

MAHINDRA EPC SERVICES PRIVATE LIMITED

ACCOUNTS

31ST MARCH, 2013

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B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
MAHINDRA EPC SERVICES PRIVATE LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **MAHINDRA EPC SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Branch Office : Bengaluru

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and;
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;



- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number 105102W



Devdatta Mainkar

Partner

Membership Number: 109795

Mumbai, May 22, 2013



ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (7) of our report of even date on the accounts of **Mahindra EPC Services Private Limited** ended 31st March, 2013.

- i (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on verification.
- (c) During the year, Company has not disposed of any substantial/major part of fixed assets.
- ii (a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found 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 and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records are not material and have been properly dealt with in the books of account.
- iii. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d), (e), (f) and (g) of sub-paragraph (iii) of paragraph 4 of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. In our opinion and according to the information and explanations given to us, there were no transactions with any party that needed to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956. As there are no transactions in case of any party that need to be entered in



the Register maintained pursuant to section 301 of the Companies Act, 1956, sub-clause (b) of sub-para (v) of Para 4 of the Order is not applicable.

- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA and any other relevant provisions of the Companies Act, 1956.
- vii. The company has internal audit system, which in our opinion, is commensurate with the size of the Company and nature of its operations.
- viii. We have broadly reviewed the books of accounts maintained by the Company relating to the manufacture of forgings pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix (a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Wealth-Tax, Service-Tax, Customs Duty, cess and other material statutory dues with the appropriate authorities during the year. According to information and explanations given to us, there are no arrears of outstanding statutory dues as at 31st March 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Service Tax, Customs Duty, income Tax, Wealth Tax, or Cess outstanding on account of any dispute as on 31st March 2013.
- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current year as well as in the immediately preceding year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to financial institutions and banks.



- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies.
- xiv. The company is not dealing or trading in shares, securities or any other investments.
- xv. The Company has given guarantee of Rs. 100 crores for loan taken by its customer from financial institution. Based on the information and explanations given to us and representations made to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion and according to information and explanation given to us, the loans availed by the company from the banks during the year under audit have been prima-facie utilised for the intended purpose.
- xvii. According to information and explanations given to us, on an overall examination of the balance sheet and the Cash Flow Statement of the company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xviii. The company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company did not issue any debentures during the year.
- xx. During the year, the Company has not made any public issue of equity shares.
- xxi. Based on the audit procedures performed and as per the information and explanations given by the management, no fraud on or by the Company was noticed or reported during the year.



For and on behalf of
B. K. Khare and Co.
Chartered Accountants
Firm Registration No. 105102W



Devdatta Mainkar
Partner
M. No. 109795
Mumbai 22nd May 2013



MAHINDRA EPC SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March 2013

	Note No	2012-13 Rupees	2011-12 Rupees
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	3	113,000,000	88,000,000
Reserves and Surplus	4	389,637,590	981,617
(2) Current Liabilities			
Short-term borrowings	5	-	130,857,250
Trade payables	6	2,862,969,660	45,395,632
Other current liabilities	7	41,989,915	8,407,798
Short-term provisions	8	86,704,766	1,357,644
Long-term provisions	9	1,374,392	-
Total		3,495,676,323	274,999,941
II. Assets			
(1) Non-current assets			
Fixed assets			
Tangible assets	10	20,193,346	2,285,526
Intangible assets		2,180,960	-
Non-current investments	11	50,000	50,000
(2) Deferred tax assets (net)	28	17,665,000	264,000
(3) Current assets			
Current investments	12	252,388,857	-
Inventories	13	158,507,421	21,757,894
Trade receivables	14	2,411,991,726	227,996,891
Cash and cash equivalents	15	560,529,918	18,130,264
Short-term loans and advances	16	57,499,840	4,096,521
Other current assets	17	14,669,255	418,845
Total		3,495,676,323	274,999,941

Per our report attached

For B K Khare & Co.

Chartered Accountants

Firm Registration No. 105102W

Devdatta Mainkar

Devdatta Mainkar

Partner

M. No. 109795



Mumbai :

For and on behalf of the Board

Satish Kamat

Satish Kamat
Director

K. Chandrasekar

K. Chandrasekar
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	Note No	2012-13 Rupees	2011-12 Rupees
Revenue from operations	18	4,850,329,415	935,026,422
Other Income	19	49,768,774	1,746,073
Total Revenue		4,900,098,189	936,772,495
<u>Expenses:</u>			
Cost of materials consumed	20	3,845,713,582	832,609,995
(Increase) / decrease in inventory work-in-progress	21	20,632,073	(20,632,073)
Employee benefit expense	22	97,824,516	22,869,212
Financial costs	23	1,997,581	1,668,401
Depreciation and amortization expense	24	1,722,732	181,200
Other expenses	25	364,452,732	95,984,177
Total Expenses		4,332,343,216	932,680,912
 Profit before tax		 567,754,973	 4,091,583
Tax expense:			
(1) Deferred tax	28	(17,401,000)	(264,000)
(2) Current tax		196,500,000	1,190,000
 Profit for the year		 388,655,973	 3,165,583
 Earning per equity share:			
Basic & Diluted (Rupees)	27	35.54	0.64
(Face value Rs.10/- per share)			

Per our report attached

For B K Khare & Co.

Chartered Accountants

Firm Registration No. 105102W



Devdatta Mainkar

Partner

M. No. 109795



Mumbai :

For and on behalf of the Board



Satish Kamat

Director



K. Chandrasekar

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013



	2012-13	2011-12
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before Tax.....	567,754,973	4,091,583
Adjustments for :		
Depreciation/Amortization.....	1,722,732	181,200
Interest Income	(26,528,775)	(1,746,073)
Interest expense	1,997,581	1,668,401
Operating Profit Before Working Capital Changes	544,946,511	4,195,111
Adjustments for :		
Increase / (decrease) in trade payables	2,817,574,028	44,385,048
Increase / (decrease) in other current liabilities	33,582,117	8,238,737
Increase / (decrease) in short term provisions	85,347,122	6,640,701
Increase / (decrease) in Long-term provisions	1,374,392	(21,757,894)
Decrease / (Increase) in Current Investments	(252,388,857)	(227,996,891)
Decrease / (Increase) in inventories	(136,749,527)	(2,793,480)
Decrease / (Increase) in trade and other receivables	(2,183,994,835)	(251,827)
Decrease / (Increase) in short term loans and advances	(53,403,319)	-
Decrease / (Increase) in other current assets	(14,250,410)	-
	297,090,711	(193,535,606)
Cash used for Operations	842,037,222	(189,340,494)
Income taxes paid (net of refunds).....	(196,500,000)	(6,454,501)
NET CASH USED IN OPERATING ACTIVITIES	645,537,222	(195,794,995)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(21,811,512)	(2,255,567)
Purchase of investments.....	-	(50,000)
Interest Received	26,528,775	1,746,073
NET CASH USED IN INVESTING ACTIVITIES	4,717,263	(559,494)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Share Capital	25,000,000	50,000,000
Proceeds from short term borrowings	(130,857,250)	130,857,250
Interest expense	(1,997,581)	(1,668,401)
NET CASH FROM FINANCING ACTIVITIES	(107,854,831)	179,188,849
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	542,399,654	(17,165,640)
CASH AND CASH EQUIVALENTS		
Opening Balance	18,130,264	35,295,904
Closing Balance	560,529,918	18,130,264
Cash & Cash Equivalents include :		
Cash and Cheques on hand	-	-
Balances with Scheduled Banks:		
(i) On Current Account	224,472,929	-
(ii) On Fixed Deposit Account	336,056,989	18,130,264
	560,529,918	18,130,264
	560,529,918	18,130,264

Per our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Devdatta Mainkar
Partner
M. No. 109795
Mumbai :



For and on behalf of the Board

Satish Kamat
Director

K. Chandrasekar
Director

Notes on Accounts for the year ended 31st March, 2013

1. Nature of Operations

Mahindra EPC Services Private Limited ('the Company'), a subsidiary of Mahindra Holdings Limited, is carrying on the business of Engineering, Procurement and Construction Contractors for power plants including renewable energy and water management sector.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 ('the Act'), and the accounting principles generally accepted in India (Indian GAAP) and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

The financial statements are prepared and presented in the form set out in Part I and Part II of Revised Schedule VI of the Act, so far as they are applicable thereto. All assets & liabilities have been classified as current / non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of services and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current / noncurrent classification of assets & liabilities.

These financial statements are presented in Indian rupees.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements, which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.



c) Fixed Assets:

a) Tangible Assets:

Tangible assets are carried at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition & installation, financing cost relating to borrowed funds attributable to construction or acquisition of qualifying fixed assets up to the date the asset is ready for use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss Account. Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for;

- a. Certain items of Plant and Machinery individually costing more than Rs. 5,000 – over their useful lives (2 years, 3 years, 5 years or 7 years, as the case may be) as determined by the Company .
- b. Cars and vehicles – at 15% of cost.

b) Intangible Assets:

Intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economical benefits are consumed.

- a. Software Expenditure: The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

d) Inventories:

Inventories comprise all costs of purchase, conversion and other cost incurred in bringing the inventories to their present location and condition.

Raw material and bought out components are valued at the lower of cost or net realizable value. Cost is determined on the basis of weighted average method.

Incomplete contract works are valued by the direct cost method. The direct cost is determined for each contract separately by considering all direct cost specifically attributable to each contract.

Land considered as stock-in-trade is valued at cost. Cost comprises of all cost attributable to the acquisition of land.

e) Foreign Exchange Transactions:

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

The Company uses foreign currency forward contracts to hedge its risk associated with the foreign currency fluctuations relating to firm commitments. The Company has applied the accounting principles set out in Accounting Standard 30 'Financial Instruments: Recognition and Measurement' (AS 30) by marking them to market at each reporting date.



Any premium or discount arising at the inception of a forward exchange contract is recognized as income or expense over the life of the contract.

f) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. EPC Contracts

Revenue from construction of solar power projects involving designing, engineering, supply, fabrication, construction, erection, commission, guaranteeing performance thereof etc. , execution of which is spread over different accounting periods, is recognised on the basis of per centage of completion method.

Stage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost.

Determination of revenues under percentage of completion method necessarily involves making estimates by the company, which are of a technical nature, concerning the costs to completion, expected revenue from contract and the foreseeable losses to completion.

ii. Sales of goods

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of trade discount, duties and sales tax.

iii. Service Income

Service income is recognised as per the terms of the contract when the related services are rendered. It is stated net of service tax.

iv. Interest income

Interest income is recognized on time proportion basis.

v. Dividend Income

Dividend income is recognized when the right to receive dividend is established.

g) Investments

Investments are classified under Non-current and Current categories.

'Non-current Investments' are carried at acquisition /amortized cost. A provision is made for diminution, other than temporary, on an individual basis.

'Current Investments' are carried at the lower of cost or fair value on an individual basis.



h) Employee Benefits:

i. Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service. Provision for short term compensated absences is made on arithmetic basis.

ii. Post employment employee benefits

a) Defined Contribution schemes

Company's contributions to the Provident Fund and Other Funds are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Defined benefits plans

Gratuity has been provided on actual based on arithmetical calculations.

i) Taxes on Income:

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

j) Provisions and Contingent Liabilities :

- a)** The Company provides for warranty obligation on substantial completion of contracts based on technical evaluation.
- b)** Contingent liabilities are disclosed by way of note to the financial statements, after careful evaluation by the management of the facts and legal aspects of the matter involved.



Note no. 3 : Share Capital:

	31st March, 2013 Rupees	31st March, 2012 Rupees
Authorized :		
4,00,00,000 (2012: 1,50,00,000) Equity Shares of Rs. 10 each	400,000,000	150,000,000
Total....	400,000,000	150,000,000
Issued and Subscribed:		
113,00,000 (2012: 88,00,000) Equity Shares of Rs. 10 each, fully paid up	113,000,000	88,000,000
Total....	113,000,000	88,000,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year:

	31st March, 2013		31st March, 2012	
Equity Shares:	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period.....	8,800,000	88,000,000	3,800,000	38,000,000
Issued during the period	2,500,000	25,000,000	5,000,000	50,000,000
Outstanding at the end of the period.....	11,300,000	113,000,000	8,800,000	88,000,000

b. Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

c. Shares held by holding Company:

The entire equity Shares of the Company are held by Mahindra Holdings Limited, the Holding Company.

d. Details of shareholders holding more than 5% shares in the company:

	31st March, 2013		31st March, 2012	
Equity Shares:	No. of Shares	% holding	No. of Shares	Rupees
Mahindra Holdings Limited	11,300,000	100%	8,800,000	100%



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 4 : Reserves and Surplus:

	31st March, 2013 Rupees	31st March, 2012 Rupees
Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per the last financial statement	9,81,617	(21,83,966)
Profit for the year	38,86,55,973	31,65,583
Net surplus in the statement of profit and loss	38,96,37,590	9,81,617

Note no. 5 : Short-term Borrowings:

	31st March, 2013 Rupees	31st March, 2012 Rupees
<u>a) Secured:</u>		
Cash credit from banks	-	4,98,42,334
<u>b) Unsecured:</u>		
Bank overdraft	-	28,00,145
Buyers Credit	-	7,82,14,771
Total	-	13,08,57,250

Cash credit from banks is secured against stock and Books debts. It is repayable on demand.

Note no. 6 : Trade payable:

	31st March, 2013 Rupees	31st March, 2012 Rupees
Trade payable		
Other than micro and small enterprises	2,86,29,69,660	4,53,95,632
Total	2,86,29,69,660	4,53,95,632

Note no. 7 : Other current liabilities :

	31st March, 2013 Rupees	31st March, 2012 Rupees
<u>Other Liabilities</u>		
Salary and reimbursements	1,38,99,932	50,48,803
Provided Fund and other funds payable	7,79,532	3,32,656
Sales Tax payable	15,43,280	9,37,824
Service Tax Payable	15,39,863	2,70,507
TDS payable	21,50,371	15,71,306
Other current liabilities payable	2,20,76,937	2,46,702
Total	4,19,89,915	84,07,798

Note no. 8 : Short term provisions :

	31st March, 2013 Rupees	31st March, 2012 Rupees
Provision for employee benefits:		
Leave encashment	36,39,217	12,99,701
Provision for Warranties	5,38,14,166	53,41,000
Provision for taxation (net of advance taxes paid)	2,92,51,383	(52,83,057)
Total	8,67,04,766	13,57,644

Note no. 9 : Long term provisions :

	31st March, 2013 Rupees	31st March, 2012 Rupees
Provision for employee benefits:		
Provision for gratuity	13,74,392	-
Total	13,74,392	-



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 10 : Fixed Assets :

Description of Assets	Gross block (At Cost / Book Value)				Depreciation / Amortization			Net Block	
	As at 31st March, 2012 Rupees	Additions / adjustments Rupees	Deductions / adjustments Rupees	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees	For the year Rupees	As at 31st March, 2013 Rupees	As at 31st March, 2012 Rupees	As at 31st March, 2013 Rupees
1 . Tangible Assets :									
Plant and Machinery	1,349,072	13,697,615	-	15,046,687	81,479	829,389	14,135,819	1,267,593	
Office Equipment	430,084	4,922,889	-	5,352,973	15,626	161,923	5,175,424	414,458	
Furniture & Fixture	-	400,157	-	400,157	-	18,301	381,856	-	
Vehicles	688,088	-	-	688,088	84,613	103,228	500,247	603,475	
Total	2,467,244	19,020,661	-	21,487,905	181,718	1,112,841	20,193,346	2,285,526	
2 . Intangible Assets :									
Software		2,790,851	-	2,790,851	-	609,891	2,180,960		
Total	-	2,790,851	-	2,790,851	-	609,891	2,180,960	-	
Total....	2,467,244	21,811,512	-	24,278,756	181,718	1,722,732	22,374,306	2,285,526	
Previous year total	211,677	2,255,567	-	2,467,244	518	181,200	2,285,526	2,285,526	



Note no. 11 : Non-current Investments

(valued at cost unless stated otherwise) :

Unquoted equity instruments

2,000 equity shares (31 March, 2012 Rs.50,000/-) of Rs. 25/- each of The Zoroastrian Co-operative Bank Ltd.

31st March, 2013
Rupees31st March, 2012
Rupees

50,000

50,000

Total

50,000

50,000

Note no. 12 : Current Investments

(valued at cost unless stated otherwise) :

Investments In Mutual Funds- Unquoted

Investments In Mutual Funds

31st March, 2013
Rupees31st March, 2012
Rupees

252,388,857

-

Total

252,388,857

-

Birla Sun Lifecash Plus - Daily Dividend - Reinvestment
SBI Premium Liquid Fund - Daily Dividend - Reinvestment
JP Morgan India Treasury Fund Super Institutional - Daily Dividend
Total

Units	31st March, 2013	Units	31st March, 2012
798,615	80,017,235	-	-
69,826	70,053,365	-	-
10,222,728	102,318,257	-	-
	252,388,857	-	-

Note no. 13 : Inventories

(valued at lower of cost and net realisable value) :

Raw Material

Contracts - in - Progress

Land held as stock in trade

31st March, 2013
Rupees31st March, 2012
Rupees

68,126,207

1,125,821

-

20,632,073

90,381,214

Total

158,507,421

21,757,894

Note no. 14 : Trade Receivable:

Unsecured, considered good:

Outstanding for period exceeding more than six months from the date they are due for payment

Others

Considered Doubtful

31st March, 2013
Rupees31st March, 2012
Rupees

46,555,385

-

2,365,436,341

227,996,891

-

-

Total

2,411,991,726

227,996,891

Note no. 15 : Cash and cash equivalents

Balances with schedule banks:

(i) On Current account

(ii) On Fixed Deposit account (held as margin money)

31st March, 2013
Rupees31st March, 2012
Rupees

224,472,929

-

336,056,989

18,130,264

Total

560,529,918

18,130,264

Note no. 16 : Short-term loans and advances

Unsecure, considered good unless otherwise stated

Advances to suppliers

Inter Corporate Deposits - related parties

Security deposits

Service tax / VAT receivable

31st March, 2013
Rupees31st March, 2012
Rupees

-

3,446,764

50,000,000

-

4,011,935

579,456

3,487,905

70,301

Total

57,499,840

4,096,521

Note no. 17 : Other current assets

Other Loans and advances

Unsecure, considered good unless otherwise stated

Interest accrued on Fixed Deposits

31st March, 2013
Rupees31st March, 2012
Rupees

14,669,255

418,845

Total

14,669,255

418,845



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 18 : Revenue from Operations	2012-13 Rupees	2011-12 Rupees
Revenue from EPC Contracts	4,833,953,117	934,982,139
Sale of Finished Goods	7,167,201	-
O & M Services	7,034,147	-
Scrap Sale	2,174,950	44,283
Total	4,850,329,415	935,026,422

Note no. 19 : Other Income	2012-13 Rupees	2011-12 Rupees
Interest income on		
Bank deposits	18,839,477	1,746,073
Inter corporate deposits	7,689,298	-
Dividend income on		
Liquid Funds	13,469,868	-
Exchange gain	9,770,131	-
Total	49,768,774	1,746,073

Note no. 20 : Cost of Raw Material and Components Consumed	2012-13 Rupees	2011-12 Rupees
Inventory at the beginning of the year	1,125,821	-
Add: Purchases	4,003,095,182	833,735,816
	4,004,221,003	833,735,816
Less: Inventory at the end of the year		
Inventory at the end of the year	68,126,207	1,125,821
Stock-in- trade (Land)	90,381,214	-
Total	3,845,713,582	832,609,995

Note no. 21 : (Increase) / Decrease in inventories	2012-13 Rupees	2011-12 Rupees
Inventory at the end of the year		
Work-in-progress	-	20,632,073
Less:		
Inventory at the beginning of the year		
Work-in-progress	20,632,073	-
Total	20,632,073	(20,632,073)

Note no. 22 : Employee benefit expenses	2012-13 Rupees	2011-12 Rupees
Salaries, wages and bonus	89,831,655	20,730,009
Contribution to provident and other fund	5,010,307	1,362,923
Staff welfare expenses	2,982,554	776,280
Total	97,824,516	22,869,212

Note no. 23 : Finance Cost	2012-13 Rupees	2011-12 Rupees
Interest on cash credit	1,346,005	566,517
Interest on inter corporate deposits	651,576	1,101,884
Total	1,997,581	1,668,401



MAHINDRA EPC SERVICES PRIVATE LIMITED
Note no. 24 : Depreciation

	2012-13 Rupees	2011-12 Rupees
Plant and Machinery	829,389	80,961
Office Equipment	161,923	15,626
Furniture & Fixtures	18,301	-
Vehicles	103,228	84,613
Software	609,891	-
Total	1,722,732	181,200

Note no. 25 : Other Expenses:

	2012-13 Rupees	2011-12 Rupees
Rent	9,117,959	272,000
Rates & Taxes	1,789,600	843,900
Insurance	160,919	13,483
Subcontracting, hire and service charges	240,081,496	75,544,372
Repairs and Maintenance	3,474,598	338
Advertisement & Sales promotion	1,808,784	845,092
Travelling & Conveyance	12,216,090	4,411,662
Telephone Expenses	1,960,072	974,580
Printing & Stationary	1,084,529	365,454
Loss on foreign exchange transaction	5,750,212	4,437,352
Legal and professional fees	6,066,743	783,367
Payment to auditor	676,331	400,585
Provision for warranties	48,473,166	5,341,000
Miscellaneous expenses	31,792,233	1,750,992
Total	364,452,732	95,984,177

**Note no. 26: Auditors remuneration include:
(net of services tax)**

	2012-13 Rupees	2011-12 Rupees
As Auditor	500,000	325,000
For Taxation Matters	175,000	75,000
For Reimbursement of Expenses	1,331	585
Total	676,331	400,585

Note no. 27 : Earning per share (EPS):

	2012-13 Rupees	2011-12 Rupees
Profit after tax	388,655,973	3,165,583
Weighted average number of equity shares used in computing basic earning per share.....	10,936,986	4,936,986
Basic and Diluted earning per share (Rs.) (Face Value of Rs. 10 per Share)	35.54	0.64

Note no. 28 : The components of Deferred Tax liability and assets as on 31st March 2013

	2012-13 Rupees	2011-12 Rupees	Charged for the year Rupees
Deferred Tax Liability :			
(i) On depreciation and amortization	1,421,000	138,000	1,283,000
	1,421,000	138,000	1,283,000
Deferred Tax Asset :			
(i) Provision for employee benefits	1,626,000	402,000	1,224,000
(ii) Provision for warranty	17,460,000	17,460,000	
	19,086,000	402,000	18,684,000
Deferred Tax Asset (Net)	17,665,000	264,000	17,401,000



Note no. 29 :

List of Related parties :

Holding company:

Mahindra Holdings limited.(100 % subsidiary of Mahindra & Mahindra Limited)
Mahindra & Mahindra Limited (Ultimate holding company)

Fellow subsidiaries:

Mahindra Solar One Pvt. Limited
Mahindra Suryaprakash Private Limited
Mahindra Consulting Engineers Limited
Mahindra World City Jaipur Limited
Mahindra Logistics Limited
Mahindra Engineering and Chemical Products Limited
Mahindra Life Space Developers Limited.
Mahindra BPO Services Private Limited.
Mahindra Holidays & Resorts India Limited

Transaction with related parties:

Sr.No.	Nature of transaction	Holding company	Fellow Subsidiary
1	Issue of equity shares	25,000,000 (50,000,000)	- (-)
2	Sales - Goods	- (316,060)	2,805,439,959 (755,740,137)
3	Interest Income	- (-)	7,689,298 (-)
4	Reimbursement received from parties	- (-)	- (551,968)
5	Reimbursement paid to parties	9,666,284 (8,250,609)	- (-)
6	Rendering of services	- (-)	3,382,265 (-)
7	Receiving of services	- (-)	16,124,838 (6,427,520)
8	Interest Expenses	- (-)	651,576 (1,101,884)
9	ICD given		200,000,000 (-)
10	ICD given refunded		150,000,000 (-)
11	ICD taken		30,000,000 (-)
12	Outstanding Receivable	- (-)	2,047,072,427 (217,580,020)
	Payable	17,183,696 (7,427,748)	1,336,630 (880,000)
13	ICD - Repaid	- (-)	30,000,000 (-)
14	ICD - Receivable	- (-)	50,000,000 (-)
15	ICD - Interest Receivable	- (-)	61,644 (-)

Previous year's figures are given in brackets.

Note no. 30 : Micro, Small and Medium enterprises have been identified on the basis of the information to the extent provided by the suppliers.

Total outstanding dues of the Micro and Small enterprises as on 31st March, 2013 is Rs. Nil.



Note no. 31 : Provision for warranty relates to provision made in respect of EPC Contracts, the estimated cost of which is accrued on corresponding revenue recognition.

The movement in the above provision is as follows:

	31st March, 2013	31st March, 2012
	Rupees	Rupees
Balance as on 1st April, 2012	5,341,000	-
Add: Provision made during the year	48,473,166	5,341,000
Less: Utilised during the year	-	-
Balance as on 31st March, 2013	53,814,166	5,341,000

Note no. 32 : Segment Information :

The company operates only in one business segment viz. Engineering, Procurement and Construction

Contracts relating to solar power projects.

The Companies operations only in India, hence there is no reportable geographical segment

	31st March, 2013	31st March, 2012
	Rupees	Rupees
Note no. 33 : Disclosure regarding income from Engineering, Procurement and Construction Contracts:		
i) The amount of contract revenue recognised as revenue during the year.	4,833,953,117	934,982,139
ii) The aggregate amount of cost incurred and recognised profits upto the close of the year	3,839,183,376	832,609,995
iii) The amount of advances received .	-	-
iv) Amount due from customer	2,404,865,337	213,337,561
v) Amount due to customer	-	-

Note no. 34 :

Operating Lease :

- Operating lease rental charges recognized in the profit & loss account for the year are Rs. 91,17,959/- (2012: Rs. 2,72,000/-)
- The total of future minimum lease payments under non cancellable operating leases for each of the following period are as under

	31st March, 2013	31st March, 2012
	Rupees	Rupees
Not later than one year	264,492	260,000
Total	264,492	260,000

Note no. 35 :

Information pursuant to para 5(viii) of the General Instructions to the Statement of Profit and Loss

	31st March, 2013	31st March, 2012
	Rupees	Rupees
a) Value of Imports on C.I.F Basis:		
Raw Material	2,762,290,414	638,861,764
Capital goods	-	111,567
Total	2,762,290,414	638,973,331

b) Expenditure in foreign currencies

Capital	-	-
Professional fees	910,118	2,139,291
Others	-	-
Travelling Expenditure	825,140	328,542
Software	-	33,705
Total	1,735,258	2,501,538

c) Consumption of materials, components and spare parts

	31st March, 2013		31st March, 2012	
	Rupees	%	Rupees	%
Imported	2,762,290,414	72%	638,861,764	77%
Indigenous	1,083,423,168	28%	193,748,231	23%
Total	3,845,713,582	100%	832,609,995	100%



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 36 :

Information pursuant to para 5(ii) and 5(iii) of the General Instructions to the Statement of Profit and Loss

a) Particulars of consumption of raw materials:

	31st March,2013	31st March,2012
	Rupees	Rupees
Modules	2,435,003,815	623,142,776
Invertors	302,931,692	55,951,683
Others (includes for trade)	1,107,778,075	153,515,536
Total	3,845,713,582	832,609,995

b) Details of purchase and Sale of traded goods :

	31st March,2013		31st March,2013	
	Purchases		Sales	
Products	Quantity	Rupees	Quantity	Rupees
Lanterns	3,944	6,530,206	3,944	7,167,201

Note no. 37 :

Derivative instruments and unhedged foreign currency exposure :

	31st March,2013	31st March,2012
	Rupees	Rupees
a) Derivatives outstanding as at the balance sheet date		
Liabilities in		
Euro 24,00,000	168,672,000	-

	31st March,2013	31st March,2012
	Rupees	Rupees
a) Particulars of Unhedge foreign currency exposure as at balance sheet date		
Liabilities in		
USD 4,45,26,954	2,440,057,377	-
Euro 5,32,950	37,455,693	-

Note No. 38

The Company has given Corporate Guarantee amounting to Rs. 100.00 crores to financial institutions for loans taken by its cusomter for the solar power plant constructed by the Company for the said customer.

Note no. 39 :

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

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