33
Tamil Nadu Value added Tax Act	Value Added Tax	High Court	2008-09 to 2012-13	1,123.31
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	2009-10, 2010-11 & 2011-12	551.95
West Bengal Value Added Tax Act	Value Added Tax	Joint Commissioner (Appeals)	2008-09	319.25
Jharkhand Value Added Tax Act	Value Added Tax	Commercial Tax Officer	2008-09 to 2010-11 2008-09	661.82
Andhra Pradesh Value Added Tax Act	Value Added Tax	Deputy Commissioner	2008-09 to 2011-12	40.17
Orissa Value added Tax Act	Value added Tax	High Court	2011-12 and 2012-13	6,700.75

Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. In respect of Service Tax, the Company has not been generally regular in depositing the dues with the appropriate authorities though the delays in deposit have not been serious.

(b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(d) There is no amount which is required to be transferred by the Holding Company to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

According to the information and explanations given to Auditors of Associate and its subsidiaries, in respect of statutory dues of the Associate Company and its subsidiaries:

(e) Associate and its two Subsidiary Companies incorporated in India have been regular during the year in depositing undisputed statutory dues payable including Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty,

Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities, though there have been delays in remittance.

In respect of two Subsidiaries of Associate incorporated in India, the respective Companies have not been regular during the year in depositing undisputed statutory dues payable including Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues with the appropriate authorities. In respect of one other Subsidiary Company incorporated in India, the provisions of clause 4 (vii a) of the Order are not applicable.

There are no undisputed amounts payable which were outstanding, at the year-end for a period of more than six months from the date they became payable, except in respect of one Subsidiary the details of which are as follows:

Name of Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which it relates	Due Date	Date of payment
Odisha VAT Act	CST	78.90	Up to June, 2013	Various	-
	VAT	114.86	Up to June, 2014	Various	-
Gujarat VAT Act	VAT	83.82	Up to September 2014	Various	On 2nd, 6th & 30th April 2015

(f) According to the information and explanations given to the statutory auditors of the Associate and its three Subsidiary Companies incorporated in India, the dues of Income-tax, Service Tax and Entry Tax which have not been deposited with the appropriate authorities on account of any dispute, are as follow. In respect of other two subsidiary companies incorporated in India, the provisions of clause 4 (vii b) are not applicable.

Name of Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act	Income Tax	2,503.91	AY 2011-12	CIT (A)
		2,678.77	AY 2012-13	
Service Tax Act	Service Tax	99.61	AY 2009-10 to AY 2012-13	CESTAT
West Bengal entry tax Act	Entry Tax	40.41	Various periods	Undisputed

- (g) According to the information and explanations given to the statutory auditors of the Associate and its five Subsidiary Companies incorporated in India, all the said Companies are not required to transfer any amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder.
- (viii) The Group has consolidated accumulated losses at the end of the financial year and the Group has incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not borrowed from financial institutions and has not issued any debentures during the year.(Also Refer Note 5(ii) of Financial Statements)

The Associate company and four of its Subsidiary Companies incorporated in India, have not defaulted in the repayment of their respective dues to their Banks and financial institutions. In respect of one Subsidiary Company of Associate incorporated in India there has been default in repayment of dues to the Banks as under:–

Name of the Bank	Due on	Amount Due	Paid on	Amount	Delay in days
Union Bank of India	30-Jun-14	50.00	05-Aug-14	50.00	36
	30-Sep-14	50.00	27-Nov-14	50.00	58
	31-Dec-14	50.00	16-Feb-15	50.00	47
State Bank of Hyderabad	30-Jun-14	50.00	23-Jul-14	50.00	23
	30-Sep-14	50.00	10-Nov-14	50.00	41
Indian Overseas Bank	30-Sep-14	45.25	14-Aug-14	16.00	-
			28-Oct-14	29.25	25
	31-Dec-14	45.50	28-Oct-14	16.00	-
			21-Jan-15	29.50	21
State Bank of India	30-Jun-14	100.00	25-Aug-14	100.00	56
	30-Sep-14	100.00	05-Dec-14	50.00	66
			16-Dec-14	50.00	77
	30-Dec-14	100.00	08-Jan-15	50.00	8
			29-Jan-15	50.00	29

- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others a bank are not, prima facie, prejudicial to the interest of the Group.

According to the information and explanations given to Auditors of Associate and its subsidiaries, the terms and conditions of guarantees given by the Associate Company and one subsidiary company of the Associate incorporated in India for loans taken by the related parties for a sum of ₹89,992.42 Lakhs from banks or financial institutions are not prejudicial to the interest of the Group. The other four subsidiary Companies of Associate incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.

- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

In opinion of Auditors of Associate and its five subsidiary companies incorporated in India, Associate and its five subsidiary companies incorporated in India have not availed new term loans. Accordingly the provisions of clause 4 (xi) of the Order are not applicable.

- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Holding Company, Associate and its subsidiary Companies, no material fraud on the by the Holding Company, Associate and its subsidiary Companies has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
**Chartered Accountants**  
**(Firm's Registration No.: 008072S)**

**M K Ananthanarayanan**  
**Partner**  
**(Membership No.: 19521)**

**Chennai, 28 May 2015**

**SHRIRAM EPC LIMITED**  
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2015

₹in Lakhs

Particulars	Note No	As at 31 March 2015	As at 31 March 2014
<b>A EQUITY AND LIABILITIES</b>			
1 Shareholders' funds			
Share Capital	3	38,635.82	34,435.82
Reserves and Surplus	4	(36,527.46)	(26,786.61)
		2,108.36	7,649.21
<b>2 Non-Current Liabilities</b>			
Long Term Borrowings	5	170,369.55	19,446.41
Other Long Term Liabilities	6	7,469.63	6,956.19
Long Term Provisions	7	308.89	258.37
		178,148.07	26,660.97
<b>3 Current Liabilities</b>			
Short Term Borrowings	8	41,801.00	150,308.41
Trade Payables	9	23,665.16	30,374.41
Other Current Liabilities	10	16,610.31	23,386.85
Short Term Provisions	11	393.66	305.12
		82,470.13	204,374.79
<b>TOTAL</b>		<b>262,726.56</b>	<b>238,684.97</b>
<b>B ASSETS</b>			
1 <b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	12	3,971.11	4,219.13
Intangible Assets		135.81	106.86
Capital Work-in-Progress		2,933.65	2,658.06
		7,040.57	6,984.05
Non-Current Investments	13	473.69	1,658.35
Long-term Loans and Advances	14	102,162.52	71,356.35
Other Non-Current Assets	15	40,957.83	53,089.60
		150,634.61	133,088.35
<b>2 Current Assets</b>			
Current Investments	16	44.22	44.22
Inventories	17	8,486.27	11,426.08
Trade Receivables	18	25,150.43	24,607.22
Cash and Cash Equivalents	19	10,787.01	11,911.19
Short Term Loans and Advances	20	14,297.23	18,614.21
Other Current Assets	21	53,326.82	38,993.70
		112,091.95	105,596.62
<b>TOTAL</b>		<b>262,726.56</b>	<b>238,684.97</b>
See accompanying notes forming part of the financial statements			

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

M. K. Ananthanarayanan  
Partner

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

T. Shivaraman  
Managing Director

K. Suresh  
Company Secretary

S. Krishnamurthy  
Director

R. S. Chandrasekharan  
Chief Financial Officer

**SHRIRAM EPC LIMITED**  
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

₹in Lakhs

Particulars	Note No	Year Ended 31 March 2015	Nine Months Ended 31 March 2014
I Revenue from Operations	22	54,765.89	49,509.13
II Other Income	23	1,102.75	2,677.59
III Total Revenue (I+II)		55,868.64	52,186.72
IV Expenditure :			
Cost of Raw Materials and Components Consumed	24	603.90	487.38
Erection, Construction & Operation Expenses	25	45,538.69	38,882.95
Purchases of Stock in Trade	26	1,296.00	-
Change in Inventories of Contract Work in Progress and Stock In Trade	27	2,658.92	20,868.09
Employee Benefits Expense	28	5,476.92	4,090.34
Finance Costs	29	19,087.00	19,075.18
Depreciation and Amortisation Expense	12	570.33	437.69
Other Expenses	30	5,922.41	10,947.66
<b>Total Expenses</b>		<b>81,154.17</b>	<b>94,789.29</b>
V Loss Before Tax (III - IV)		(25,285.53)	(42,602.57)
VI Tax expense / (benefit):	38		
(1) Current tax		-	-
(2) Deferred tax (Net) (Refer Note 12.3)		23.61	1,392.84
<b>Net tax expense / (benefit)</b>		<b>23.61</b>	<b>1,392.84</b>
VII Loss After Tax for the year / period		(25,309.14)	(43,995.41)
VIII Add: Share of loss from Associate		(1,255.84)	(6,633.65)
IX Loss for the period		(26,564.98)	(50,629.06)
X Earnings per Share:( Face value of ₹10/- per share)	37		
Basic		(42.26)	(99.18)
Diluted		(42.26)	(99.18)
See accompanying notes forming part of the financial statements			

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

M. K. Ananthanarayanan  
Partner

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

For and on behalf of the Board of Directors

T. Shivaraman  
Managing Director

K. Suresh  
Company Secretary

S. Krishnamurthy  
Director

R. S. Chandrasekharan  
Chief Financial Officer



**SHRIRAM EPC LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

₹in Lakhs

Particulars		Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Loss before Tax	(25,285.53)	(42,602.57)
	Depreciation and amortisation expense	570.33	437.69
	Provision for Gratuity	88.23	16.54
	Provision for Compensated Absences	80.39	(1.69)
	Provision for Warranty	(29.39)	
	Loss on disposal of Fixed Assets (Net)	39.06	6.20
	Bad Trade Debts/Advances Written off	139.20	4,962.17
	Liabilities / provisions no longer required written back	(156.95)	(1,197.61)
	Interest Income	(705.87)	(1,215.58)
	Interest and Finance Charges	30,119.17	23,148.17
	Interest Recovered	(11,032.17)	(4,072.99)
	Write down in the carrying value of Inventories	-	16,779.45
	Provision for Unbilled Revenue	6,320.12	8,693.20
	Deferred rent	11.21	27.08
		25,443.34	47,582.63
	<b>Operating Profit before working capital changes</b>	157.81	4,980.05
	<b>Working capital changes :</b>		
	<b>Adjustments for (increase) / decrease in operating assets:</b>		
	Inventories	2,939.81	4,180.90
	Trade Receivables	(682.41)	28,665.32
	Short Term Loans and Advances	4,283.89	15,108.86
	Long Term Loans and Advances	(18,888.43)	(63,944.65)
	Other Current Assets	(14,096.88)	25,261.66
	Other Non-Current Assets	5,811.65	(48,690.47)
		(20,632.37)	(39,418.38)
	<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
	Trade Payables	(6,820.14)	(5,238.29)
	Other Current Liabilities	(1,699.48)	2,800.53
	Other Long Term Liabilities	2.51	-
		(8,517.11)	(2,437.76)
	Cash generated from /(used in) operations	(28,991.67)	(36,876.09)
	Net income tax paid	(885.57)	(767.62)
	<b>Net Cash flow (used in) / from Operating Activities (A)</b>	(29,877.24)	(37,643.71)

**SHRIRAM EPC LIMITED**
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015 (contd.)**

₹in Lakhs

Particulars		Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital expenditure (including Capital Work in progress)	(2,375.53)	(2,585.30)
	Proceeds from sale of fixed assets	14.84	269.91
	Bank balances not considered as Cash and cash equivalents (Net)		
	- Placed	(6,435.70)	(10,505.24)
	- Matured	10,505.24	8,464.78
	Purchase of Long Term investments		
	- Subsidiary	-	
	- Others	-	19,908.28
	Interest Received	469.66	1,158.50
	<b>Net Cash from Investing Activities (B)</b>	2,178.51	16,710.93
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of equity Shares (Including Securities Premium) / Preference shares	21,000.00	30,000.00
	Proceeds from long term borrowings (Refer Note 5.1)	59,879.18	12,150.77
	Repayment of long term borrowings	(12,500.00)	(5,822.54)
	Repayment of Long term borrowings from a related party(Net)	(4,251.70)	
	Repayment of Short term Borrowings (net)	(13,267.00)	
	Dividend paid	(0.18)	
	Movement in current maturities of long term borrowings	(2,574.63)	718.73
	Net Increase / (Decrease) in Working Capital Borrowings	-	10,340.18
	Interest and Finance Charges Paid	(17,641.58)	(25,621.38)
	<b>Net Cash from Financing Activities (C)</b>	30,644.09	21,765.76
<b>D.</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR / PERIOD ( A + B + C )</b>	2,945.36	832.85
	Cash and Cash equivalents as at the beginning of the year / period	1,405.95	573.10
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
	Cash and Cash equivalents as at the end of the year / period	4,351.31	1,405.95

**SHRIRAM EPC LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

₹ in Lakhs

Particulars	Year Ended 31 March 2015	Nine Months Ended 31 March 2014
<b>Significant Non Cash Adjustments:</b>		
Interest accrued on loans to group companies	(11,032.17)	(4,072.99)
Conversion of unpaid interest to Funded Interest Term Loans	13,553.32	
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
<b>Cash and cash equivalents as per Balance Sheet</b>	10,787.01	11,911.19
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
- Margin Money having maturity period exceeding three months	(6,435.70)	(10,505.24)
<b>Cash and cash equivalents at the end of the year / period *</b>	<b>4,351.31</b>	<b>1,405.95</b>
<b>* Comprises:</b>		
(a) Cash on hand	26.42	12.84
(b) Balances with banks		
(i) In current accounts	3,488.08	364.25
(ii) In deposit accounts with original maturity of less than 3 months	818.12	1,009.99
(iii) In earmarked accounts (Unpaid Dividend Account)	18.69	18.87
	4,324.89	1,393.11
	4,351.31	1,405.95
See accompanying notes forming part of the financial statements		

**Note:**

Capital expenditure includes adjustments for current liabilities relating to acquisition of fixed assets to the extent identified.

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

For and on behalf of the Board of Directors

M. K. Ananthanarayanan  
Partner

T. Shivaraman  
Managing Director

S. Krishnamurthy  
Director

Place : Chennai  
Date : 28<sup>th</sup> May, 2015

K. Suresh  
Company Secretary

R. S. Chandrasekharan  
Chief Financial Officer

**SHRIRAM EPC LIMITED**  
**Notes forming part of Consolidated Financial Statements**

**1A Corporate Information**

Shriram EPC Limited (the "Company" or "SEPC"), the flagship company of the Shriram EPC Group, has diverse interests across Financial Services, IT Services, Project Engineering & Construction, Property Development, Life Insurance and General Insurance. 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.

**1B Going Concern**

The financial statements have been prepared on principles applicable to a going concern despite substantial erosion of net worth, considering

- the committed orders on hand and under negotiation.
- expected higher cash flows based on future business projections
- Restructuring of Company's debts under Corporate Debt Restructuring (CDR) proposal which was approved by CDR Empowered group on 20 August 2014. The details regarding the restructured debt is as specified in the Master Restructuring Agreement between the company and the lenders are given in Note 5 (i) and
- the continued operational and financial support given by the Holding Company.

**1C Principles of consolidation**

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

- The financial statements of the subsidiary company and associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015.
- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- The consolidated financial statements include the share of profit / loss of the associate company which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies ( the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments
- 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.

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

(v) Following subsidiary company and associate have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at	
			31 March, 2015	31 March, 2014
Shriram EPC (FZE) Pte Ltd	Subsidiary	United Arab Emirates	100%	100%
Haldia Coke and Chemicals Private Limited	Associate	India	48.48%	48.48%

#### Subsidiaries of Associate

Name of the entity	Relationship	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at	
			31 March, 2015	31 March, 2014
Ennore Coke Limited	Subsidiary of Associate	India	48.48%	48.48%
Wellman Coke India Limited	Subsidiary of Associate	India	48.48%	48.48%
Asia Coke Limited	Subsidiary of Associate	India	48.48%	48.48%
Aditya Coke Private Limited	Subsidiary of Associate	India	48.48%	48.48%
Mahala Coke Products Private Limited	Subsidiary of Associate	India	48.48%	48.48%
laeger Minerals Inc, & Subsidiaries	Subsidiary of Associate	USA	48.48%	48.48%
Mississippi Minerals, Inc & Subsidiaries	Subsidiary of Associate	USA	48.48%	48.48%

#### 1D Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount (₹ In Lakhs)	As % of consolidated profit or loss	Amount (₹ In Lakhs)
Shriram EPC Limited	101.21%	2,133.83	95.18%	(25,285.17)
Subsidiaries				
Foreign				
Shriram EPC (FZE) Pte Ltd	-1.21%	(25.47)	0.09%	(23.97)
Associate (Investment as per the equity method)				
Indian				
Haldia Coke and Chemicals Private Limited	-	-	4.73%	(1,255.84)

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### 2 Significant Accounting Policies:

##### 2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### 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 point of sale, including octroi and other levies, transit insurance and receiving charges.

Contract Work in Progress represent work in progress 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 Group are segregated based on the available information.

##### 2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset.

- Leasehold improvements are written off over the primary period of their lease.
- Technical Know-how fees are amortised over the period of 5 to 10 years based on estimated useful life of the asset.
- Software cost are amortised over a period of 5 years based on Management's evaluation of their estimated useful life.
- Right to use Lease hold Land is amortised over the primary period of lease, which is 20 years.
- Individual assets costing ₹5,000/- each or less is depreciated in fully in the year of acquisition.



## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### 2.7 Revenue Recognition

##### Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are inclusive of all taxes.

##### Revenue from Construction contracts

“When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.

For the purposes of recognising revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

Revenue from Joint Venture Contracts : In respect of Jointly Controlled Operations, revenues, expenses, assets and liabilities are accounted for in the Group's books to the extent work is executed by the Group.

Contract Revenue earned in excess of billing is reflected as 'Unbilled Revenue' under 'Other Current Assets' and 'Other Non Current Assets' as the case may be and billing in excess of Contract Revenue has been reflected as 'Advances 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 included under the head "other Income" in the Statement of Profit and Loss.

#### 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.

##### Capital work-in-progress

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 / Translations

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.



## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

Integral foreign operations: Transactions in foreign currencies entered into by the Group's integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

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.

Integral foreign operations: Foreign currency monetary items (other than derivative contracts) of the Group's integral foreign operations outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group's integral foreign operations are carried at historical cost.

#### 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

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

##### 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 Group'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 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:

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

##### (ii) Defined Benefit Plans:

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

##### (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 Group 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 Group to acquire equity shares of the Group 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 Group 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 Group. 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 Group 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 Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group 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.

### 2.16 Taxation

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

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 Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

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, carry forward of losses and items relating to capital losses are recognised only if there is virtual certainty supported by convincing evidence 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 Group 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 following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 (other than a revalued 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, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.18 Provisions and Contingencies

A provision is recognised when the Group 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 Group provides post-contract services / warranty support to some of its customers. The Group 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.

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### Provision for Liquidated Damages

Liquidated damages are provided based on contractual terms and negotiations with the customer when the delivery/ commissioning dates of an individual project have exceeded or are likely to exceed the delivery/ commissioning dates as per the respective contracts. This expenditure is expected to be incurred over the respective contractual terms upto closure of the contract. (including defect liability period).

#### Provision for losses on contracts

A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

#### 2.20 Share issue expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium

Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

#### 2.21 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.

#### 2.22 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 reasonable certainty in availing / utilising the credits.

#### 2.23 Operating Cycle

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The normal operating cycle of the entity for Construction Contracts is the duration of 2 to 3 years depending on each contract. For all other segments, the normal operating cycle has been considered as a duration of 12 months.

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### 3 Share Capital

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Authorised :-</b>		
110,000,000 Equity Shares of ₹10 each	11,000.00	8,500.00
30,000,000 Convertible Preference shares of ₹100 each	30,000.00	30,000.00
	41,000.00	38,500.00
<b>Issued, Subscribed and fully Paid-up:-</b>		
86,358,184 Equity Shares (previous year - 44,358,184 Equity Shares) of ₹10 each	8,635.82	4,435.82
<b>Preference Share Capital</b>		
(30,000,000 10% Cumulative Redeemable Preference shares of ₹100/- each)	30,000.00	30,000.00
Total	38,635.82	34,435.82

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

Particulars	As at 31 March 2015		As at 31 March 2014	
	In Shares	Amount (in ₹ Lakhs)	In Shares	Amount (in ₹ Lakhs)
<b>Equity Shares</b>				
At the beginning of the year / period	44,358,184	4,435.82	44,344,284	4,434.43
Issued during the year / period (Refer Note 3.2 below)	42,000,000	4,200.00	13,900	1.39
Outstanding at the end of the year / period	86,358,184	8,635.82	44,358,184	4,435.82

Particulars	As at 31 March 2015		As at 31 March 2014	
	In Shares	Amount (in ₹ Lakhs)	In Shares	Amount (in ₹ Lakhs)
<b>Cumulative Redeemable Preference Shares</b>				
At the beginning of the year / period	30,000,000	30,000.00	-	-
Issued during the year / period	-	-	30,000,000	30,000.00
Outstanding at the end of the year / period	30,000,000	30,000.00	30,000,000	30,000.00

3.2 During the year, pursuant to Master Restructuring Agreement dated 20 September 2014 entered into by the Company with Corporate Debt Restructuring (CDR) lenders, the Company has allotted 42,000,000 of ₹10 per share at a price of ₹50 (including Premium of ₹40 per share). Also Refer Note 5.1, Consequent to this acquisition, Shriram Industrial Holdings Limited has become the Holding Company of the Group.

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

### 3.3 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No of Shares	% holding in that class of shares	No of Shares	% holding in that class of shares
<b>Equity Shares</b>				
Shriram Industrial Holdings Limited	60,334,526	69.87%	18,334,526	41.33%
Bessemer Venture Partners	10,481,762	12.14%	10,481,762	23.63%
Unit Trust of India Investment Advisory Services Limited	-	-	3,786,779	8.54%
<b>Cumulative Redeemable Preference Shares</b>				
Shriram Industrial Holdings Limited	30,000,000	100.00%	30,000,000	100.00%

### 3.4 Details of shares held by Holding Company and Ultimate Holding Company

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No of Shares	% holding in that class of shares	No of Shares	% holding in that class of shares
<b>Equity Shares</b>				
Shriram Industrial Holdings Limited (Holding Company)	60,334,526	69.87%	18,334,526	41.33%
<b>Cumulative Redeemable Preference Shares</b>				
Shriram Industrial Holdings Limited (Holding Company)	30,000,000	100.00%	30,000,000	100.00%

### 3.5 Terms/rights attached to the 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.

The Preference shares have a face value of ₹100 each, and are entitled to receive a cumulative dividend at the rate of 10%. The preference shares shall have a maximum tenure of 10 years. The preference shares are redeemable before 10 years at the option of the shareholders.

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

### 4 Reserves and Surplus

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
a) Capital Reserve	12.92	12.92
b) Securities Premium Account		
Opening Balance	24,849.88	24,849.88
Add: During the year (Refer Note 3.2)	16,800.00	-
Closing Balance	41,649.88	24,849.88
c) Share Options Outstanding Account		
Opening Balance	97.29	97.29
Less: Transfer to General Reserve	97.12	0.00
Closing Balance	0.17	97.29
d) General Reserve		
Opening Balance	464.63	464.63
Add: Transfer from Stock Options Outstanding Account	97.12	0.00
Closing Balance	561.75	464.63
e) Foreign Currency Translation Reserve	0.00	-
Additions during the year	0.01	0.00
Deletions during the year	-	-
Closing Balance	0.01	0.00
f) (Deficit) in Statement of Profit and Loss		
Opening balance	(56,842.34)	(7,447.38)
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 12.3)	45.86	-
Add: Loss for the year / period	(26,564.98)	(50,629.06)
Less : Deletions during the year	-	(1,234.10)
Closing Balance	(83,453.18)	(56,842.34)
g) Share of Reserves from Associate	4,700.99	4,631.01
Total	(36,527.46)	(26,786.61)

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

### 5 Long Term Borrowings

₹in Lakhs

Particulars	Long term portion		Current maturities	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>				
From Banks				
- Term Loans	2,972.89	10,000.00	-	-
- Working Capital Term Loans	147,912.62	-	-	-
- Funded Interest Term Loans	13,553.32	-	-	-
From Others				
- Working Capital Term Loans	671.00	-	-	-
- Funded Interest Term Loans	75.49	-	-	-
Finance Lease Obligations	10.52	21.00	12.34	66.04
Unsecured				
From Related Parties (Refer Note 35)	5,173.71	9,425.41	-	-
<b>Total</b>	<b>170,369.55</b>	<b>19,446.41</b>	<b>12.34</b>	<b>2,586.93</b>

#### 5.1 Corporate Debt Restructuring

During the year, at the request of the Company, the Corporate Debt Restructuring Proposal (CDR Proposal) of the Company was referred to Corporate Restructuring Cell (CDR Cell) by the consortium of bankers led by Oriental Bank of Commerce (OBC). The CDR Proposal as recommended by OBC and other lenders was approved by CDR Empowered Group (CDR EG) on 20 August 2014 and communicated to the Company vide Letter of Approval dated 11 September 2014. The Master Restructuring Agreement (MRA) between the Company and the CDR lenders was executed on 20 September 2014, by virtue of which the restructured facilities are governed by the provisions specified in the MRA with cut off date as 01 April, 2014.

The key features of the MRA are as follows :

- Term loans are repayable after moratorium of 2 years from cut off date in 32 structured quarterly instalments commencing from June 2016 upto March 2024.
- Conversion of various irregular / outstanding / devolved financial facilities into Working Capital Term Loan ( WCTL) repayable after moratorium of 2 year from cut off date in 32 structured quarterly instalments commencing from June 2016 upto March 2024.

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

- The interest payable on Term Loans and WCTL during moratorium period of 2 years from cut off date shall be converted into Funded Interest Term Loan (FITL) and repayable over 20 structured quarterly instalments commencing from June 2016 upto March 2021.
- Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- The rate of interest on Term Loan(TL), WCTL , FITL and fund based working capital facilities shall be (linked to OBC base rate) increased in a stepped up manner :

Particulars	FY15 to FY16	FY17 to FY19	FY20 to FY24
Interest rate ( p.a)	BR + 1%	BR + 1.75%	BR + 3.50%
Present Effective Rate	11.25%	12.00%	0.14

- Waiver of existing events of defaults, penal interest and charges etc, in accordance with MRA.\
- Right to Recompense to CDR Lenders for the relief and sacrifice extended subject to provisions of CDR Guidelines and MRA.
- Infusion of ₹160 crores in the Company by Promoters on or before 31 March 2015. (Also Refer Note 3.2)
- The Company to operate Trust and Retention account ( TRA ) with OBC and entire cash flow should be routed through said TRA .
- The Company and the CDR Lenders executed a MRA during the year. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the borrowers is contingent on future uncertain events including improved performance of the Company and many other conditions, including negotiations with the banks , the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. (Refer Note No. 39) The aggregate present value of the sacrifice made by CDR Lenders as per the MRA is approximately ₹18,500 lacs for the Company.
- The Board of Directors in its meeting held on 10 April 2015 resolved to issue equity shares of ₹10 each at a price of ₹32.98 per share (including a premium of ₹22.98 per share) for an amount not exceeding ₹31,400 Lakhs in consideration of the amounts outstanding from the Company to the CDR Lenders under the Funded Interest Term Loan, being the interest for the period of 2 (two) years from the cut-off date i.e. from April 1, 2014 to March 31, 2016 on the Term Loan and the Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders as per the MRA and as and when approved by lender's individual sanctioning authority, by way of preferential allotment, and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit subject to the approval of the Shareholders.



**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**5.2 Terms of Repayment and Security details**

₹in Lakhs

Particulars	As at 31 March 2015	Interest Rate	Terms of Repayment	Secured by
Central Bank of India	2,972.89	11.25%	32 structured quarterly instalments, shall be during Jun 2016 and Mar 2024.	Primary- Exclusive charge on 5 Wind Energy Generator of 1.5 MW from Lietwind Shriram Manufacturing Ltd
Central Bank of India	12,500.00	11.25%	32 structured quarterly instalments, shall be during Jun 2016 and Mar 2024.	First PariPassu Charge over the pooled assets( ie, all moveable( both fixed,current and non current assets) and immovable assets of the Company.
Term Loans from Banks	149,712.43	11.25%	Refer Note 5.1 above	First PariPassu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
L&T Finance Limited	6.32	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	4.20	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Loan from related parties - Shriram Industrial Holdings Limited	5,173.71	9.00%		Not Applicable, being unsecured loan.
<b>Total</b>	<b>170,369.55</b>			

5.3 Terms loans are covered by a Corporate Guarantee of Shriram Industrial Holdings Limited (Holding Company), Shriram Venture Limited (Ultimate Holding Company) and SVL trust.

5.4 26,482,551 Equity shares (representing 30.67% of share capital ) held by Shriram Industrial Holdings Limited under Non Disposal Undertaking (NDU) are pledged to Joint Lenders Forum (JLF) / CDR Lenders, on 18 March 2015 and the balance 12,460,123 Equity Shares (representing 14.43 % of share capital) are pledged on 17 April 2015.

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**6 Other Long-term Liabilities**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Security Deposit Received	18.90	16.39
Deferred Rent Obligations	91.65	80.44
Sundry Creditors- Retention	3,866.16	4,134.00
Interest accrued and due to Loan from related parties (Refer Note 35)	3,492.92	2,725.36
<b>Total</b>	<b>7,469.63</b>	<b>6,956.19</b>

**7 Long-term Provisions**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for Employee Benefits		
Provision for Gratuity (Refer Note 32.1)	308.89	258.37
<b>Total</b>	<b>308.89</b>	<b>258.37</b>

**8 Short Term Borrowings (Refer Note 5.1)**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Loans Repayable on Demand - Secured</b>		
<b>From Banks</b>		
Cash Credit and Overdraft facilities	41,279.26	104,973.76
Working Capital Demand Loan	-	4,045.03
<b>From Others</b>		
Cash Credit and Overdraft facilities	493.43	-
<b>Short Term Loans</b>		
From Banks	-	15,475.00
From Other Parties	-	-
<b>Bills Discounted</b>		
With Banks	-	3,144.42
With Other Parties	-	1,136.49
<b>Short Term Loans - Unsecured</b>		
From other parties	28.31	21,533.71
<b>Total</b>	<b>41,801.00</b>	<b>150,308.41</b>

**8.1 Details of Borrowings**

₹in Lakhs

Particulars	As at 31 March 2015	Nature of security
Cash Credit Facilities	41,772.69	First PariPassu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
<b>Total</b>	<b>41,772.69</b>	

**SHRIRAM EPC LIMITED**
**Notes forming part of Consolidated Financial Statements**
**9 Trade Payables**

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Acceptances	9,258.92	9,995.96
Other than Acceptances (Refer Note 9.1 and Note 35)	14,406.24	20,378.45
<b>Total</b>	<b>23,665.16</b>	<b>30,374.41</b>

9.1 There are no dues to Micro and Small Enterprises in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 as of 31 March 2015 and 31 March 2014, on the basis of such parties having been identified by the management and relied upon by the auditors.

**10 Other Current Liabilities**

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Advances from Customers	15,723.43	16,866.29
Advance Billing	510.82	956.74
Current Maturities of Long Term Borrowings		
From Banks	-	2,520.89
Current Maturities of Finance Lease Obligations	12.34	66.04
Payables on Purchase of Fixed Assets	233.64	1,858.98
Statutory Remittances	79.43	189.25
Interest accrued but not due on borrowings	50.65	410.50
Interest accrued and due on borrowings	-	518.16
<b>Total</b>	<b>16,610.31</b>	<b>23,386.85</b>

**11 Short-term Provisions**

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Provision for Employee Benefits		
Gratuity (Refer Note 32.1)	48.85	11.13
Compensated Absences (Refer Note 32.2)	343.54	263.15
Provision for Warranties (Refer Note 11.1)	-	29.39
Unclaimed Dividend	1.27	1.45
<b>Total</b>	<b>393.66</b>	<b>305.12</b>

**11.1 Movement of Warranty Provision**

₹ in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Opening Balance	29.39	29.39
Add: Provision created during the year / period	-	-
Less: Utilized / Reversed during the year	29.39	-
<b>Closing Balance</b>	<b>-</b>	<b>29.39</b>

**SHRIRAM EPC LIMITED**
**Notes forming part of Consolidated Financial Statements**
**12 Fixed Assets**
**12.1 Fixed Assets - Current Year**

₹ in Lakhs

S. No	Block of Assets	Gross Block			Accumulated Depreciation and Amortisation			Net Block		
		As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation/ Amortisation for the year	Transition adjustment recorded against Deficit balance in Statement of Profit and Loss (Refer Note 12.3 below)	As at 31 March 2015	As at 31 March 2015
	<b>Tangible Assets</b>									
1	Freehold Land	241.50			241.50				241.50	
2	Buildings	174.00	3.32		177.32	6.31			108.17	
3	Leasehold Improvements	623.08	2.59	79.42	546.26	75.00		31.41	397.07	
4	Plant and Equipments									
	Given under Operating Lease	1,301.51			1,301.51				910.71	
	Owned	2,707.30	375.35	1.97	3,080.68	877.75	21.55	0.82	1,878.72	
	Taken under Finance Lease	189.91			189.91				156.78	
5	Furniture and Fixtures	96.31	13.74	0.08	109.97	59.32		0.01	42.66	
6	Office Equipment	114.59	6.34	0.62	120.29	34.17	18.60	0.09	44.69	
7	Computers	397.83	14.60	1.48	410.95	225.36	27.12	1.22	338.92	
8	Vehicle									
	Taken under Finance Lease	240.23	7.87	5.98	242.12	101.55			105.63	
	Owned	36.72	1.03		37.75	12.52	2.20	2.09	13.12	
	<b>Total</b>	<b>6,122.98</b>	<b>424.84</b>	<b>89.55</b>	<b>6,458.27</b>	<b>1,903.85</b>	<b>69.47</b>	<b>35.65</b>	<b>3,971.11</b>	
	<b>Intangible Assets</b>									
9	Technical Knowhow	1,101.97	-	-	1,101.97	1,090.14			7.27	
10	Software	418.40	49.76	-	468.16	378.65			391.42	
11	Leasehold Right to Use	80.00	-	-	80.00	24.71			51.81	
	<b>Total</b>	<b>1,600.37</b>	<b>49.76</b>	<b>-</b>	<b>1,650.13</b>	<b>1,493.50</b>	<b>-</b>	<b>-</b>	<b>1,514.31</b>	
	<b>Total</b>	<b>7,723.35</b>	<b>474.59</b>	<b>89.55</b>	<b>8,108.40</b>	<b>3,397.35</b>	<b>69.47</b>	<b>35.65</b>	<b>4,106.91</b>	

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**12.2 Depreciation and Amortisation expense**

₹in Lakhs

Particulars	For the Year ended 31 March 2015	For the nine months ended 31 March 2014
Tangible Assets	549.51	333.16
Intangible Assets	20.82	104.53
Total	570.33	437.69

**12.3** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has changed its estimated useful life of certain categories of assets to align the useful life with those prescribed in Schedule II. The details of previously applied and currently adopted depreciation method, rates / useful life are as follows:

Asset	Basis	Previous depreciation rate / useful life	Useful life as per Schedule II	Useful Life Adopted
<b>Tangible Assets</b>				
Buildings	Schedule - II	1.63% / 61 years	30 years	30 years
Plant & Equipments	Schedule - II	4.75% / 21 years	15 years	15 years
Furniture & Fixtures	Schedule - II	20.00% / 5 years	10 years	10 Years
Office Equipment	Schedule - II	33.33% / 3 years	5 Years	5 Years
Vehicles	Schedule - II	9.50% / 11 years	8 Years	8 Years
<b>Intangible Assets</b>				
Technical Knowhow	Technical Assessment	10% -20% / 5 to 10 years		5 to 10 years
Software	Technical Assessment	5 years		5 years
Leasehold Improvements	Technical Assessment	5 years		
Leasehold Right to Use	Over the lease period	20 years		Over the lease period

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 01 April, 2014, and has adjusted an amount of ₹45.86 lakhs (net of deferred tax of ₹23.61 lakhs) against the opening deficit balance in the Statement of Profit and Loss.

The increase in depreciation expense in the Statement of Profit and Loss for the year consequent to the change in the useful life of the assets is not material.

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**12.4 Details of Assets taken under finance lease:**

₹in Lakhs

Block of Assets	31-Mar-15	31-Mar-14
<b>Plant and Machinery</b>		
Gross Block	189.91	189.91
Accumulated Depreciation	45.44	33.13
Net Book value	144.47	156.78
<b>Vehicles</b>		
Gross Block	61.17	240.23
Accumulated Depreciation	15.50	101.55
Net Book value	45.67	138.68

**12.5 Fixed Assets - Previous Year**

₹in Lakhs

S. No	Block of Assets	Gross Block			Accumulated Depreciation and Amortisation				Net Block	
		As at July 1, 2013	Additions	Deletions	As at March 31,2014	As at July 1, 2013	Depreci- ation for the Period	Depreci- ation on Deletions	As at March 31,2014	As at 31 March 2014
	<b>Tangible Assets</b>									
1	Freehold Land	510.97	2.72	272.19	241.50	-	-	-	241.50	
2	Buildings	174.00		-	174.00	57.45	5.39	-	62.84	111.16
3	Leasehold Improvements	612.77	10.31		623.08	59.63	45.97		105.60	517.48
4	Plant and Equipments									
	Given under Operating Lease	1,301.51	-	-	1,301.51	391.62		-	391.62	909.89
	Owned	2,220.26	487.98	0.94	2,707.30	665.18	212.57		877.75	1,829.55
	Taken under Finance Lease	189.91	-	-	189.91	33.13		-	33.13	156.78
5	Furniture and Fixtures	92.25	4.06		96.31	56.56	2.76		59.32	36.99
6	Office Equipment	110.49	5.49	1.39	114.59	25.51	8.82	0.16	34.17	80.42
7	Computers	331.72	66.11		397.83	187.47	37.89		225.36	172.47
8	Vehicle									
	Taken under Operating Lease	235.59	7.77	3.13	240.23	83.18	19.76	1.39	101.55	138.69
	Owned	35.28	1.44		36.72	12.51			12.52	24.20
		5,814.75	585.89	277.65	6,122.98	1,572.24	333.16	1.55	1,903.85	4,219.13
	<b>Intangible Assets</b>									
9	Technical Knowhow	1,101.97	-	-	1,101.97	1,074.19	15.95	-	1,090.14	11.83
10	Software	418.40		-	418.40	292.69	85.96	-	378.65	39.75
11	Leasehold Right to Use	80.00	-	-	80.00	22.10	2.62	-	24.71	55.29
		1,600.37	-	-	1,600.37	1,388.98	104.53	-	1,493.50	106.86
	Total	7,415.12	585.89	277.65	7,723.35	2,961.22	437.69	1.55	3,397.35	4,325.99

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Investments</b>		
<b>Investments in Associates - Non Trade</b>		
22,239,167 Equity Shares (Previous year: 22,239,167 Equity Shares) of ₹10/- each fully paid up in Haldia Coke and Chemicals Private Limited	4,007.22	4,007.22
Share of Loss (Refer Note 13.1 below)	(9,942.35)	(8,686.51)
Share of Reserves	5,935.13	5,863.95
Total Share of Net worth	(4,007.22)	(2,822.56)
Net Investment in Associate	-	1,184.66
<b>Investments in Others - Trade</b>		
661,300 Equity shares (Previous year: 661,300 Equity shares) of ₹10/- each fully paid in Hexa Wind Farm Private Limited	66.13	66.13
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹10/- each fully paid up in Leitwind Shriram Manufacturing Limited	407.56	407.56
Total	473.69	1,658.35
Aggregate amount of Quoted Investments	-	-
Market Value of Quoted Investments	-	-
Aggregate amount of Unquoted Investments	473.69	1,658.35

13.1 Of the above, 10,092,344 Equity shares have been pledged with a lender for monies borrowed by the associate.

13.2 Share of loss from Associate – Haldia Coke and Chemicals Limited for the year ended 31 March 2015 ₹6,711.84 has been restricted to ₹1,255.84 in accordance with Accounting Standard 23 – Accounting for Investment in Associates.

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Capital advances</b>	3,605.00	3,605.00
Loans and advances (Refer Note 35)	94,658.36	64,712.31
Advance tax (Net of Provisions ₹8,653.24 lakhs (Previous year: ₹8,653.24 Lakhs))	3,682.98	2,797.41
Deposits	216.18	241.63
Total	102,162.52	71,356.35

**14.1 Long term loans and Advances include due from:**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Private Companies in which directors are interested		
Hamon Shriram Cottrell Private Limited	416.48	387.57
Haldia Cokes and Chemicals Private Limited	43,755.73	36,338.16

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**15 Other Non Current Assets**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Long Term Trade Receivables - Retention Monies - Considered good	15,570.45	14,600.57
Long Term Trade Receivables - Retention Monies - Considered Doubtful	303.65	-
Less: Provision for doubtful debts	(303.65)	-
	15,570.45	14,600.57
Long Term Trade Receivables - Considered good	2,297.63	-
Long Term Trade Receivables - Considered doubtful	301.79	-
Less: Provision for doubtful debts	(301.79)	-
	2,297.63	-
Other Receivables (Refer Note 15.1 below)	3,877.15	7,281.12
Receivables on sale of Fixed Assets	2,460.00	4,960.91
Unbilled Revenue (Refer Note 48, Note 49 and Note 50)	16,752.60	26,247.00
Total	40,957.83	53,089.60

15.1 The amount of ₹3,877.15 Lakhs represents the balance consideration receivable from My Home Industries Limited("MHIL") towards the value of certain receivables due from Sree Jayajothi Cements Limited("SJCL") taken over by MHIL pursuant to an agreement dated 11 August 2013 entered into with them. This amount has been deposited in a Joint Escrow Account to be received by the Company after completion of certain formalities of Sree Jayajothi Cements Limited.

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

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
386,526 (386,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited	44.22	44.22
Total	44.22	44.22
Aggregate amount of Quoted Investments - Cost	2,827.50	2,827.50
Market Value of Quoted Investments	56.24	44.22

**17 Inventories (Lower of Cost and Net Realisable Value)**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Raw Materials and Components for Wind Turbine Generators	415.00	695.89
Contract Work-in-Progress	8,071.27	10,730.19
Total	8,486.27	11,426.08



**SHRIRAM EPC LIMITED**
**Notes forming part of Consolidated Financial Statements**
**18 Trade Receivables** (Unsecured and considered good , unless otherwise stated)

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good	12,282.11	8,186.20
Unsecured, Considered Doubtful	4,031.70	4,197.09
	16,313.81	12,383.29
Other Trade Receivables		
Unsecured, Considered Good	12,868.32	16,421.02
Unsecured, Considered doubtful	-	120.70
Less: Provision for Doubtful Trade Receivables	(4,031.70)	(4,317.79)
Total	25,150.43	24,607.22

**18.1 Trade receivables include due from:**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Private Companies in which directors are interested		
Hamon Shriram Cottrell Private Limited	376.50	-
Haldia Cokes and Chemicals Private Limited	16.92	16.92

**19 Cash and Cash Equivalents**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Cash on hand and in imprest accounts	26.42	12.84
<b>Balances with Banks</b>		
Current Account	3,488.08	364.25
Deposit Account (Original maturity of 3 months or less)	205.57	10.48
Unpaid Dividend Account	18.69	18.87
Margin Money (Original maturity of 3 months or less)	612.55	999.51
<b>Total Cash and Cash Equivalents</b>	4,351.31	1,405.95
<b>Other Bank Balances</b>		
Deposit Account (Original maturity of more than 3 months)	1,612.35	3,890.63
Margin Money (Original maturity of more than 3 months)	4,823.35	6,614.61
<b>Total Other Bank Balances</b>	6,435.70	10,505.24
Total	10,787.01	11,911.19
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	4,351.31	1,405.95
Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date		

**SHRIRAM EPC LIMITED**
**Notes forming part of Consolidated Financial Statements**
**20 Short Term Loans and Advances** (Unsecured, considered good unless otherwise stated)

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Short-term Loans and Advances	342.48	793.44
Security Deposits	1,882.20	2,116.86
Loans and advances to Employees	40.29	56.69
Prepaid Expenses	90.15	133.69
<b>Advances to Suppliers</b>		
- Considered good	11,504.63	15,127.38
- Considered doubtful	644.38	644.38
Provision for doubtful Advances	(644.38)	(644.38)
	11,504.63	15,127.38
Balance with Government Authorities	437.48	386.15
Total	14,297.23	18,614.21

**21 Other Current Assets**

₹in Lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
Unbilled Revenue	53,018.68	38,921.80
Interest accrued on Bank Deposits / Margin Money	308.14	71.90
Total	53,326.82	38,993.70

**22 Revenue from Operations**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Revenue from Engineering and Construction Contracts	53,020.40	48,962.14
Revenue from Sale of Traded Goods - Windmills	1,422.49	-
Revenue from Sale of Wind Turbine Generators	323.00	293.00
Other Operating Revenue - Sale of Power	-	253.99
Total	54,765.89	49,509.13

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**23 Other Income**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Interest Income - Bank / Margin Money deposits	705.87	1,215.58
Lease Rentals	-	6.65
Management Fees	-	22.75
Liabilities no longer required written back	156.95	1,197.61
Miscellaneous Income	239.93	235.00
<b>Total</b>	<b>1,102.75</b>	<b>2,677.59</b>

**24 Cost of Raw Materials and Components Consumed**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Opening Stock	695.90	788.15
Add: Purchases	323.00	395.13
Less: Closing Stock	415.00	695.90
<b>Total</b>	<b>603.90</b>	<b>487.38</b>

**25 Erection, Construction & Operation Expenses**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Cost of Materials and Labour	34,423.74	22,151.29
Other Contract Related Costs	2,282.73	2,307.81
Commercial Taxes	2,512.10	5,730.65
Provision for Contract Losses	6,320.12	8,693.20
<b>Total</b>	<b>45,538.69</b>	<b>38,882.95</b>

**26 Purchases of Stock in Trade**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Windmills	1,296.00	-
<b>Total</b>	<b>1,296.00</b>	<b>-</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**27 Change in Inventories of Contract Work in Progress and Stock In Trade**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Opening Stock of Contract Work in Progress	10,730.19	30,038.28
Less: Closing Stock of Contract Work in Progress	8,071.27	10,730.19
	2,658.92	19,308.09
Opening Stock in Trade	-	1,560.00
Less: Closing Stock in Trade	-	-
	-	1,560.00
<b>Total</b>	<b>2,658.92</b>	<b>20,868.09</b>

**28 Employee Benefits Expense**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Salaries and Wages	4,870.89	3,594.67
Contribution to Provident and other funds	243.75	185.00
Gratuity (Refer Note 32.1)	101.96	41.45
Staff Welfare Expenses	260.32	269.22
<b>Total</b>	<b>5,476.92</b>	<b>4,090.34</b>

**29 Finance Costs**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Interest on Cash Credits	4,677.51	11,428.86
Interest on Term Loans	16,312.31	3,672.16
Interest - Others	7,163.40	4,601.62
Bank Charges, Letter of Credit / Guarantee charges	1,965.95	3,445.53
	30,119.17	23,148.17
Less : Interest recovered	11,032.17	4,072.99
<b>Total</b>	<b>19,087.00</b>	<b>19,075.18</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**30 Other Expenses**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Rent including lease rentals	524.71	509.80
Electricity & water	97.31	67.92
Rates and taxes	175.38	210.15
Communication expenses	120.20	106.31
Travelling and conveyance	913.38	845.02
Advertisement & Business Promotion	29.69	28.82
Insurance premium	377.90	902.55
Printing and stationery	59.52	58.83
<b>Repairs and Maintenance:</b>		
Building	162.77	144.44
Plant and Machinery and Equipments	84.45	105.03
Others	48.51	82.34
Auditors' Remuneration (Refer Note 30.1 below)	35.00	35.21
Legal & Professional Charges (Refer Note 30.2 below)	2,312.16	2,454.34
Loss on Sale / Disposal of Fixed Assets	39.06	6.20
Donation	1.26	0.80
Sitting Fees	10.70	8.40
Bad Debts and Advances		
Bad Trade and Other Receivables Written off (Net)	139.20	-
Provision for doubtful trade and Other receivables and Loans and Advances	319.35	4,962.17
Loss on sale of Investments	-	14,726.92
Less: Provision released	-	(14,726.92)
Miscellaneous Expenses	471.86	419.33
<b>Total</b>	<b>5,922.41</b>	<b>10,947.66</b>

**30.1 Auditors Remuneration**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Payments to the Statutory auditors comprise:		
For audit	25.00	25.00
For other services	10.00	10.00
Reimbursement of expenses	-	0.21
<b>Total</b>	<b>35.00</b>	<b>35.21</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

30.2 Includes Rs. 904.24 lacs relating to earlier year.

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

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
<b>Details of Contract revenue and costs</b>		
Contract Revenues recognised	53,020.40	48,962.14
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	51,413.25	59,751.04
Advances received for contracts in progress	15,723.43	16,866.29
Retention money for contracts in progress	15,570.45	14,600.57
Gross amount due from customers for contract work (Asset)	69,771.28	65,168.80
Gross amount due to customers for contract work (Liability)	510.82	956.74

**32 Disclosures under Accounting Standard 15 (Revised)**
**32.1 Gratuity**

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
<b>Change in Defined Benefit Obligations (DBO) during the year / period</b>		
Present Value of obligations at the beginning of the year / period	269.49	252.94
Current Service Cost	103.91	45.89
Interest Cost	24.91	15.33
Actuarial (Gain )	(26.86)	(19.78)
Benefits paid	(13.71)	(24.89)
<b>Present Value of obligations at the end of the year / period</b>	<b>357.74</b>	<b>269.49</b>
Current portion	48.85	11.13
Non Current portion	308.89	258.37
<b>Components of Employer Expense</b>		
Cost for the year / period		
Current Service Cost	103.91	45.89
Interest Cost	24.91	15.33
Net actuarial Loss / (Gain) recognised in the year / period	(26.86)	(19.78)
<b>Net Cost</b>	<b>101.96</b>	<b>41.45</b>
<b>Assumptions</b>		
Discount Rate	7.80%	8.50%
Attrition rate per annum	3.00%	3.00%
Expected rate of Salary increases	5.00%	5.00%
Rate of Mortality	Ind Assured Lives (2006-08) Ultimate	Ind Assured Lives (2006-08) Ultimate

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### Notes:

- a The estimate of future salary increase takes into account inflation, likely increments, promotions and other relevant factors.
- b 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.
- c **Experience adjustments :**

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014	Fifteen months ended 30 June 2013	Year ended 31 March 2012
Defined benefit obligation	357.74	269.50	252.94	180.97
Plan assets	-	-	-	-
Deficit	357.74	269.50	252.94	-
On plan liabilities - Losses /(Gains)	(26.86)	(19.78)	2.22	(28.12)

The details of experience adjustments relating to earlier years have been disclosed to the extent of available information.

### 32.2 Compensated absences

#### Actuarial Assumptions for Compensated Absences

₹in Lakhs

Particulars	Year ended 31 March 2015	Nine months ended 31 March 2014
Rate of Mortality	Ind (2006-08)	Ind (2006-08)
Discount rate	7.80%	8.50%
Expected rate of Salary increase	5.00%	5.00%

### 33 Employee Stock Compensation Expenses

The Group 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 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.

#### 33.1 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 Group instituted an ESOP Scheme for all its eligible employees including those of its subsidiaries and associates Companies.

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

In accordance with the 2006 Scheme the Group 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 to 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 31 March 2015	As at 31 March 2014
Options at the beginning of the year / period		
Vested	3,219	75,424
Unvested	-	-
Add: Granted during the year / period	-	-
Add: Vested during the year / period	-	-
Less: Lapsed during the year / period	3,219	72,205
Less: Exercised during the year / period	-	-
Options outstanding at the end of the year / period		
Vested	-	3,219
Unvested	-	-
Exercisable at the end of the year / period	-	3,219



## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

#### Deferred Stock Compensation Expense

During the period, an amount of ₹ Nil (Previous period: ₹ 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.

### 33.2 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.

#### 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.

## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

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

Particulars	As at 31 March 2015	As at 31 March 2014
Options at the beginning of the year / period		
Vested	6,850	52,500
Unvested		
Add: Granted during the year / period	-	
Add: Vested during the year / period		
Less: Lapsed during the year / period	6,600	45,650
Less: Exercised during the year / period		
Options outstanding at the end of the year / period		
Vested	250	6,850
Unvested	-	-
Exercisable at the end of the year / period	250	6,850

#### Deferred Stock Compensation Expense

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

### 33.3 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



**34 Segment Information**

The Group has considered business segment as the primary segment for disclosure. The Group'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.

**A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS**

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
External Sales	53,020.40	49,216.13	323.00	293.00	1,422.49	-	-	-	-	-	54,765.89	49,509.13
Intersegmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	53,020.40	49,216.13	323.00	293.00	1,422.49	-	-	-	-	-	54,765.89	49,509.13
Result												
Segment Result	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	-	(2967.41)	(11,317.14)	
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure	-	-	-	-	-	-	-	-	(5,177.87)	(17,485.42)	(5,177.87)	(17,485.42)
Operating Profit / (Loss)	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(5,177.87)	(17,426.97)	(8,145.28)	(28,802.56)
Finance Costs (Net of amounts identified with 'Construction Contracts' segment)									17,140.25	13,800.01	17,140.25	13,800.01
Exceptional Items												
Profit / (Loss) before Tax	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(22,318.12)	(31,285.43)	(25,285.53)	(42,602.57)
Tax Expense	-	-	-	-	-	-	-	-	23.61	1,392.84	23.61	1,392.84
Profit / (Loss) after Tax	(3,095.36)	(11,287.14)	-	(30.00)	127.95	-	-	-	(22,341.73)	(32,678.27)	(25,309.14)	(43,995.41)



**34 Segment Information**

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

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Other Information												
Segment Assets	153,547.38	141,949.27	2,450.41	5,812.27	1,529.53	10,357.63	-	-	-	-	157,527.32	158,119.17
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	105,199.24	83,385.98	105,199.24	83,385.98
Total Assets	153,547.38	141,949.27	2,450.41	5,812.27	1,529.53	10,357.63	-	-	105,199.24	83,385.98	262,726.56	241,505.15
Segment Liabilities	255,305.39	191,739.16	(29.35)	5,510.25	168.45	162.01	-	-	-	-	255,444.49	197,411.42
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	5,173.71	33,564.65	5,173.71	33,564.65
Total Liabilities	255,305.39	191,739.16	(29.35)	5,510.25	168.45	162.01	-	-	5,173.71	33,564.65	260,618.20	230,976.07
Capital Expenditure (Gross)	750.19	2,311.45	-	-	-	-	-	-	-	-	750.19	2,311.45
Depreciation	570.33	437.69	-	-	-	-	-	-	-	-	570.33	437.69
Non Cash expenses other than Depreciation												
Provision for doubtful debts	319.35	4,962.17	-	-	-	-	-	-	-	-	319.35	4,962.17
Provision for Contract losses	6,320.12	8,693.20	-	-	-	-	-	-	-	-	6,320.12	8,693.20

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS**

₹in Lakhs

Particulars	For Year Ended 31 March 2015	For Nine Months Ended 31 March 2014
<b>Rest of the World</b>		
Revenue	10.35	214.73
Assets	9,077.58	7,314.60
Capital Expenditure	-	172.44
<b>India</b>		
Revenue	54,755.54	49,294.40
Assets	253,648.98	231,355.28
Capital Expenditure	750.19	2,139.01

**35 Related Party Disclosures under Accounting Standard 18**

**35.1** 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.

Description of Relationship	Name of the Related Parties Year ended 31 March 2015	Name of the Related Parties Nine Months ended 31 March 2014
Holding Company*	Shriram Industrial Holdings Limited (SIHL)	
Ultimate Holding Company*	Shriram Venture Limited (Holding Company of SIHL)	
Enterprises which exercise significant influence over the Company (Investing parties)		Shriram Industrial Holdings Limited (SIHL) Shriram Venture Limited (Holding Company of SIHL)
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)	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)
Companies over which Key Management Personnel exercise Significant Influence (Only where transactions have taken place during the year / period)	Orient Green Power Company Limited	Orient Green Power Company Limited

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

	Theta Management Consultancy Private Limited	Theta Management Consultancy Private Limited
	Subsidiaries of Orient Green Power Company Limited	Subsidiaries of Orient Green Power Company Limited
	Bharath Wind Farm Limited	Bharath Wind Farm Limited
	Clarion Windfarms Private Limited	Clarion Windfarms Private Limited
	Beta Wind Farm Private Limited	Beta Wind Farm Private Limited
	Orient Eco Energy Private Limited	Orient Eco Energy Private 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 are as identified by the Management and relied upon by the Auditors.

# Shriram Venture Limited has merged with Shriram Industrial Holdings Limited with effect from 11 May 2015.

**35.2 Transactions during the year / period**

₹in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Progressive billings/Revenue</b>		
Orient Green Power Company Limited		53.09
Beta Wind Farm Private Limited	1,422.48	1,144.41
Sale of Fixed assets		
<b>Hexa Wind farm Private Limited</b>	-	9,291.12
Lease Rental Income		
Clarion Windfarms Private Limited	-	6.65
Ennore Coke Limited	29.72	12.43
Haldia Cokes & Chemicals Private Limited	-	8.80
Shriram Venture Limited	41.23	15.41
<b>Shriram SEPL Composites Private Limited</b>	24.96	-
Leitwind Shriram Manufacturing Limited	11.23	-
Purchase of goods and services		
Hamon Shriram Cotrell Private Limited	77.66	-
Shriram SEPL Composites Private Limited	53.68	-
Blackstone Group Technology Private Limited	26.36	-
Leitwind Shriram Manufacturing Limited	1,544.11	-


**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**35.2 Transactions during the year / period (contd.)**

₹in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Management fees paid</b>		
Shriram Industrial Holdings Limited	-	1,624.45
<b>Transfer of Margins</b>		
Leitwind Shriram Manufacturing Limited	368.12	-
<b>Expenses incurred on behalf of related party</b>		
Haldia Cokes & Chemicals Private Limited	-	0.24
Ennore Coke Limited	39.46	24.87
Orient Green Power Company Limited	42.67	122.59
<b>Bharat Wind Farm Limited</b>	8.41	26.22
Shriram Venture Limited	1.01	-
Blackstone Consulting Technologies Private Limited	4.62	-
Shriram SEPL Composites Private Limited	26.01	-
Leitwind Shriram Manufacturing Limited	51.92	-
Hamon Shriram Cottrell Private Limited	1.19	-
Hexa Wind farm Private Limited	-	10.10
<b>Expenses incurred for the Company by the related party</b>		
Orient Green Power Company Limited	24.44	81.52
Ennore Coke Limited	-	41.90
Theta Management Consultancy Private Limited	-	50.00
Shriram Venture Limited	0.58	0.72
<b>Interest Income</b>		
Haldia Cokes & Chemicals Private Limited	5,785.49	1,213.26
Ennore Coke Limited	2,813.81	1,202.95
Leitwind Shriram Manufacturing Limited	1,402.08	-
Hamon Shriram Cotrell Private Limited	29.09	-
Orient Green Power Company Limited	-	229.50
Hexa Wind farm Private Limited	-	1,068.05


**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**35.2 Transactions during the year / period (contd.)**

₹in Lakhs

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Insert Expense</b>		
Shriram Industrial Holding Limited	767.55	950.44
Shriram Venture Limited	-	123.54
<b>Remuneration to Key Management Personnel</b>		
T. Shivaraman	42.99	30.11
M. Amjad Shariff	47.99	35.16
<b>Borrowings from</b>		
Shriram Industrial Holding Limited	29,358.93	22,774.00
Prosperity Shop India Private Limited	300.00	-
<b>Repayment of borrowings</b>		
Shriram Industrial Holdings Limited	15,683.00	23,788.47
<b>Allotment of Preference Shares</b>		
Shriram Industrial Holdings Limited	-	30,000.00
<b>Transfer of Advances / Receivables to</b>		
Shriram Industrial Holdings Limited	14,400.00	5,000.00
Orient Green Power Company Limited	-	353.09
Haldia Cokes & Chemicals Private Limited	1,604.40	-
Ennore Coke Limited	1,589.39	-
<b>Investments in Equity Shares (including premium)</b>		
Shriram Industrial Holdings Limited	21,000.00	-
<b>Advance Given / (Received) - (Gross)</b>		
Haldia Cokes & Chemicals Private Limited	14,427.69	47,446.71
Beta Wind Farm Private Limited	(1,272.33)	-
Orient Green Power Company Limited	-	722.00
Gamma Green Power Private Limited	-	20.00
Hexa Wind Farm Private Limited	-	50.00



**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**35.3 Closing balance as at the year end / period end**

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Amount outstanding - Dr / (Cr)</b>		
Haldia Cokes & Chemicals Private Limited	43,755.73	36,355.08
Ennore Coke Limited	26,092.82	14,089.23
Orient Green Power Company Limited	64.26	99.64
Bharat Wind Farm Limited	22.22	13.88
Clarion Windfarms Private Limited	(0.32)	0.28
Shriram Industrial Holdings Limited	(8,400.23)	(11,884.21)
Shriram Venture Limited	(266.39)	(263.17)
Beta Wind Farm Private Limited	1,402.86	(4.31)
Shriram SEPL Composites Private Limited	(134.80)	
Shriram Epc (Singapore) Pte Limited	4,449.64	-
Leitwind Shriram Manufacturing Limited	11,146.93	-
Hamon Shriram Cotrell Private Limited	1,035.40	-
BlackStone Group Technologies Private Limited	(49.04)	-
<b>Corporate Guarantees given by Company</b>		
Orient Green Power Company Limited	1,600.00	1,600.00

**35.4** The Group 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 31 March 2015 and as at 31 March 2014, there are no further amounts payable to/receivable from them, other than disclosed above.

**36 Leases**
**36.1 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 ₹524.71 Lakhs (Previous period - ₹509.80 lakhs) 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 March 31, 2015	As at March 31, 2014
Not later than One Year	194.06	229.81
Later than One Year and less than Five Years	776.25	919.25
Later than Five Years	365.02	1,076.49
<b>TOTAL</b>	<b>1,335.33</b>	<b>2,225.55</b>

**SHRIRAM EPC LIMITED**

Notes forming part of Consolidated Financial Statements

**36.2 Yearwise future minimum lease rental payments on contracts :**

₹in Lakhs

Particulars	As at March 31, 2015		As at March 31, 2014	
	Total Minimum Lease Payments	Present Value of Lease Payments	Total Minimum Lease Payments	Present Value of Lease Payments
Not later than One Year	18.67	17.39	30.92	27.60
Later than One Year and less than Five Years	4.18	3.92	11.46	10.64
Later than Five Years	-	-	-	-
<b>Total</b>	<b>22.85</b>	<b>21.31</b>	<b>42.38</b>	<b>38.24</b>
Less: Future Finance Charges	1.54	-	4.12	-
<b>Present Value of Minimum Lease payments</b>	<b>21.31</b>	<b>21.31</b>	<b>38.26</b>	<b>38.24</b>

**37 Earnings Per Share**

Particulars	Year ended March 31, 2015	Nine months ended March 31, 2014
<b>Basic &amp; Diluted</b>		
Continuing operations:		
Loss for the year / period from continuing operations (₹ Lakhs)	(25,309.14)	(43,995.41)
Weighted average number of equity shares outstanding during the year / period (In Nos.)	59,892,431	44,358,184
Par Value of Share (₹)	10.00	10.00
Earnings per share from continuing operations - Basic & Diluted (₹)	(42.26)	(99.18)
The weighted average number of equity shares used for computing Basic and Diluted EPS are same since the outstanding potential equity shares as at 31 March 2015 and 31 March 2014 are anti dilutive in nature.		

**38 Taxes on income**
**38.1 Current Tax**

The Current tax has been computed based on the estimated taxable income for the year ended 31 March 2015. However, Company is not liable to current tax in view of losses incurred.

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

### 38.2 Deferred Tax - Disclosure Under Accounting Standard 22

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Deferred Tax Liability</b>		
On Depreciation	265.75	1,256.23
Total Liability	265.75	1,256.23
<b>Deferred Tax Asset</b>		
Provision for Gratuity	123.81	91.96
Provision for Compensated absences	118.89	112.99
Others (Restricted to the extent of liability)	23.05	1,051.28
Total Asset	265.75	1,256.23
Net Deferred Tax Asset / (Liability)	-	-

### 38.3 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.

### 39 Contingent Liabilities

₹in Lakhs

Particulars	As at March 31, 2015	As at March 31, 2014
<b>Arrears of Fixed Cumulative Dividend</b>	3,780.82	780.82
Compensation payable in lieu of bank sacrifice (Refer Note 5.1)	18,500.00	-
Corporate Guarantees issued	1,600.00	1,600.00
<b>Claims against the Company not acknowledged as debts</b>	12,482.32	8,126.60
Central Excise, Service tax and Custom duties demands contested in Appeals, not provided for	428.82	322.21
Disputed VAT/Central Sales Tax demands contested in Appeals, not provided for	10,179.02	3,574.65
Income tax demands contested in Appeals, not provided for	1,732.88	1,366.16

Management is of the opinion that the Appeals preferred by the Company will be decided in its favour. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

## SHRIRAM EPC LIMITED

Notes forming part of Consolidated Financial Statements

### 40 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (Net of advances) and not provided for ₹ Nil (31 March 2014: ₹503.87 lakhs)

### 41 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 Group has not recognised the Profit/Loss in the Statement of Profit and Loss for the year ended 31 March 2015.

42 The Group has granted advances/loans to other 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 Group.

43 The Company had secured an EPC Contract from M/s Abhijeet Projects Limited (APRL) for execution of a Solar Thermal power project at Rajasthan with technology support from M/s EnerT international limited, Israel. The contract should have been executed by 28th February 2013. But due to the financial encumbrances of APRL, the project came to standstill since March 2013. The effort of the Company and APRL to identify potential financial and strategic investor which would enable the company to complete the project is still in process and a banker has been identified to take this proposal forward. During the year, the Company has reviewed the outstanding dues from APRL and written off ₹5,948 Lakhs as irrecoverable. The balance amount outstanding after this write off under

Trade Receivables, Unbilled revenue and Short Term loans and advance (net of advance received) aggregates to ₹9,538.08 lakhs. Considering the steps initiated by the Company along with the customer to complete the project the dues are considered good and recoverable by the Management.

44 The Company was in the course of executing project for Governorate of Basra, Government of Iraq ('the customer'). There were some delays in commencement of the project due to regulatory compliances. However the said contract has been cancelled by the Customer during February 2014. The construction activities for the project has been ceased, and the legal dispute with the customer for the recovery of the amounts so far incurred in respect of the said project, or for re-commencement of the project and its completion thereon, was decided in our favour at the trial court. Governorate of Basra went on appeal and the appeal court reversed the decision of the trial court and Company has gone on appeal to Supreme Court in Iraq. Based on legal advice company is confident that if the Basra Court decides against restoration of the contract, the court would award a compensation or damages to us as per existing Iraqi law. The Government of India has also been extremely supportive for revival of the project. The customer has opened a Letter of credit ('LC') for a value of USD 235 million (INR 139,590 Lakhs) which is an irrevocable LC backed by 100% margin deposited by the customer. Cancellation of this LC is possible only on settlement being reached with the company. Further, the Company has also filed a claim with concerned authorities and insurers towards compensation for cancellation of contract. The total amounts due to Company under Trade Receivables, Unbilled revenue representing the actual cost incurred and Short Term loans and advances aggregate to ₹12,257.73 Lakhs. For the reasons mentioned above, the management is confident of realizing the monies and do not expect any shortfall in realization of the dues.

45 The Company has an exposure amounting to ₹8,300.19 Lacs under contract work in progress and unbilled revenue in respect of a project which has been inordinately delayed. The Company is in the advanced stage of discussion with



## SHRIRAM EPC LIMITED

### Notes forming part of Consolidated Financial Statements

another customer who is interested in the project and appropriate structuring to go forward with this project is being negotiated. In view of this development, the Management believes that these dues will be recovered in full.

- 46 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 28th May, 2015.

- 47 Current year figures are for a period of twelve months as against previous period of nine months and hence not comparable. Previous period figures have been regrouped and reclassified wherever necessary to conform with the current year's presentation / disclosure.

#### 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 : 28<sup>th</sup> May, 2015**

## 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.



## **Shriram EPC Limited**

4<sup>th</sup> Floor, Sigappi Achi Building, Door No.18/3, Rukmini Lakshmi pathi Salai,  
Egmore, Chennai-600008. Ph: 044-49015678, Fax: 044-49015655

Email: [info@shriramepc.com](mailto:info@shriramepc.com), website:[www.shriramepc.com](http://www.shriramepc.com)

CIN: L74210TN2000PLC045167



# Shriram epc

## Engineering the future

Regd. Office: Sigappi Achi Building, 4th Floor, 18/3 Rukmini Lakshmi pathi Road, Egmore, Chennai-600008  
Tel: +91(44)49015678, Fax: 91(44)4901 5655, E-mail:suresh@shriramepc.com, Website:www.shriramepc.com  
CIN:L74210TN2000PLC045167

## NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held at 10.00 A.M on Thursday, the 24th September 2015 at Mini Hall, Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T. Nagar, Chennai – 600 017 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.

2. Appointment of Statutory Auditors

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

**RESOLVED** that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of Deloitte Haskins & Sells, Chartered Accountants (Firm's Registration No. 015125N), as Auditors of the Company till the conclusion of the next Annual General Meeting (AGM) and which is subject to ratification at every AGM, at ₹35 Lakhs plus service tax, out-of-pocket, travelling, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

### SPECIAL BUSINESS:

3. Appointment of Mr. S Krishnamurthy (DIN: 00140414) as an Independent Director:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S Krishnamurthy (DIN:

00140414), Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020 for whom the Company has received a notice in writing from a member proposing his candidature as a Director.

4. Appointment of Mr. S Babu (DIN: 02541697) as an Independent Director:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S Babu (DIN: 2541697), Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020 for whom the Company has received a notice in writing from a member proposing his candidature as a Director.

5. Appointment of Mr. P D Karandikar (DIN: 02142050) as an Independent Director:

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. P D Karandikar (DIN: 02142050), Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020, for whom the Company has

received a notice in writing from a member proposing his candidature as a Director.

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

**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Ms. Chandra Ramesh (DIN: 00938694), Additional Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020 .

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

**RESOLVED** that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, Mr. G Sundaresan, CMA be appointed as Cost Auditor of the Company till the conclusion of the next Annual General Meeting (AGM) at ₹50000/- plus service tax, out-of-pocket, travelling etc..

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

**RESOLVED** that pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice, be appointed as Secretarial Auditors of the Company till the conclusion of the next Annual General Meeting (AGM) at ₹100000/- plus service tax, out-of-pocket, travelling, etc.

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in General Meeting hereby approves the re-appointment of Mr. T Shivaraman as Managing Director & CEO of the Company for a period of three years with effect from 20th September 2015 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. T Shivaraman remuneration and perquisites not exceeding the ceiling limit laid down in Section

II of Part II of Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Managing Director & CEO provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, including any Statutory modification or re-enactment thereof, for the time being in force, the Company in General Meeting hereby approves the re-appointment of Mr. M Amjat Shariff as Joint Managing Director of the Company for a period of three years with effect from 20th September 2015 on the same terms and conditions of remuneration as were paid to him earlier, which are set out in the explanatory statement annexed to this Notice.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. M Amjat Shariff remuneration and perquisites not exceeding the ceiling limit laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Joint Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.

11. Issue of equity shares on preferential basis to Indus Indbank in terms of ICDR Regulations in lieu of the Sacrifice amount.

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 62(1) (c) and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the equity listing agreements entered into by the Company with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), together with the BSE, the Stock Exchanges, provisions of Chapter VII – Preferential Issue and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, from time to time (the ICDR Regulations),

and subject to the applicable rules, notifications, guidelines and circulars issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and any other competent authorities and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred hereunder or any person(s) authorized by the Board to exercise the powers conferred on the Board) and in furtherance to the scheme of corporate debt restructuring (the CDR Package) by and between the Company and the lenders of the Company whose loans are restructured (the CDR Lenders) which has been approved by the Corporate Debt Restructuring Empowered Group (the CDR EG) on August 20, 2014, and communicated to the Company by the Corporate Debt Restructuring Cell (the CDR Cell) vide its letter of approval dated August 27, 2014 (CDR LOA) and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, in terms of the Master Restructuring Agreement dated 20th September 2014 (the MRA) executed by and between the Company and the CDR Lenders, and in terms of the RBI Master Circular Guidelines 1st July 2014, and the approval of the CDR EG on April 24, 2015, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, upto 2958801 fully paid-up equity shares of the Company, having face value of ₹10/- (Rupees Ten Only) each, at a price of ₹40.05/- per equity share in consideration of the amounts considered as sacrifice on the part to Indus Indbank, one of the CDR lender in terms of the RBI Master Circular Guidelines dated 1st July 2014, and the approval of the CDR EG on April 24, 2015 , and who have provided their sanction subject to reconciliation and price certification by auditors by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit.

**RESOLVED FURTHER THAT** in accordance with Regulation 71(a) of the ICDR Regulations, the “Relevant Date”, for determining the price of the equity shares being allotted to Indus

Indbank, on a preferential basis, is April 24, 2015, being the date on which the said conversion was approved by the CDR EG.

**RESOLVED FURTHER THAT** the equity shares to be allotted in terms of this resolution within the period prescribed under the ICDR Regulations shall be in dematerialized form, fully paid-up at the time of allotment and shall rank pari passu in all respects including as to dividend, with the existing equity shares of the Company and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board/Committee of the Board be and is hereby authorized on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including negotiating the price in the best interests of the Company, deciding/revising the dates of allotment, deciding and/or finalizing other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted to Indus Indbank, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to the SEBI, CDR EG, RBI, the Government of India, etc., and all such other approvals (including approvals of the existing lenders of the Company, if required) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the equity shares arising there from, including utilization of issue proceeds and to execute all such deeds, documents, applications, offer letters, forms, writings, agreements, and to appoint such consultants, advisors and all such agencies as may be required, in connection with the proposed issue as the Board may, in its absolute discretion, deem necessary or desirable without being required to seek any further consent or approval of the shareholders or otherwise with the intent that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

By Order of the Board of Directors

Chennai  
Date: 11th August, 2015

K. SURESH  
Vice President & Company Secretary

# Notes

1. The relative Statement pursuant to Section 102 of the Companies Act, 2013 (the "Act"), with respect to the special business set out in Item No. 3 to 11 above, is annexed hereto.
2. The relevant details as required under Clause 49 of the Listing Agreement with the stock exchanges, of persons seeking appointment/re-appointment relating to item Nos. 3, 4, 5 and 6 of the Notice are also annexed.
3. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.  
  
The instrument of Proxy, in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
4. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s Cameo Corporate Services ("Cameo").
5. Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.  
  
The Company started declaring dividends to the shareholders only from the year 2008 - 09 and hence the Company shall comply with the provision of this Section as soon as it comes in to force.
6. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depositories unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

7. To promote green initiative, Members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar & Transfer Agent, giving reference of their Folio Number.
8. Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website www.shriramepc.com for their download.
9. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by Cameo Corporate Services ("Cameo").  
  
In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for voting through Ballot Form are given at the back of the said form and instructions for e-voting are given at Note No. 14 annexed to this Notice. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
10. The facility for voting, either through electronic voting system or ballot form or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
11. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
13. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to investor@cameoindia.com by mentioning their Folio/DP ID and Client ID No. However, the dully completed Ballot Form should reach the Registrars & Transfer Agent at Cameo Corporate Services ("Cameo")., Chennai not later than 22nd September 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

14. Instructions for e-voting are as under:
  - A. I. The Company has entered into an arrangement with Central Depository Securities Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:
    - a. In case of Members receiving an e-mail from CDSL:
      - i. Open the PDF file 'SEPC e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
      - ii. Launch an internet browser and open https://www.evoting.CDSL.com/
      - iii. Click on Shareholder - Login.
      - iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
      - v. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password.
    1. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
    - vi. Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
    - vii. Select 'EVEN' of Shriram EPC Limited.
    - viii. Now you are ready for e-voting as 'Cast Vote' page opens.
    - ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
    - x. Upon confirmation, the message 'Vote cast successfully' will be displayed.
    - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at scrutinizer@snaco.net with a copy marked to evoting@cdsl.co.in.
  - (a) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
    - (i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of CDSL's e-voting website www.evoting.cdsl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 17th September, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The e-voting period will be from 21st September, 2015 to 23rd September, 2015 and the e-voting module shall be disabled by CDSL at 5.00 p.m. on 23rd September, 2015.

The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.

By Order of the Board of Directors

Chennai  
Date: 11th August, 2015

K. SURESH  
Vice President & Company Secretary

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 2

Deloitte Haskins & Sells, (ICAI Firm's Registration No. 015125N), Chartered Accountants, are the Statutory Auditors of the Company.

During the forthcoming Annual General meeting we propose their appointment till the conclusion of the next Annual General Meeting as per provisions of Section 139(1) of the Act.

Accordingly, approval is sought for the appointment of Deloitte Haskins & Sells, (ICAI Firm's Registration No. 015125N), Chartered Accountants till the conclusion of the next Annual General Meeting as contained in the resolution set out at item No. 2 of the notice.

The Board commends the Resolution at Item No. 2 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 2 of the accompanying Notice.

### Item no.3

Mr. S Krishnamurthy is a Non-executive Director & Independent Director. He is on the board of the Company from 22/12/2009.

In terms of the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S Krishnamurthy (DIN: 00140414), Director of the Company, is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020. The Company has received a notice in writing from a member proposing his candidature as a Director as required under Section 160 of the Companies Act,2013 along with a deposit of ₹1000000/-.

A copy of the Draft letter of appointment of Mr. S Krishnamurthy as Independent Director setting out the terms and conditions

is available for inspection without any fees at the Company's registered office during the normal business hours on any working day till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs, except Mr. S Krishnamurthy is concerned or interested in the resolution at Item No. 3 of the Notice.

### Item no.4

Mr. S Babu is a Non-executive Director & Independent Director. He is on the board of the Company from 30/3/2011.

In terms of the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. S Babu (DIN: 02541697), Director of the Company, is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020. The Company has received a notice in writing from a member proposing his candidature as a Director as required under Section 160 of the Companies Act,2013 along with a deposit of ₹1000000/-.

A copy of the Draft letter of appointment of Mr. S Babu as Independent Director setting out the terms and conditions is available for inspection without any fees at the Company's registered office during the normal business hours on any working day till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs, except Mr. S Babu is concerned or interested in the resolution at Item No. 4 of the Notice.

### Item no.5

Mr. P D Karandikar is a Non-executive Director & Independent Director. He is on the board of the Company from 29.6.2010.

In terms of the provisions of Sections 149, 150, 152 and any other applicable and related provisions of the Companies

Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. P D Karandikar (DIN: 02142050), Director of the Company, is proposed to be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 consecutive years for a term upto September 24, 2020. The Company has received a notice in writing from a member proposing his candidature as a Director as required under Section 160 of the Companies Act,2013 along with a deposit of ₹1000000/-.

A copy of the Draft letter of appointment of Mr. P D Karandikar as Independent Director setting out the terms and conditions is available for inspection without any fees at the Company's registered office during the normal business hours on any working day till the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs, except Mr. P D Karandikar is concerned or interested in the resolution at Item No. 5 of the Notice.

### Item No. 6

The Board of Directors has appointed Ms. Chandra Ramesh as Additional Director of the Company with effect from 23rd March, 2015.

Mrs. Chandra Ramesh, 54, is an FCA, ACS, AICWA, PGDM (IIM-A) and LICENTIATE IN INSURANCE. She started her professional journey with IDL Chemicals Ltd., a part of the Swedish Nobel Group in the areas of Cost and Management Accounting, budgeting and systems. She moved over to TAFE Ltd. as Executive assistant to the Chairman of the Amalgamations Group and thereafter had a stint with Tamilnad Hospitals Ltd. as Vice President Finance and Company Secretary where she handled the IPO of the NRI doctors promoted company and tied up the complete project finance with Financial Institutions after which she moved to India Securities Ltd. an Essar Group Company where her job profile included Investment banking, lease / HP Financing, project counseling and Advisory services, corporate secretarial functions, etc. Then, she started off as an independent financial consultant and took membership in the Bangalore Stock Exchange and also obtained membership of National Stock Exchange.

She was the Managing Director & CEO of a Re-insurance broking till August 2008 and was actively involved in the insurance and re-insurance broking space with extensive international net-working and exposure. Later she was co-opted as an additional director on the Board of IFIN (IFCI Financial Services Ltd., a subsidiary of IFCI Ltd.) and appointed as the Managing Director of IFIN with effect from 1st September, 2008. As Managing Director of IFIN, she had, in three years, grown the company from one branch to over 50 branches, from nil sub-brokers to over 350, from 1000 clients to 25000 and from 12 Institutional empanelment to over 60. With a Pan-India presence, IFIN established itself as one of the leading players in the industry. She has over the last decade taken a deep interest in technical analysis of the equity markets and has extensively researched the Indian stock and commodity markets.

In terms of Sections 149, 150, 152 and its related and applicable provisions of the Companies Act, 2013, read with the Rules made thereunder, Ms. Chandra Ramesh. being eligible offers herself for appointment, and is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years till September 24, 2020. Any Member who wishes to propose the candidature of Ms. Chandra Ramesh for the office of Director of the Company may do so in writing in not less than fourteen days before the date of Annual General Meeting along with the deposit of ₹1,00,000/- (Rupees one lakh only) which shall be refunded to such Member if Ms. Chandra Ramesh gets elected as a Director with more than twenty-five percent of total valid votes cast in favour of this resolution.

Ms. Chandra Ramesh has given declaration under Section 149(7) of the Companies Act, 2013 that she fulfills the conditions specified in Section 149(6) of the Companies Act, 2013 read with the Rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the letter of appointment of Ms. Chandra Ramesh as an Independent Director setting out the terms and conditions are available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day and also hosted on the website of the Company.

The Members are further requested to note that Ms. Chandra Ramesh has given declarations that she is not disqualified to

become a Director under Section 164(2) of the Companies Act, 2013 and her consent to hold office as Director.

The Board deliberated and decided that owing to the rich and varied experience, her association would be of immense benefit to the Company and it is desirable to avail services of Ms. Chandra Ramesh as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Ms. Chandra Ramesh as an Independent Director, for the approval by the shareholders of the Company.

Ms. Chandra Ramesh does not hold by herself or for any other person on a beneficial basis, any shares in the Company as per declaration given by her.

Details of other Directorships/Committee Memberships held by her:

**Promoter Director**

Procap Financial services P Ltd.

Director-

Bharat Re-insurance Brokers P Ltd

Procap Commodities Pvt Ltd

None of the Directors, Key Managerial Personnel (KMPs) or relatives of Directors and KMPs, except Ms. Chandra Ramesh is concerned or interested in the resolution at Item No. 6 of the Notice.

**Item No. 7**

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed Mr. G Sundaresan, CMA to audit the cost accounts of the Company for the financial year 2015 at a remuneration of ₹50000. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Mr. G Sundaresan, CMA, Cost Auditor is included at Item No.7 of the Notice convening the Annual General Meeting.

The Board commends the Resolution at Item No. 7 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

**Item No. 8**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith.

As required under the Companies Act, 2013, the remuneration payable to the secretarial auditor - ₹1 Lakh, is required to be placed before the Members in a General Meeting for their ratification.

Accordingly, a Resolution seeking Member's ratification for the remuneration payable to Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice is included at Item No.8 of the Notice convening the Annual General Meeting. The Board commends the Resolution at Item No. 8 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMPs is concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

**Item No. 9**

1. The Board vide its Resolution dated 10th May 2013 had approved the re-appointment of Mr. T Shivaraman as the Managing Director & CEO of the Company till 19th September 2015 . The present reappointment for a further period of 3 years will also be on the same terms and conditions of remuneration as were paid to him earlier, which is as under:

Gross Annual Salary (Basic Pay)  
₹32, 00,000 (Rupees Thirty two Lakhs only)

**CATEGORY "A"**

House Rent Allowance, Leave Travel Concession, Medical Reimbursement, fees of clubs and personal Accident Insurance as under.

**Housing:**

Annual House Rent Allowance - ₹800000/-

ii) Medical re-imburement- ₹15000/- per annum  
Leave Travel Concession: ₹200000/- per annum

**Club fees:**

Fees of clubs subject to a maximum of 2 clubs and amount not exceeding ₹50,000/ p.a. This will not include admission and life membership.

**Personal Accident Insurance:**

Premium not to exceed ₹15000/- p.a.

**Contribution to Provident Fund:**

12% of Basic- ₹384000/- p.a

**Commission:**

0.5% of Net profit upto a limit not exceeding ₹20,00,000/- in a year

**CATEGORY "B"**

Gratuity payable ₹154000/- per annum.

**CATEGORY "C"**

Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to MD & CEO.

The perquisites mentioned above are interchangeable within the overall ceiling of the Annual salary of MD & CEO.

- Mr. T Shivaraman is a B.Tech (Chemical Engineering) and an M.S from IIT. He started his career as a management Trainee in ICI India Ltd at their Fertilizer Plant in Kanpur. He has more 23 years' experience in plant operations and project engineering. He has been involved with the EPC Business since 1992. He is well versed in technical handling of projects, studying its viability and feasibility.
- Where in any financial year during the currency of tenure of the Managing Director, the Company had no profits or inadequate profits, the Company would pay Mr. T Shivaraman, remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013, and as would be decided by the Board of Directors.

4. The terms and conditions of remuneration may be varied from time to time by the Board as it may, in its discretion, deem fit, in consultation with Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.

5. The Managing Director shall not be entitled to receive any fees for attending the Meetings of the Board of Directors of the Company or Committees thereof.

6. The remuneration package of Mr. T Shivaraman and other details such as remuneration, service contract, notice period, etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board recommends the approval by the members of the re-appointment of Mr. T Shivaraman as the Managing Director & CEO and payment of remuneration to him.

Mr. T Shivaraman is concerned or interested in the said resolution at item No. 9 accompanying notice.

The above may be treated as an abstract of the terms of re-appointment payable to Mr. T Shivaraman, as Managing Director & CEO as required, pursuant to Section 196 of the Companies Act, 2013.

**Item No. 10**

1. The Board vide its Resolution dated 10th May 2013 had approved the re-appointment of Mr. Amjat Shariff as the Joint Managing Director of the Company upto 19th September 2015. The present reappointment for a further period of 3 years will also be on the same terms and conditions of remuneration as were paid to him earlier, which is as under:

Gross Annual Salary (Basic Pay)  
₹32, 00,000 (Rupees Thirty two Lakhs only)

**CATEGORY "A"**

House Rent Allowance, Leave Travel Concession, Medical Reimbursement, fees of clubs and personal Accident Insurance as under.



**Housing:**

Annual House Rent Allowance - ₹800000/-

- ii) Medical re-imburement- ₹15000/- per annum  
Leave Travel Concession: ₹200000/- per annum

**Club fees:**

Fees of clubs subject to a maximum of 2 clubs and amount not exceeding ₹50,000/ p.a. This will not include admission and life membership.

**Personal Accident Insurance:**

Premium not to exceed ₹15000/- p.a.

**Contribution to Provident Fund:**

12% of Basic- ₹384000/- p.a

**Commission:**

0.5% of Net profit upto a limit not exceeding ₹20,00,000/- in a year

**CATEGORY "B"**

Gratuity payable ₹154000/- per annum.

**CATEGORY "C"**

Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to MD & CEO.

The perquisites mentioned above are interchangeable within the overall ceiling of the Annual salary.

2. Mr. M Amjat Shariff is basically a Chemical Engineer with M.Tech (Chem), IIT, Chennai. He started his career as Chief Engineer and was involved in design and installation of hi-tech projects for a variety of industrial applications in the areas of fertilizer, chemical, ferrous and non-ferrous and other industries. He has over 35 years' experience in project execution, sales, marketing and corporate planning. He has specialized in core sector, executing and management of projects, particularly related to steel, copper and power. He has vast experience in imparting training to professionals.
3. Where in any financial year during the currency of tenure of the Joint Managing Director, the Company had no

profits or inadequate profits, the Company would pay Mr. M Amjat Shariff, remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013, and as would be decided by the Board of Directors.

4. The terms and conditions of remuneration may be varied from time to time by the Board as it may, in its discretion, deem fit, in consultation with Joint Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.
5. The Joint Managing Director shall not be entitled to receive any fees for attending the Meetings of the Board of Directors of the Company or Committees thereof.
6. The remuneration package of Mr. M Amjat Shariff and other details such as remuneration, service contract, notice period, etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board recommends the approval by the members of the re-appointment of Mr. Mr. M Amjat Shariff as Joint Managing Director and payment of remuneration to him.

Mr. M Amjat Shariff is concerned or interested in the said resolution at item no.10 accompanying notice.

The above may be treated as an abstract of the terms of re-appointment payable to Mr. M Amjat Shariff, as Joint Managing Director as required, pursuant to Section 196 of the Companies Act, 2013.

**Item no.11**

As per the RBI Master Circular Guidelines 1st July 2014:

Quote: "24.5 For restructuring of dues in respect of listed companies, lenders may be ab-initio compensated for their loss/ sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements. In such cases, the restructuring agreement shall

not incorporate any right of recompense clause. However, if the lenders' sacrifice is not fully compensated by way of issuance of equities, the right of recompense clause may be incorporated to the extent of shortfall. For unlisted companies, the JLF will have option of either getting equities issued or incorporate suitable 'right to recompense' clause." Unquote

As per the above RBI Master Circular Guidelines, Indus Indbank one of the CDR Lenders of the Company are opting to convert their sacrifice to equity to the extent of 2958801 equity shares. Indus Indbank have already obtained approval from their sanctioning authority. The CDR EG has approved the said conversion on April 24, 2015.

The Equity Shares that are to be issued shall be listed at BSE Limited (the BSE) and the National Stock Exchange of India Limited (the NSE) and together with the BSE, the Indian Stock Exchanges. The consent of the shareholders is also being sought pursuant to the provisions of Section 62, Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder and in terms of the provisions of the listing agreement executed by the Company with the Indian Stock Exchanges. The said equity shares shall rank pari passu with the then existing equity shares of the Company in all respects.

The following details of the proposed preferential issue of equity shares are disclosed in accordance with the provisions of 'Chapter VII – Preferential Issue' of the Securities and Exchange Board of India (Issue of Capital and Disclosure

Requirements) Regulations, 2009, as amended, from time to time (the ICDR Regulations) and under the applicable provisions of the Companies Act, 2013 and Rules made thereunder:

**i. Objects of the preferential issue**

The right of recompense being a contingent liability is waived to the extent sacrifice portion is converted as per para 24.5 of RBI master circular dated 1st July 2014. This, in turn, will improve the networth and financial ratios of the Company.

With the issue of equity shares in lieu of the sacrifice, there will not be the right to recompense to Indus Indbank to the extent of allotment of equity shares.

**ii. The total number of equity shares to be issued**

The Board intends to offer, issue and allot upto 2958801 fully paid-up equity shares of the Company, having face value of ₹10/- each, at a price of ₹40.05/- per equity share pursuant to the exercise by Indus Indbank to convert their sacrifice amount in terms of the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015, and pursuant to the sanction received from Indus Indbank.

**iii. The price or price band at / within which the allotment is proposed**

The issue price is ₹40.05/- (Rupees Forty & Paise Five Only) per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the "Relevant Date" i.e. April 24, 2015, being the date on which the said conversion was approved by the CDR EG".

**iv. Basis on which the price has been arrived at along with report of the registered valuer**

The same is not applicable in the present case since the Company is a listed company; the pricing is as per the ICDR Regulations.

**v. Relevant date with reference to which the price has been arrived at**

The "Relevant Date" in terms of Regulation 71(a) of the ICDR Regulations for determination of issue price for allotment of equity shares to Indus Indbank, on a preferential basis, is April 24, 2015, being the date on which the said conversion was approved by the CDR EG".

**vi. The class or classes of persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to Indus Indbank in terms of the CDR Package and as per the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015.

vii. **The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential issue**

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential issue.

viii. **Proposed time within which the allotment shall be completed**

The Company will issue and allot equity shares to Indus Indbank within the time limit specified under the ICDR Regulations.

xii. **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

The allotment is proposed to be Indus Indbank in terms of the CDR Package and as per the RBI Master Circular Guidelines dated 1st July 2014 and the approval of the CDR EG on April 24, 2015. The Company being a listed company; the pricing is in terms of ICDR Regulations.

ix. **The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee**

Details of proposed allottees:

SI No	Proposed Allottee	Pre issue as of 31.7.2015		Post issue	
		No of shares	% of share capital	No of shares	% of share capital
1	Indus Indbank	NIL	NIL	2958801	1.17%

x. **The change in control, if any, in the Company that would occur consequent to the preferential offer**

The existing promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

xi. **The number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price Post March 31, 2015 and up to the date of this Notice, the following preferential allotments have been made**

Date of allotment	No. of securities allotted	Issue Price per share Rs	No. of allottee(s)	Remarks
26.6.2015	22926016	32.98	11	Pref issue to CDR lenders who opted to convert their FITL into equity as per the CDR scheme
	22983770	40.05	9	Pref issue to CDR lenders who opted to convert their sacrifice amt into equity as per the CDR scheme
	105078336	37.02	1	Pref issue to Shriram Industrial Holdings Ltd
09.7.2015	8502122	32.98	12	Pref issue to CDR lenders who opted to convert their FITL into equity as per the CDR scheme
	1652934	40.05	1	Pref issue to CDR lender who opted to convert their sacrifice amt into equity as per the CDR scheme
31.07.2015	1707095	32.98	1	Pref issue to CDR lender who opted to convert their FITL into equity as per the CDR scheme

xiii. **The pre issue and post issue shareholding pattern of the Company**

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to the proposed allottees is provided hereunder:

Category	Pre issue as of 31.7.2015		Post issue	
	No. of Shares	% of share capital	No. of Shares	% of share capital
<b>C. Promoters/ Promoter Group:</b>				
a. Indian Promoters	165412862	66.38%	165412862	65.60%
b. Foreign Promoters	0.00	0.00%	0.00	0.00
<b>Total for Promoter Group (A)</b>	<b>165412862</b>	<b>66.38%</b>	<b>165412862</b>	<b>65.60</b>
<b>D. Public Shareholdings:</b>				
<b>iv Institutional</b>				
Financial Institutions / Banks	57771937	23.18%	60730738	24.08%
Insurance Companies	-	-	-	-
Foreign Institutional Investors	1128530	0.45%	1128530	0.45%
Others	9423991	3.78%	9423991	3.74%
Sub-total B 1	68324458	27.42%	71283259	28.27%
<b>v Non Institutional</b>				
- Bodies Corporate	3480010	1.40%	3480010	1.38%
- Individuals				
<b>vi Any Other</b>				
- Directors & their Relatives & Friends	14120		14120	
- NRIs				
- Clearing Shareholders				
- HUFs	245245	0.10%	245245	0.10%
- Trusts				
- Foreign Corporate Bodies	11731762	4.71%	11731762	4.65%
<b>Sub-total B 2</b>	<b>15471137</b>	<b>6.21%</b>	<b>15471137</b>	<b>6.14%</b>
<b>Total Public Shareholdings (B)</b>	<b>83795595</b>	<b>33.62%</b>	<b>86754396</b>	<b>34.40%</b>
GRAND TOTAL (A) + (B)	249208457	100.00%	252167258	100.00%

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of equity shares of the Company.

**xiv. Undertaking to recomputed price**

Not Applicable

**xv. Undertaking to put under lock-in till the recomputed price is paid**

Not Applicable

**xvi. Certificate from Statutory Auditors**

M/s Deloitte Haskins & Sells, Statutory Auditors of the Company, have certified that the issue of securities is being made in accordance with the ICDR Regulations. A copy of the said certificate is open for inspection at the Registered Office of the Company between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and holidays) up to the date of announcement of the AGM.

**xvii. Lock-in Period**

The securities allotted shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations. The Board of Directors of the Company has at its meeting held on 11th August 2015 has approved the creation, offer, issuance and allotment of the above mentioned equity shares of the Company on preferential basis. Pursuant to the provisions of Section 62 of the Companies Act, 2013 and Regulation 72(1) (a) of the ICDR Regulations, the preferential issue requires approval of the shareholders by way of a special resolution. The Board recommends passing of the resolution under Item 12 as a special resolution.

The consent of the shareholders is sought for the issue of equity shares in terms of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution. Further the Promoters or Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the proposed allottee.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No 11 of the accompanying Notice.

Registered Office: Sigappi Achi Building,  
4<sup>th</sup> Floor, 18/3 Rukmini Lakshmi pathi Road,  
Egmore, Chennai – 600 008.

Chennai  
Date: 11th August, 2015

By Order of the Board of Directors

K. SURESH  
Vice President & Company Secretary

**Details of Directors seeking Appointment/ re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)**

Particulars	Mr. S Krishnamurthy	Mr. S Bapu	Mr. P D Karandikar	Ms. Chandra Ramesh
Date of Birth	22.3.1939	24.7.1940	30.12.1949	09.06.1960
Date of Appointment	22/12/2009	30/03/2011	29/6/2010	23/03/1960
Qualifications	First class graduate of Madras University with Master's Degree in Labour Management. He holds PG Diploma in HRM & IR & PM. He is also a Certified Associate of the Indian Institute of Bankers with a Bachelor's Degree in General Laws.	Post-graduate in Mathematics	IAS (Retd.)	FCA, ACS, AICWA, PGDM (IIM-A) and LICENTIATE IN INSURANCE.
Expertise in specific	Senior Banker with extensive experience of over 4 decades in the Reserve Bank of India and Commercial Banks.  He served as General Manager (Vigilance & Inspection/Audit) in Indian Overseas Bank, Chennai for 5 years and also as the Chairman and CEO of Tamilnad Mercantile Bank Ltd., Tuticorin for over 5 years. He was Banking Ombudsman, Chennai for about two years	conversant with income tax law & chit funds laws, Acquainted with regulations applicable to NBFCs, Insurance Regulations	Experience of over 40 years. He has held several senior position as the Managing Director / CEO of Maharashtra Industrial Development Corporation, SICOM Ltd., Maharashtra State Road Development Corporation, etc.  He had also served as a Director on a number of PSUs of State and Central government including Nuclear Power Corporation, Uranium Corporation of India, Heavy Water Board, Indian Rare Earths Limited, Electronic Corporation of India etc.,  He is currently serving as the Corporate Advisor for esteemed Groups like Mahindra & Mahindra, Finolex etc.,	Cost and Management Accounting, budgeting and systems, Investment banking, lease / HP Financing, project counselling and Advisory services, stock broking, investment advisory and corporate insurance advisory

Details of Directors seeking Appointment/ re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) (contd.)

Particulars	Mr. S Krishnamurthy	Mr. S Babu	Mr. P D Karandikar	Ms. Chandra Ramesh
Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	Director-Shriram City Union Finance Ltd., Kerala Ayurveda Ltd., and Take Solutions Ltd.	Director-Shriram Asset Management Co. Ltd	Director Finolex Industries Ltd Shriram Asset Management Co. Ltd Rajasthan Olive Cultivation Ltd IL & FS Renewable Energy Ltd IL & FS Wind Farms Ltd Ratedi Wind power P Ltd Khandke Wind Energy P Ltd Wind Urja India P Ltd Cabal Insurance Broking services P Ltd Finolex Plasson Industries P Ltd BVG India P Ltd	Promoter Director Procap Financial services P Ltd. Director- Bharat Re-insurance Brokers P Ltd Procap Commodities Pvt Ltd
Chairmanships / Memberships Of Committees of other Public Companies I. Audit Committee ii. Stakeholders Relationship Committee iii. Nomination and Remuneration Committee iv. CSR Committee	Member-Shriram City Union Finance Ltd., Kerala Ayurveda Ltd., and Take Solutions Ltd. Chairman- Shriram City Union Finance Ltd Member-Shriram City Union Finance Ltd., Kerala Ayurveda Ltd.,	NIL	Chairman Shriram Asset Management Co. Ltd BVG India P Ltd Member Finolex Industries Ltd IL & FS Renewable Energy Ltd Ratedi Wind power P Ltd Khandke Wind Energy P Ltd Wind Urja India P Ltd Member Finolex Industries Ltd Member Finolex Industries Ltd IL & FS Renewable Energy Ltd Ratedi Wind power P Ltd Khandke Wind Energy P Ltd Wind Urja India P Ltd Member Finolex Industries Ltd IL & FS Renewable Energy Ltd	NIL
Number of shares held in the Company	NIL	NIL	NIL	NIL

FORM NO. MGT-11

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

PROXY FORM

Corporate Identity Number	L74210TN2000PLC045167
Name of the company	
Registered office	4th Floor, Sigapi Achi Building, 18/3 Rukmini Lakshmi pathi Road, Egmore, Chennai-600008, Ph:044-49015678. Website:www.shriramepc.com

Full Name of the Member attending (in Block Letters)	
Full Name of the first joint-holder	
Name of the Proxy	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

Name:	Name:	Name:
Address:	Address:	Address:
E-mail Id:	E-mail Id:	E-mail Id:
Signature: or failing him	Signature: or failing him	Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 24th September, 2015 at 10.00 A.M. at Kamakoti Hall, Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T.Nagar, Chennai – 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions :
<b>Ordinary Business:</b>	
1	To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 March, 2015 including audited Balance Sheet as at 31 March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon
2	To re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, Chennai as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 16th Annual General Meeting
<b>Special Business:</b>	
<b>Ordinary Resolution:</b>	
3	Appointment of Mr. S Krishnamurthy (DIN: 00140414) as an Independent Director
4	Appointment of Mr. S Babu (DIN: 02541697) as an Independent Director
5	Appointment of Mr. P D Karandikar (DIN: 02142050) as an Independent Director
6	Appointment of Ms. Chandra Ramesh (DIN: 00938694), as an Independent Director
7	To re-appoint Mr. G Sundaresan, CMA as Cost Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 16th Annual General Meeting
8	To re-appoint Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice, as Secretarial Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 16th Annual General Meeting
<b>Special Resolution:</b>	
9	Re-appointment of Mr. T Shivaraman as Managing Director & CEO of the Company for a period of three years with effect from 20th September 2015
10	Re-appointment of Mr. M Amjat Shariff as Joint Managing Director of the Company for a period of three years with effect from 20th September 2015
11	Issue of equity shares on preferential basis to Indus Indbank in terms of ICDR Regulations in lieu of the Sacrifice amount

Signed this .....day of \_\_\_\_\_ 2015

Signature of shareholder:

Signature of Proxy holder(s) :

**Affix  
Re. 1/-  
Revenue  
Stamp**

**SHRIRAM EPC LIMITED**  
Registered Office: 4th Floor, Sigapi Achi Building,  
18/3 Rukmini Lakshmipathi Road, Egmore, Chennai-600008  
Corporate Identity Number : L74210TN2000PLC045176  
Ph: 044-49015678, Website:www.shriramepc.com

**ATTENDANCE SLIP**  
To be handed over at the entrance of the Meeting Hall

Full Name of the Member attending (in Block Letters)	
Full Name of the first joint-holder	
Name of the Proxy	

I/ We hereby record my/ our presence at the 15th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 24th September, 2015 at 10.00 A.M.at Kamakoti Hall, Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T.Nagar, Chennai – 600 017.

No. of Shares held	
Registered Folio No.	
DP ID	
Client ID	

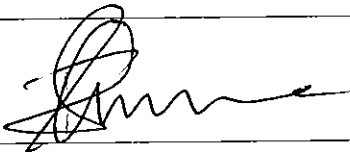


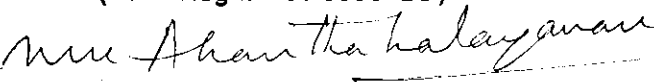
Member's/Proxy's Signature





**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 Standalone financial statements for the year ended	31 <sup>st</sup> March 2015
3.	Type of Audit observation	Emphasis of Matter
4.	Frequency of observation	Repetitive
5.	TO BE SIGNED BY :-	
	CEO / Managing Director	
	Chief Financial Officer	
	Audit Committee Chairman	
<p><b>Auditors of the Company</b></p> <p>Refer our Audit Report dated 28<sup>th</sup> May 2015 on the standalone financial statements of the Company.</p> <p style="text-align: center;"><b>For DELOITTE HASKINS &amp; SELLS</b>  <b>CHARTERED ACCOUNTANTS</b>          (Firm Regn. No: 008072S)</p> <p style="text-align: center;"></p> <p style="text-align: center;"><b>M.K. ANANTHANARAYANAN</b>  <b>PARTNER</b>          MEMBERSHIP No: 019521</p> <p>Chennai, 28<sup>th</sup> May 2015</p>		

**Shriram EPC Limited**

1st Floor, 'Rajah Annamalai Building', No.18/3, Rukmani Lakshmipathi Road,  
 Egmore, Chennai - 600 008, India. Ph : +91 44 4900 5555, Fax : +91 44 4900 5599 / 4269 2155  
 Regd. Office : 4th Floor, 'Sigapi Achi Building', No.18/3, Rukmani Lakshmipathi Road,  
 Egmore, Chennai - 600 008. Ph : +91 44 4901 5678 Fax : +91 44 4901 5655  
 E-mail : info@shriramepc.com, website : www.shriramepc.com  
 CIN : L74210TN2000PLC045167

