

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, 2015, and the related Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.
5. 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.



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6. 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.
7. 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

8. 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 March 31, 2015, and of its profit and its cash flows for the year ended on that date.

Emphasis of matter

9. We draw attention to Note No. 32 of the financial statements and for the reasons detailed therein trade receivables amounting to Rs. 42,203,283 and interest accrued thereon (net of tax) of Rs. 22,772,627 have been considered realisable by the management. We have relied on the management representation in this regard.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (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 3 and 4 of the Order.
11. 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 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 it appears from our examination of those books;



- c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as on the date of financial statements.
 - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W



Himanshu Chapsey
Partner
Membership Number: 105731

Place, Mumbai
Dated: April 27, 2015



Referred to in paragraph 10 of the our report of even date to the members of Mahindra EPC Services Private Limited on the financial statements as at and for the year ended March 31, 2015

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

(b) The Company has a phased programme for physical verification of its fixed assets designed to cover all the items over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No physical verification was carried out by the management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on the impact thereof on the books of account.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted an unsecured loan, to its wholly owned subsidiary company covered in the register maintained under Section 189 of the Act.

(a) The said loan is repayable on demand with a maximum term of 6 months. Interest is payable on redemption. The Company has not demanded repayment for the same upto March 31, 2015.

(b) In view of our comments in (a) above, there are no overdue amounts in respect of the principal and interest on the loan.
- 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. The internal control system with respect to sale of goods and services needs to be strengthened. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.



- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits under the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts in respect of the above were outstanding, as on March 31, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of para 3(viii) of the Order are not applicable to the Company.
- ix. The Company did not have any borrowings from any financial institution or bank nor has it issued any debentures during the year and hence the provisions of para 3(ix) of the order are not applicable to the Company.
- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us the Company has not raised any term loan during the year. Accordingly the provisions of the para 3(xi) are not applicable to the Company.



- xii. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For B K Khare & Co
Firm Registration Number: 105102W
Chartered Accountants



Himanshu Chapsey
Partner
Membership Number 105731

Place: Mumbai
Date: April 27, 2015



MAHINDRA EPC SERVICES PRIVATE LIMITED

Balance Sheet as at 31st Mar 15

	Note No	2014-15 Rupees	2013-14 Rupees
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	3	436,794,420	280,000,000
Reserves and Surplus	4	735,998,470	380,454,747
(2) Non-Current Liabilities			
Long term provisions	5	16,191,598	6,391,888
(3) Current Liabilities			
Trade payables	6	1,045,223,624	165,519,976
Other current liabilities	7	818,698,490	31,883,419
Short-term provisions	8	107,953,143	58,866,370
Total		3,160,859,745	923,116,400
II. Assets			
(1) Non-current assets			
Fixed assets			
(i) Tangible assets	9	76,462,170	39,543,311
(ii) Intangible assets		9,977,011	2,166,121
(iii) Capital work-in-progress		16,734,271	4,324,510
(iv) Intangible assets under development		-	10,975,751
(2) Non-current investments	10	64,490,100	550,000
(3) Deferred tax assets (net)	28	34,091,118	26,247,998
(4) Non - Current assets			
Other non - current assets	11	120,000	120,000
(5) Current assets			
Current investments	12	-	55,434,850
Inventories	13	252,065,991	217,111,484
Trade receivables	14	1,532,312,528	266,194,339
Cash and cash equivalents	15	47,187,112	48,349,770
Short-term loans and advances	16	1,100,361,885	182,432,256
Other current assets	17	27,057,559	69,666,010
Total		3,160,859,745	923,116,400

Per our report attached

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


Himanshu Chapsey

Partner


M. No. 105731

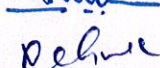
Place : Mumbai
Date : 27th April 15



For and on behalf of the Board


Chief Executive Officer


Chief Financial Officer


Company Secretary

Directors

Place : Mumbai
Date : 27th April 15

MAHINDRA EPC SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MAR 2015

	Note No	2014-15 Rupees	2013-14 Rupees
Revenue from operations	18	5,039,122,421	1,128,301,628
Other Income	19	37,306,649	121,077,774
Total Revenue		5,076,429,070	1,249,379,402
<u>Expenses:</u>			
Cost of materials consumed	20	4,023,781,411	755,121,589
Purchase of traded goods		12,469,791	6,906,528
(Increase) / decrease in inventory	21	(3,367,688)	(433,877)
Employee benefit expenses	22	241,074,865	166,729,754
Finance costs	23	-	2,105,479
Depreciation and amortization expenses		13,263,988	3,738,495
Other expenses	24	553,501,005	330,435,345
Total Expenses		4,840,723,372	1,264,603,313
(Loss)/Profit before tax		235,705,698	(15,223,910)
Tax expense:			
(1) Current tax	27	91,210,663	-
(2) Deferred tax		(7,843,120)	(8,582,997)
(3) Short provision of Current Tax for earlier period		-	2,541,929
(Loss) /Profit for the year		152,338,155	(9,182,842)
Earning per equity share:			
Basic & Diluted (Rupees)	26	5.42	(0.37)
(Face value Rs.10/- per share)			

Per our report attached

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


Himanshu Chapsey

Partner
M. No. 105731


Place : Mumbai
Date : 27th April 15




For and on behalf of the Board

Directors


Chief Executive Officer


Chief Financial Officer


Company Secretary

Place : Mumbai
Date : 27th April 15

MAHINDRA EPC SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAR, 2015

	2014-15	2013-14
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before Tax.....	235,705,698	(15,223,911)
Adjustments for :		
Depreciation/Amortization.....	13,263,988	3,738,495
Interest Income	(4,673,284)	(9,960,932)
Interest expense	8,590,704	2,105,479
Operating Profit Before Working Capital Changes	244,296,402	(19,340,869)
Adjustments for :		
Increase / (decrease) in trade payables	879,703,647	(2,697,449,684)
Increase / (decrease) in other current liabilities	786,815,071	(10,106,497)
Increase / (decrease) in short term provisions	49,086,773	5,052,204
Increase / (decrease) in Long-term provisions	9,799,710	1,378,279
Decrease / (Increase) in Non Current Assets	-	(120,000)
Decrease / (Increase) in Current Investments	55,434,850	196,954,007
Decrease / (Increase) in inventories	(34,954,507)	(58,604,063)
Decrease / (Increase) in trade and other receivables	(1,266,118,189)	2,145,797,387
Decrease / (Increase) in short term loans and advances	(849,810,873)	(35,456,371)
Decrease / (Increase) in other current assets	42,608,451	(54,996,755)
Cash used for Operations	(83,138,665)	(526,892,360)
Income taxes paid (net of refunds).....	(73,829,419)	(71,269,357)
NET CASH USED IN OPERATING ACTIVITIES	(156,968,084)	(598,161,718)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(59,427,746)	(38,373,882)
Purchase of investments.....	(149,440,100)	(50,500,000)
Interest Received	4,673,284	9,960,932
NET CASH USED IN INVESTING ACTIVITIES	(204,194,562)	(78,912,950)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Share Capital	359,999,988	167,000,000
Proceeds from short term borrowings - Inter Corporate Deposit	-	100,000,000
Repayment of short term borrowings - Inter Corporate Deposit	-	(100,000,000)
Interest expense	-	(2,105,479)
NET CASH FROM FINANCING ACTIVITIES	359,999,988	164,894,521
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,162,658)	(512,180,147)
CASH AND CASH EQUIVALENTS		
Opening Balance	48,349,770	560,529,917
Closing Balance	47,187,112	48,349,770
Cash & Cash Equivalents include :		
Cash and Cheques on hand		
Balances with Scheduled Banks:		
(i) On Current Account	24,942,089	14,249,748
(ii) On Fixed Deposit Account	22,245,023	34,100,022
	47,187,112	48,349,770
	47,187,112	48,349,770

Per our report attached

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

Himanshu Chapsey
Himanshu Chapsey

Partner
M. No. 105731

Mumbai :



For and on behalf of the Board

[Signature]
Chief Executive Officer

[Signature]
Chief Financial Officer

[Signature]
Company Secretary

Directors

Place : Mumbai
Date : 27th April 15

Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

1. Nature of Operations

Mahindra EPC Services Private Limited ('the Company'), a subsidiary of Mahindra Holdings Limited, is engaged in Engineering, Procurement and Construction of power plants in renewable energy and water management sector and related operations and maintenance activity.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the historical cost convention and on accrual basis in accordance with generally acceptable accounting principles in India. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Companies Act 2013.

All Assets and Liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products/services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

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.



Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

c) Tangible and Intangible Assets:

(i) Tangible Fixed Assets:

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation. Borrowing costs relating to acquisition of fixed asset, which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to 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 Statement of Profit and Loss. Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.

(ii) Intangible Assets:

Intangible assets are initially measured at cost and amortised on a straight line basis over their estimated useful lives not exceeding ten years.

Software are equally amortised over their estimated useful lives of three years from the year in which they are put to use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company makes a reasonable estimate of the value in use.

d) Inventories:

Inventories are stated at lower of cost and net realisable value.

Cost of raw materials includes all costs of purchase, conversion and other direct attributable costs incurred for bringing the items to their present location and condition and is determined using the weighted average cost method.

The cost of contracts work in progress comprises costs directly attributable to the specific contracts and related overheads.

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



Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

e) Foreign Exchange Transactions:

Transactions in foreign currencies are initially 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. In respect of forward exchange contracts covered under AS 11, "The effect of changes in foreign exchange rates", any premium or discount rising at the inception of a forward exchange contract is recognized as income or expense over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognised as income or expense for the year.

Pursuant to the announcement made by the Institute of Chartered Accountants of India (ICAI) regarding "Accounting for Derivatives", provision for losses in respect of forward exchange contracts classified as derivatives is made on mark to market valuation of such contracts. Gains on mark to market valuation, if any, on such derivatives are not recognised in financial statements.

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 fixed price EPC contracts is recognized on percentage of completion method measured on the basis of stage of completion determined on the basis of certifications done internally or by external consultants or customers as well as on the basis of billing schedule agreed.

(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.



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Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

(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

The Company's contributions to the Provident Fund and Employee's State Insurance Fund 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

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.



Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

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 is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. 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.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

j) Provisions and Contingent Liabilities :

- (i) The Company provides for warranty obligation on substantial completion of contracts based on technical evaluation.
- (ii) 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.

k) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



Mahindra EPC Services Private Limited
Notes to the Financial Statements
For the year ended 31st March, 2015

I) Earnings Per Share

Basic and diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 3 : Share Capital:

Authorized :

5,00,00,000 (31st March, 2014: 4,00,00,000) Equity Shares of Rs. 10 each

Total....

31st March, 2015
Rupees

500,000,000

31st March, 2014
Rupees

400,000,000

500,000,000

400,000,000

Issued and Subscribed:

43,679,442 (31st March, 2014: 280,00,000) Equity Shares of Rs. 10 each, fully paid up

Total....

436,794,420

280,000,000

436,794,420

280,000,000

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

Equity Shares:	31st March, 2015		31st March, 2014	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the period.....	28,000,000	280,000,000	11,300,000	113,000,000
Issued during the period	15,679,442	156,794,420	16,700,000	167,000,000
Outstanding at the end of the period	43,679,442	436,794,420	28,000,000	280,000,000

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:

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:

Equity Shares:	31st March, 2015		31st March, 2014	
	No. of Shares	% holding	No. of Shares	Rupees
Mahindra Holdings Limited*	43,679,442	100%	28,000,000	100%

* This includes 1 nominee share held by an individual on behalf of the holding company.



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 4 : Reserves and Surplus:

	31st March, 2015 Rupees	31st March, 2014 Rupees
Share Premium		
Opening balance	-	-
Add : Premium on shares issued during the year	203,205,568	-
Closing balance	203,205,568	-
Surplus in the Statement of Profit and Loss		
Balance as per the last financial statement	380,454,747	389,637,590
(Loss)/ Profit for the year	152,338,155	(9,182,843)
Closing balance	532,792,902	380,454,747
Total	735,998,470	380,454,747

Note no. 5 : Long term provisions :

	31st March, 2015 Rupees	31st March, 2014 Rupees
Provision for employee benefits:		
Provision for gratuity	7,069,005	3,634,975
Leave encashment	9,122,593	2,756,913
Total	16,191,598	6,391,888

Note no. 6 : Trade payables:

	31st March, 2015 Rupees	31st March, 2014 Rupees
Trade payables		
Other than Micro and Small Enterprises	1,045,223,624	165,519,976
Total	1,045,223,624	165,519,976

Note no. 7 : Other current liabilities :

	31st March, 2015 Rupees	31st March, 2014 Rupees
Advance From Customers	756,420,339	1,881,075
Salary and reimbursements	40,334,062	18,151,012
Provident Fund and other funds payable	1,856,201	1,442,562
Payable to statutory authorities (including TDS,VAT , Service tax etc.)	19,687,888	5,407,981
Payables for capital expenditure	-	4,600,789
Other liabilities	400,000	400,000
Total	818,698,490	31,883,419

Note no. 8 : Short term provisions :

	31st March, 2015 Rupees	31st March, 2014 Rupees
Provision for employee benefits:		
Provision for gratuity	61,531	11,295
Leave encashment	774,160	172,109
Provision for Warranties	107,117,452	58,682,966
Total	107,953,143	58,866,370



Note no. 9 : Fixed Assets :

Description of Assets	Gross block (At Cost)			Depreciation / Amortization			Net Block	
	As at 31st March, 2014 Rupees	Additions / adjustments Rupees	Deductions / adjustments Rupees	As at 31st March, 2014 Rupees	For the year Rupees	Deductions and Adjustments of Depreciation/A mortization Rupees	As at 31st Mar, 2015 Rupees	As at 31st March, 2014 Rupees
1. Tangible Assets :								
Plant and Machinery	26,446,770	3,880,340		30,327,110	2,160,199		3,409,422	25,197,547
Office Equipment	5,999,406	25,320,283		31,319,688	2,059,501		2,540,262	5,518,645
Computers	9,689,601	10,414,070		20,103,671	3,784,426		5,674,171	7,799,856
Furniture & Fixture	681,324	2,002,903		2,684,227	128,300		179,380	630,244
Vehicles	688,088	3,982,297	688,088	3,982,297	164,032	303,513	3,830,709	397,019
Total	43,505,188	45,599,893	688,088	88,416,993	8,296,459	303,513	11,954,823	39,543,311
2. Intangible Assets :								
Software	3,842,984	12,778,419		16,621,403	4,967,529		6,644,392	2,166,121
Total	3,842,984	12,778,419	-	16,621,403	4,967,529	-	6,644,392	2,166,121
Previous year total	47,348,172	58,378,312	688,088	105,038,396	13,263,988	303,513	18,599,215	41,709,432
	24,278,756	23,102,863	33,447	47,348,172	3,738,495	4,205	5,638,740	22,374,306



Note no. 10 : Non-current Investments

(valued at cost unless stated otherwise) :

Unquoted Trade Investment - In subsidiary
63,50,000 equity shares (31 March, 2014 Rs. 5,00,000) of Rs. 10/- each of Mahindra Offgrid Services Pvt Ltd

31st March, 2015 Rupees	31st March, 2014 Rupees
63,500,000	500,000

Unquoted Non Trade Equity investments

2,000 equity shares (31 March, 2013 Rs. 50,000/-) of Rs. 25/- each of The Zoroastrian Co-operative Bank Ltd.

50,000	50,000
--------	--------

Unquoted Non Trade Equity investments

94,010 Convertible Preference Shares (31 March, 2014 Rs. Nil) of Rs. 10/- each of Renew Solar Energy (TN) Private Ltd.

940,100	-
---------	---

Total

64,490,100	550,000
------------	---------

Note no. 11 : Non - Current assets

Deposit account with maturity of more than 12 months as at Balance Sheet Date

31st March, 2015 Rupees	31st March, 2014 Rupees
120,000	120,000

Total

120,000.00	120,000
------------	---------

Note no. 12 : Current Investments

(valued at cost) :

Investments In Mutual Funds- Unquoted
Investments In Mutual Funds

31st March, 2015 Rupees	31st March, 2014 Rupees
-	55,434,850

Total

-	55,434,850
---	------------

Note no. 13 : Inventories

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

Material

Finished Goods

Land held as stock in trade

Work in Progress

31st March, 2015 Rupees	31st March, 2014 Rupees
-	1,758,054
-	433,877
248,264,426	214,919,553
3,801,565	-

Total

252,065,991	217,111,484
-------------	-------------

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, 2015 Rupees	31st March, 2014 Rupees
138,794,829	64,868,624
1,393,517,699	201,325,715

Total

1,532,312,528	266,194,339
---------------	-------------

Note no. 15 : Cash and cash equivalents

Balances with scheduled banks:

in Current account

in Deposit account with maturity of less than 12 months as at Balance Sheet Date

(held as margin money and with government authorities)

Total

31st March, 2015 Rupees	31st March, 2014 Rupees
24,942,089	14,249,748
22,245,023	34,100,022
47,187,112	48,349,770

Note no. 16 : Short-term loans and advances

Unsecure, considered good

Inter Corporate Deposits

Advances to suppliers

Security deposits

Balance with Government Authorities

Earnest Money Deposits

Service tax / VAT receivable

Advance income tax (net of provisions)

31st March, 2015 Rupees	31st March, 2014 Rupees
185,500,000	100,000,000
879,861,061	32,108,913
5,505,000	2,595,899
67,000	-
1,756,700	-
5,577,323	8,251,399
22,094,801	39,476,045

Total

1,100,361,885	182,432,256
---------------	-------------

Note no. 17 : Other current assets

Unsecured, considered good

Interest accrued on Bank Fixed Deposits

Interest receivable from customers

31st March, 2015 Rupees	31st March, 2014 Rupees
2,213,871	870,359
24,843,688	68,795,651

Total

27,057,559	69,666,010
------------	------------



MAHINDRA EPC SERVICES PRIVATE LIMITED
Note no. 18 : Revenue from Operations

	2014-15 Rupees	2013-14 Rupees
Revenue from EPC Contracts	4,963,494,892	1,073,999,041
Sale of Finished Goods	14,827,244	8,752,446
Operations & Maintenance Services	60,800,285	45,550,141
Total	5,039,122,421	1,128,301,628

Note no. 19 : Other Income

	2014-15 Rupees	2013-14 Rupees
Interest income on		
Bank deposits	4,673,284	9,960,932
Inter corporate deposits	3,930,439	3,721,028
Others	14,820,355	89,287,039
Dividend income on		
Equity	7,500	7,524
Liquid Mutual Funds	4,633,472	13,067,624
Insurance Claims	-	3,927,098
Other Income	4,446,125	1,106,529
Gain on foreign exchange transaction	4,795,474	-
Total	37,306,649	121,077,774

Note no. 20 : Cost of Raw Material and Components Consumed

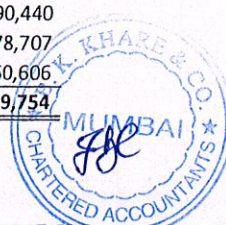
	2014-15 Rupees	2013-14 Rupees
Inventory at the beginning of the year	216,677,607	158,507,421
Add: Purchases	4,055,368,230	813,291,775
	4,272,045,837	971,799,196
Less: Inventory at the end of the year		
Raw Material Inventory	-	1,758,054
Land held as stock in trade	248,264,426	214,919,553
Total	4,023,781,411	755,121,589

Note no. 21 : (Increase) / Decrease in inventories /WIP

	2014-15 Rupees	2013-14 Rupees
Inventory at the end of the year		
Work-in-progress	3,801,565	-
Finished Goods	-	433,877
Less:		
Inventory at the beginning of the year		
Work-in-progress	-	-
Finished Goods	433,877	-
Total	(3,367,688)	(433,877)

Note no. 22 : Employee benefit expenses

	2014-15 Rupees	2013-14 Rupees
Salaries, wages and bonus	219,451,683	152,890,440
Contribution to provident and other fund	12,621,485	9,378,707
Staff welfare expenses	9,001,697	4,460,606
Total	241,074,865	166,729,754



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 23 : Finance Cost

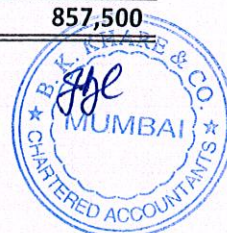
	2014-15	2013-14
	Rupees	Rupees
Interest on inter corporate deposits	-	2,105,479
Total	-	2,105,479

Note no. 24 : Other Expenses:

	2014-15	2013-14
	Rupees	Rupees
Rent	22,043,801	16,827,460
Rates & Taxes	4,000	191,820
Insurance	522,359	376,327
Subcontracting, hire and service charges	341,327,976	163,645,341
Operations and Maintenance	33,688,108	17,750,198
Repairs and Maintenance	4,144,124	-
Advertisement & Sales promotion	6,753,326	4,401,174
Travelling & Conveyance	24,319,075	23,338,547
Communication expenses	2,924,349	3,171,113
Printing & Stationary	1,129,378	1,192,138
Loss on foreign exchange transaction (Net)	-	30,021,734
Legal and professional fees	24,964,666	11,836,255
Payment to auditor [Refer Note no 26]	787,500	857,500
Software Expenses	2,078,456	-
Warranty Expenses (Net) [Refer Note 30]	57,383,221	8,381,756
Bad Debts	-	227,443
Bank Charges	8,767,242	13,373,674
Penalty to supplier	-	17,320,199
Miscellaneous expenses	22,663,424	17,522,666
Total	553,501,005	330,435,345

Note no. 25 : Payment to Auditors include: (net of services tax)

	2014-15	2013-14
	Rupees	Rupees
As Auditor	600,000	500,000
For Taxation Matters	175,000	175,000
For Certification	-	132,500
For Other Services	12,500	50,000
For Reimbursement of Expenses	-	-
Total	787,500	857,500



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 26 : Earning per share (EPS):

	2014-15	2013-14
	Rupees	Rupees
Profit/(Loss) after tax	152,338,155	(9,182,843)
Weighted average number of equity shares used in computing basic earning per share	28,085,915	24,550,411
Basic and Diluted earning per share (Rs.) (Face Value of Rs. 10 per Share)	5.42	(0.37)

Note no. 27 : The components of Deferred Tax liability and assets

	2014-15	2013-14
	Rupees	Rupees
Deferred Tax Liability :		
(i) On depreciation and amortization	8,105,679	3,854,660
	8,105,679	3,854,660
Deferred Tax Asset :		
(i) Provision for employee benefits	5,787,575	2,132,688
(ii) Provision for warranty	36,409,222	19,039,682
(iii) Business Loss	-	8,930,288
	42,196,797	30,102,658
Deferred Tax Asset (Net)	34,091,118	26,247,998

Deferred tax asset in respect of business loss and unabsorbed depreciation is recognised in view of sufficient taxable income in future on account of higher volumes of contracts (including orders negotiated) due to improved business conditions.



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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 28 :

List of Related parties :

Holding company:

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

Subsidiary Company:

Mahindra Offgrid Services Private Limited

Subsidiaries of Subsidiary Company:

Brightsolar Renewable Energy Private Limited
Cleansolar Renewable Energy Private Limited

Fellow subsidiaries:

NBS International Limited.
Mahindra Consulting Engineers Limited.
Mahindra World City (Jaipur) Limited
Mahindra Holidays & Resorts India Limited
Mahindra Logistics Limited
Mahindra Retail Private Limited
Mahindra Integrated Business Solutions Private Limited
Mahindra Defence Systems Limited

Associates of Ultimate Holding Company:

Mahindra Solar One Private Limited
Mahindra Suryaprakash Private Limited
Tech Mahindra Limited

Transaction with related parties:

Sr.No.	Nature of transaction	Holding Company	Subsidiary Company	Subsidiary of Subsidiary Company	Fellow Subsidiary	Associates of Ultimate Holding Company
1	Issue of equity shares	359,999,988 (167,000,000)	- (-)	- (-)	- (-)	- (-)
2	Sales - Goods	136,566,219 (98,689,255)	- (-)	- (-)	- (611,061)	125,259,415 (180,786,100)
3	Purchase - Goods	- (-)	1,257,571 (-)	- (-)	- (555,084)	- (-)
4	Interest Income	- (-)	2,016,740 (-)	- (-)	1,913,699 (3,721,028)	14,609,642 (76,439,612)
5	Reimbursement received from parties	97,414 (3,044,498)	- (-)	2,392,136 (-)	328,304 (213,698)	1,075,595 (486,226)
6	Reimbursement paid to parties	5,236,797 (3,014,848)	- (-)	- (-)	187,000 (663,068)	- (-)
7	Rendering of services	134,025 (4,205,073)	- (-)	1,576,812 (-)	- (-)	37,822,850 (43,210,346)
8	Receiving of services	12,510,532 (16,366,335)	- (-)	- (-)	11,160,430 (14,801,844)	- (-)
9	Interest Expenses	- (-)	- (-)	- (-)	- (-)	- (-)
10	ICD given	- (-)	185,500,000 (-)	- (-)	- (250,000,000)	- (-)
11	ICD given refunded	- (-)	- (-)	- (-)	100,000,000 (200,000,000)	- (-)
12	ICD taken	- (-)	- (-)	- (-)	- (-)	- (-)
13	Investment in equity shares	- (-)	63,000,000 (400,000)	- (-)	- (-)	- (-)
14	Outstanding Receivable	22,435,801 (25,121,761)	- (-)	- (-)	380,632 (213,698)	104,364,898 (140,098,910)
	Payable	47,001,846 (32,776,696)	1,252,245 (-)	- (-)	202,136 (1,670,013)	346,700 (-)
15	ICD - Repaid	- (-)	- (-)	- (-)	- (-)	- (-)
16	ICD - Receivable	- (-)	185,500,000 (-)	- (-)	- (100,000,000)	- (-)
17	ICD - Interest Receivable	- (-)	1,815,066 (-)	- (-)	- (-)	- (-)
18	Purchase of Fixed Asset	- (-)	- (-)	- (-)	3,982,297 (-)	- (-)
19	Guarentee Given	- (-)	- (-)	114,000,000 (-)	- (-)	- (-)

Previous year's figures are given in brackets.



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 29 : 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, 2015 is Rs. Nil.

Note no. 30 : 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, 2015	31st March, 2014
	Rupees	Rupees
Balance as on 1st April, 2014	58,682,966	53,814,166
Add: Provision made during the year	57,383,221	11,913,478
Less: Reversed during the year	-	4,815,110
Less: Utilised during the year	8,948,735	2,229,568.00
Balance as on 31st March, 2015	107,117,452	58,682,966

Note no. 31 : Segment Information :

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

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

Note no. 32 :

In respect of dues from a client of Rs. 422,03,283, the Company has accrued interest income of Rs. 227,72,627 as per the terms of the Contract with the client. Based on discussions with the client and their future plans, the Company is confident of recovery of these dues

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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 33 : Disclosure regarding income from Engineering, Procurement and Construction Contracts:

	31st March, 2015 Rupees	31st March, 2014 Rupees
i) The amount of contract revenue recognised as revenue during the year.	4,963,494,892	1,073,999,041
ii) The aggregate amount of cost incurred and recognised profits upto the close of the year	4,365,109,387	917,513,937
iii) The amount of advances received .	756,420,339	655,740.00
iv) Amount due from customer	1,532,312,528	234,030,226
v) Amount due to customer	-	-

Note no. 34 :

Operating Lease :

1. Operating lease rental charges recognized in the profit & loss account for the year are Rs. 2,20,49,801/- (2014: Rs. 2,01,73,443/-)
2. The total of future minimum lease payments under non cancellable operating leases for each of the following period are as under

	31st March, 2015 Rupees	31st March, 2014 Rupees
Not later than one year	22,281,787	16,498,553
One year to Five years	55,519,568	251,767
Total	77,801,355	16,750,320

Note no. 35 :

Details of consumption and purchases

	31st March, 2015 Rupees	31st March, 2014 Rupees
a) Value of Imports on C.I.F Basis:		
Raw Material	2,729,764,043	499,181,121
Capital goods	-	-
Total	2,729,764,043	499,181,121

b) Expenditure in foreign currencies

	31st March, 2015 Rupees	31st March, 2014 Rupees
Professional fees	-	1,675,583
Interest to supplier	-	2,693,842
Penalty to supplier	-	14,967,890
Staff Training	-	98,885
Travelling Expenditure	949,871	1,465,196
Software	402,271	240,875
Total	1,352,142	21,142,271

c) Consumption of components and spare parts

	31st March, 2015 Rupees	%	31st March, 2014 Rupees	%
Imported	2,729,764,043	68%	499,181,121	66%
Indigenous	1,294,017,368	32%	255,940,468	34%
Total	4,023,781,411	100%	755,121,589	100%

d) Particulars of consumption of raw materials:

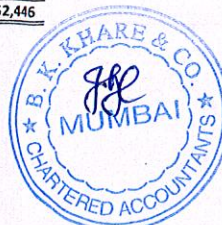
	31st March, 2015 Rupees	31st March, 2014 Rupees
Modules	2,395,302,382	442,831,544
Invertors	216,144,400	87,722,766
Others (includes for trade)	1,412,334,629	224,567,279
Total	4,023,781,411	755,121,589

e) Purchase of traded goods:

	31st March, 2015 Rupees	31st March, 2014 Rupees
Solar Lantern	-	3,076,851
Solar Home Lighting System	-	2,435,885
Solar Inverter	12,469,791	1,354,193
Solar Street Light	-	39,599
Total	12,469,791	6,906,528

f) Sale of traded goods:

	31st March, 2015 Rupees	31st March, 2014 Rupees
Solar Lantern	-	4,055,845
Solar Home Lighting System	-	2,995,980
Solar Inverter	14,827,244	1,635,299
Solar Street Light	-	65,322
Total	14,827,244	8,752,446



Note no. 36 :**Derivative instruments and unhedged foreign currency exposure :**

	31st March, 2015 Rupees	31st March, 2014 Rupees
a) Derivatives outstanding as at the balance sheet date (2014 : Nil)	-	-
	31st March, 2015 Rupees	31st March, 2014 Rupees
a) Particulars of unhedged foreign currency exposure as at balance sheet date		
Liabilities in (contracted rates net of advance)		
USD Nil (2014 : USD 9,47,035)	-	54,720,618
Euro 1,730,068 (2014 : Euro 81,500)	117,056,381	5,868,000

Note no. 37 :**Contingent liabilities and commitments**

	31st March, 2015 Rupees	31st March, 2014 Rupees
Estimated amount of contracts remaining to be executed on capital account and not provided for	29,384,558	29,384,558
Outstanding Bank Guarentees	1,193,541,159	658,673,637
Total	1,222,925,717	688,058,195

Note no. 38 :

The company has given inter corporate deposit of Rs. 18,55,00,000/-, payable on demand @ 9% p.a. rate of interest to its 100% subsidiary company Mahindra Offgrid Services Private Limited. The proposed utilisation of the same is for incurring project related expenditure and for general corporate purposes



Note no. 39 : Disclosures as required under Accounting Standard 15 on
"Employee Benefits" Revised

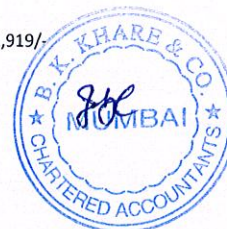
1) Defined benefit plan - Gratuity (Unfunded)

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
a) Amount recognized in Balance Sheet		
Present value of Unfunded Obligations	6,978,617	3,646,270
Unrecognised past service cost	-	-
Amount not recognised as an asset (limit in Para 59(b))	-	-
Net Liability	6,978,617	3,646,270
Amounts in Balance Sheet		
Liability	6,978,617	3,646,270
Net Liability is bifurcated as follows :		
Current	76,546	11,295
Non current	6,902,071	3,634,975
Net liability	6,978,617	3,646,270
b) Expense recognized in Statement of Profit and Loss		
Current Service Cost	2,203,282	2,017,157
Interest on Defined benefit obligation	514,264	272,785
Expected return on plan assets	-	-
Net Actuarial losses/(gains) recognized in year	614,801	(18,064)
Past service cost	-	-
Losses /(Gains) on "Curtailements & Settlements"	-	-
Losses /(Gains) on "Acquisition/Divestiture"	-	-
Effect of the Limit in para 59(b)	-	-
Total , included in "Employee benefit Expense"	3,332,347	2,271,878
c) Reconciliation of benefit obligation and plan assets for the period		
Change in Defined Benefit Obligation		
Opening defined benefit obligation	3,646,270	1,374,392
Current service cost	2,203,282	2,017,157
Interest cost	514,264	272,785
Actuarial Losses/(Gain)	614,801	(18,064)
Past service cost	-	-
Actuarial Losses/(Gain) due to curtailment	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed on acquisition /(settled on divestiture)	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing defined benefit obligation	6,978,617	3,646,270
Change in Fair Value of Assets		
Opening fair Value of Plan Assets	-	-
Expected return on plan assets	-	-
Actuarial Losses/(Gain)	-	-
Assets distributed on settlements	-	-
Contributions by Employer	-	-
Assets acquired on acquisition/(distributed on divestiture)	-	-
Exchange difference on foreign plans	-	-
Benefits paid	-	-
Closing Fair Value of Plan Assets	-	-
d) Assumptions :		
Discount Rate (p.a.)	7.95%	8.80%
Salary Escalation Rate (p.a.)	8.00%	8.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

e) The above figures does not include liability towards employees transferred from group companies amounting to Rs. 1,51,919/-



2) Leave Encashment (Unfunded)

	As at 31 March 2015 Rupees	As at 31 March 2014 Rupees
Present value of unfunded obligations	9,735,383	2,929,022
Expense recognised in the Statement of Profit and Loss	6,806,361	(434,771)
Discount rate (p.a.)	7.95%	8.80%
Salary escalation rate (p.a.)	8.00%	8.00%

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

Liability for Gratuity and Leave encashment for the current year are based on actuarial valuation.

The liability for the last year was based on arithmetic basis , hence previous year comparative figures are not stated.

The above figures does not include liability towards employees transferred from group companies amounting to Rs. 1,61,370/-

Note no.40 :

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

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