

MAHINDRA EPC SERVICES PRIVATE LIMITED

**ANNUAL ACCOUNTS
2011 - 2012**

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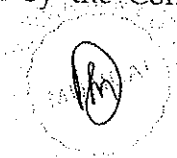
B. K. KHARE & CO.
CHARTERED ACCOUNTANTS

**AUDITORS' REPORT
TO THE MEMBERS OF
MAHINDRA EPC SERVICES PRIVATE LIMITED**

1. We have audited the attached Balance Sheet of **Mahindra EPC Services Private Limited** as at 31st March 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, 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 it appears from our examination of the books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so

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Branch Office : Bengaluru

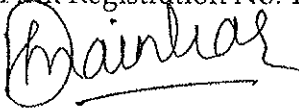
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required, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012,
- ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that, none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



Devdatta Mainkar
Partner
M. No. 109795
Mumbai

Dated: **28 MAY 2012**



ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **Mahindra EPC Services Private Limited** ended 31st March, 2012.

- 1) (i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies reported on such verification have been properly dealt in the accounts.
(iii) During the year, there are disposals of fixed assets.
- 2) The Management has conducted physical verification of inventory at reasonable intervals. 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. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) According to the information and explanation given to us, the company has not taken / granted any loans secured or unsecured to / from companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act 1956 and therefore, clause (iii)(b), (c) and (d) regarding rate of interest, receipt of principal amount are not applicable.
- 4) 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 the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major persistent weakness has been noticed in the internal controls.
- 5) In respect of transactions entered in the register maintained under section 301 of the Companies Act, 1956:
 - (i) In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (ii) In our opinion and according to the information and explanations given to us, having regard to the explanation that many of the items are of a special nature and their prices cannot be compared with alternative quotations, the transactions made in pursuance of contracts or arrangements referred to in



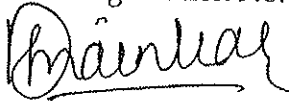
section 301 of the Act, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6) 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 of the Companies Act, 1956, and the rules framed thereunder.
- 7) The company has internal audit system, which in our opinion, is commensurate with the size of the Company and nature of its operations.
- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (i) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Excise Duty were outstanding, at the year end for a period of more than six months from the date they became payable.
(ii) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding on account of any dispute.
- 10) The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year. It has incurred cash losses in the immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to banks.
- 12) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities.

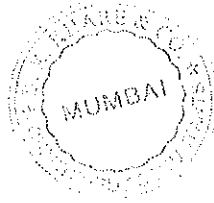


- 13) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
- 14) The Company is not dealing or trading in shares or securities and hence clause (xiv) regarding maintenance of records is not applicable.
- 15) 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, the terms and conditions whereof are prejudicial to the interest of the Company.
- 16) In our opinion and according to information and explanation given to us, the term loan availed by the company from the banks during the year under audit have been prima-facie utilised for the intended purpose.
- 17) According to the information and explanations given to us on an overall examination of the Balance Sheet and Cash Flows of the Company, we report that the Company has not utilized funds raised on short-term basis for long term investment.
- 18) There is no preferential allotment of shares during the year.
- 19) The Company did not issue any debentures during the year.
- 20) The company has not raised any money from a public issue.
- 21) Based on the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been 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



28 MAY 2012

MAHINDRA EPC SERVICES PRIVATE LIMITED

Balance Sheet as at 31st March, 2012

	Note No	31st March,2012 Rupees	31st March,2011 Rupees
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds:			
Share Capital	3	88,000,000	38,000,000
Reserves and Surplus	4	981,617	(2,183,966)
(2) Current Liabilities:			
Short-term borrowings	5	130,857,250	-
Trade payables	6	45,395,632	1,010,584
Other current liabilities	7	8,407,798	169,061
Short-term provisions	8	6,640,701	-
Total		280,282,999	36,995,679
II. ASSETS			
(1) Non-current assets:			
<i>Fixed assets</i>			
Tangible assets	9	2,285,526	211,159
Non-current investments	10	50,000	-
(2) Deferred tax assets (net)		264,000	-
(3) Current assets:			
Inventories	11	21,757,894	-
Trade receivables	12	227,996,891	-
Cash and cash equivalents	13	18,130,264	35,295,904
Short-term loans and advances	14	9,379,579	1,321,598
Other current assets	15	418,845	167,018
Total		280,282,999	36,995,679

Per our report attached

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



Devdatta Mainkar
Partner
M. No. 109795



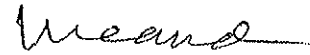
Mumbai :

28 MAY 2012

For and on behalf of the Board



Satish Kamat
Director



K. Chandrasekar
Director



28 MAY 2012

MAHINDRA EPC SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS

	Note No	31st March,2012 Rupees	31st March,2011 Rupees
Revenues:			
Revenue from operations	16	934,982,139	-
Other Income	17	1,790,356	186,631
Total Revenue		936,772,495	186,631
Expenses:			
Cost of materials consumed	18	832,609,995	-
(Increase) in inventory / work-in-progress	19	(20,632,073)	-
Employee benefit expenses	20	22,869,212	-
Finance cost	21	2,052,207	22,977
Depreciation	22	181,200	518
Other expenses	23	95,600,370	2,347,102
Total Expenses		932,680,912	2,370,597
 Profit / (Loss) before tax		 4,091,583	 (2,183,966)
Tax expense:			
Deferred tax		(264,000)	
Current tax		1,190,000	
 Profit/(Loss) for the year		 3,165,583	 (2,183,966)
 Earning per equity share:			
Basic & Diluted (Rs.)	25	0.64	(4.54)
(Face value Rs.10/- per share)			

Per our report attached

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

Devdatta Mainkar

Devdatta Mainkar
Partner
M. No. 109795



Mumbai :

28 MAY 2012

For and on behalf of the Board

Satish Kamat

Satish Kamat
Director

K.Chandrasekar

K.Chandrasekar
Director

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28 MAY 2012

MAHINDRA EPC SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	31st March, 2012	31st March 2011
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit / (loss) before Tax.....	4,091,583	(2,183,966)
Adjustments for :		
Depreciation.....	181,200	518
Interest Income	(1,746,073)	(185,575)
Interest expense	1,668,401	16,681
Operating Profit Before Working Capital Changes	4,195,112	(2,352,343)
Adjustments for :		
Increase / (decrease) In trade payables	44,385,048	1,179,645
Increase / (decrease) In other current liabilities	8,238,737	-
Increase / (decrease) In short term provisions	6,640,701	-
Decrease / (increase) In Inventories	(21,757,894)	-
Decrease / (Increase) in trade and other receivables	(227,996,891)	(1,303,041)
Decrease / (Increase) in short term loans and advances	(2,793,480)	-
Decrease / (Increase) in other current assets	(251,827)	-
Cash used for Operations	(193,535,606)	(123,395)
Income taxes paid (net of refunds).....	(6,454,501)	(2,475,738)
NET CASH USED IN OPERATING ACTIVITIES	(195,794,995)	(2,475,738)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(2,255,567)	(211,677)
Purchase of investments.....	(50,000)	-
Interest Received	1,746,073	18,557
NET CASH USED IN INVESTING ACTIVITIES	(559,494)	(193,120)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from issuance of Share Capital	50,000,000	38,000,000
Proceeds from short term borrowings	130,857,250	-
Interest expense	(1,668,401)	(16,681)
NET CASH FROM FINANCING ACTIVITIES	179,188,849	37,983,319
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,165,640)	35,295,904
CASH AND CASH EQUIVALENTS		
Opening Balance	35,295,904	-
Closing Balance	18,130,264	35,295,904
Cash & Cash Equivalents include :		
Cash and Cheques on hand		
Balances with Scheduled Banks:		
(i) On Current Account		1,295,904
(ii) On Fixed Deposit Account	18,130,264	34,000,000
	18,130,264	35,295,904
	18,130,264	35,295,904


Per our report attached

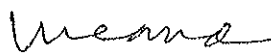
For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W

Devdatta Malnkar
Partner
M. No. 109795
Mumbai :



For and on behalf of the Board


Satish Kamat
Director


K. Chandrasekar
Director

28 MAY 2012

28 MAY 2012

Notes on Accounts for the year ended 31st March, 2012

1. Nature of Operations

Mahindra EPC Services Private Limited ('the Company'), a subsidiary of Mahindra Holdings Limited, was incorporated in India on 19th September, 2010 to carry on the business of Engineering, Procurement and Construction Contractors for power plants including renewable energy and water management sector and to enter into contracts, alliances and joint ventures to undertake assignments to erect, construct, supervise, maintain, alter, repair, pull down and restore, either on own or jointly with other companies or persons, to undertake turnkey projects and operations and maintenance of every description and supervision of any plant or factory.

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.

The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Act. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

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.

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c) **Fixed Assets:**

a) All tangible fixed 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.

b) 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.

c) Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase.

d) **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.

e) **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.

iv. *Interest income*

Interest income is recognized on time proportion basis.

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f) 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.

g) 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 recognised 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

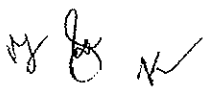
Company's contributions to the Provident Fund and Employee's State Insurance Fund are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due.

b) Defined benefits plans

This year being the first year of operations, Payment of Gratuity Act, 1972 is not applicable. Accordingly, no provision for gratuity liability is made in the accounts.

h) 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 realised.



MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 3 : Share Capital:

	31st March,2012 Rupees	31st March,2011 Rupees
Authorised :		
1,50,00,000 Equity Shares of Rs. 10 each (2011: 40,00,000 Equity Shares of Rs. 10 each)	150,000,000	40,000,000
Total....	150,000,000	40,000,000
Issued and Subscribed:		
88,00,000 (2011: 38,00,000) Equity Shares of Rs. 10 each, fully paid up	88,000,000	38,000,000
Total....	88,000,000	38,000,000

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

Equity Shares:	31st March,2012		31st March,2011	
	No. of Shares	Rupees	No. of Shares	Rupees
At the beginning of the year.....	3,800,000	38,000,000	-	
Issued during the year.....	5,000,000	50,000,000	3,800,000	38,000,000
Outstanding at the end of the year.....	8,800,000	88,000,000	3,800,000	38,000,000

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 the holding Company:

The entire equity shares issued by 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,2012		31st March,2011	
	No. of Shares	% holding	No. of Shares	Rupees
Mahindra Holdings Limited	8,800,000	100%	3,800,000	100%

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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 4 : Reserves and Surplus:

	31st March,2012 Rupees	31st March,2011 Rupees
Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per the last financial statement	(2,183,966)	-
Profit/ (Loss) for the year	3,165,583	(2,183,966)
Net surplus in the statement of profit and loss	981,617	(2,183,966)

Note no. 5 : Short-term Borrowings:

	31st March,2012 Rupees	31st March,2011 Rupees
a) Secured:		
Cash credit from banks	49,842,334	-
b) Unsecured:		
Bank overdraft	2,800,145	-
Buyers Credit	78,214,771	-
Total	130,857,250	-

Cash credit from banks is secured against stock and books debts and is repayable on demand

Note no. 6 : Trade payable:

	31st March,2012 Rupees	31st March,2011 Rupees
Trade payable		
Other than micro and small enterprises	45,395,632	1,010,584
Total	45,395,632	1,010,584

Note no. 7 : Other current liabilities:

Other Liabilities		
	31st March,2012 Rupees	31st March,2011 Rupees
Salary and reimbursements	5,048,803	-
Providend Fund payable	332,656	-
Sales Tax payable	937,824	-
Service Tax Payable	270,507	-
TDS payable	1,571,306	169,061
Other payables	246,702	-
	8,407,798	169,061

Note no. 8 : Short term provisions :

	31st March,2012 Rupees	31st March,2011 Rupees
Employee benefits :		
Leave Encashments	1,299,701	-
	1,299,701	-
Others:		
Provision for Warranties	5,341,000	-
	5,341,000	-
Total	6,640,701	-

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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 9 : Tangible Assets :

Description of Assets	Cost as at 31st March, 2011	Additions and adjustments during the year at cost	Deductions and adjustments during the year	Cost as at 31st March, 2012	Depreciation/A mortisation to 31st March, 2011	Depreciation/Amortisation for 2011-12	Deductions and Adjustments of Depreciation/A mortisation	Depreciation/A mortisation to 31st March 2012	Net Balance as at 31st March, 2012	Net Balance as at 31st March, 2011
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Plant and Machinery	211,677	1,567,479	-	1,779,156	518	96,587	-	97,105	1,682,051	211,159
Vehicles	-	688,088	-	688,088	-	84,613	-	84,613	603,475	-
Total...	211,677	2,255,567	-	2,467,244	518	181,200	-	181,718	2,285,526	211,159
Previous year total	211,677	-	-	211,677	-	518	-	518	211,159	-

Y.S.K

MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 10 : Non-current Investments

(valued at cost unless stated otherwise) :

2,000 equity shares (31 March,2011 Nil) of Rs. 25/- each of
The Zoroastrian Co-operative Bank Ltd.

31st March,2012	31st March,2011
Rupees	Rupees
50,000	-
50,000	-

Note no. 11 : Inventories

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

Raw Material
Work-in-process

31st March,2012	31st March,2011
Rupees	Rupees
1,125,821	-
20,632,073	-
21,757,894	-

Note no. 12 : Trade Receivables

Trade Receivables outstanding for less than six month
Unsecured, considered Good

31st March,2012	31st March,2011
Rupees	Rupees
227,996,891	-
227,996,891	-

Total

Note no. 13 : Cash and cash equivalents

Balances with schedule banks:

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

31st March,2012	31st March,2011
Rupees	Rupees
-	1,295,904
18,130,264	34,000,000
18,130,264	35,295,904

Total

Note no. 14 : Short-term loans and advances

Advances to suppliers
Security deposits
VAT receivable
Advance income tax (net of provisions)

31st March,2012	31st March,2011
Rupees	Rupees
3,446,764	1,303,041
579,456	-
70,301	-
5,283,058	18,557
9,379,579	1,321,598

Total

Note no. 15 : Other current assets

Interest accrued on bank deposits

31st March,2012	31st March,2011
Rupees	Rupees
418,845	167,018
418,845	167,018

Total

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MAHINDRA EPC SERVICES PRIVATE LIMITED

Note no. 16 : Revenue from Operations

	31st March,2012	31st March,2011
	Rupees	Rupees
Revenue from Operations		
a) Sale of products		
Finished Goods	834,548,693	-
b) Rendering services	100,433,446	-
Total	934,982,139	-

Note no. 17 : Other Income

	31st March,2012	31st March,2011
	Rupees	Rupees
Interest income on bank deposits	1,746,073	186,631
Other Income	44,283	-
Total	1,790,356	186,631

Note no. 18 : Cost of raw material consumed

	31st March,2012	31st March,2011
	Rupees	Rupees
Inventory at the begning of the year	-	-
Add: Purchases	833,735,816	-
	833,735,816	-
Less: Inventory at the end of the year	1,125,821	-
Total	832,609,995	-

Note no. 19 : (Increase) / Decrease in inventories / work-in-progress

	31st March,2012	31st March,2011
	Rupees	Rupees
Inventory at the end of the year:		
Work-in-progress	20,632,073	-
Inventory at the beginning of the year:		
Work-in-progress	-	-
Total	(20,632,073)	-

Note no. 20 : Employee benefit expenses

	31st March,2012	31st March,2011
	Rupees	Rupees
Salaries, wages and bonus	20,730,009	-
Contribution to provident and other fund	1,362,923	-
Staff welfare expenses	776,280	-
Total	22,869,212	-

Note no. 21 : Finance Cost

	31st March,2012	31st March,2011
	Rupees	Rupees
Interest on cash credit	566,517	16,681
Interest on inter corporate deposits	1,101,884	-
Finance Charges	383,806	6,296
Total	2,052,207	22,977

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Note no. 22 : Depreciation

	31st March,2012	31st March,2011
	Rupees	Rupees
Plant and Machinery	96,587	518
Vehicles	84,613	-
Total	181,200	518

Note no. 23 : Other Expenses

	31st March,2012	31st March,2011
	Rupees	Rupees
Rent	272,000	33,211
Rates & taxes	843,900	420,150
Insurance	13,483	-
Subcontracting, hire & service charges	75,544,372	-
Repairs and Maintenance	338	-
Advertisement	845,092	-
Travelling & Conveyance Expenses	4,411,662	-
Postage, Telephone & communication	974,580	-
Printing & Stationary	365,454	-
Loss on foreign exchange transactions	4,437,352	-
Legal and professional Charges	783,367	1,834,545
Auditors' remuneration	400,585	27,575
Provision for warranties	5,341,000	-
Miscellaneous expenses	1,367,186	31,621
Total	95,600,370	2,347,102

Note no. 24 : Auditors remuneration includes

(net of service tax for FY 2012)

	31st March,2012	31st March,2011
	Rupees	Rupees
As statutory auditor	325,000	27,575
For taxation matters	75,000	-
For reimbursement of expenses	585	-
Total	400,585	27,575

Note no. 25 : Earning per share (EPS)

	31st March,2012	31st March,2011
	Rupees	Rupees
Profit / (Loss) after tax	3,165,583	(2,183,966)
Weighted average number of equity shares used in computing basic and diluted earning per share.....	4,936,986	481,295
Basic and diluted earning per share (Rs.) (Face Value of Rs. 10 per Share)	0.64	(4.54)

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Note no. 26 :

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 REVA Electric Vehicles Limited

Mahindra World City Chennai Limited

Mahindra Foundation Ltd.

Mahindra Consulting Engineers Limited

Mahindra World City Jaipur Limited

Mahindra Logistics Limited

Mahindra Engineering and Chemical Products Limited

Mahindra Lifespace Developers Limited.

Mahindra BPO Services Private Limited.

Transaction with related parties:

Sr.No.	Nature of transaction	Holding company	Fellow Subsidiaries
1	Issue of equity shares	50,000,000 (37,999,990)	- (-)
2	Sales - Goods & Services	316,060 (-)	755,740,137 (-)
3	Reimbursement received from parties	- (-)	551,968 (-)
4	Reimbursement paid to parties	8,250,609 (-)	
4	Receiving of services	- (-)	6,427,520 (4,533)
5	Interest Expenses	- (-)	1,101,884 (-)
6	Outstanding		
	a) Receivable	- (-)	217,580,020 (1,047,850)
	b) Payable	7,427,748 (-)	880,000 (-)

Previous year's figures are given in brackets.

Note no. 27 : 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, 2012 is Rs. NIL.

Note no. 28 : Provision for warranty Rs. 53,41,000/- (2011: Nil) relates to provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale.

The movement in the above provision is as follows:

	31st March, 2012	31st March, 2011
	Rupees	Rupees
Balance as on 1st April, 2011	-	-
Add: Provision made during the year	5,341,000	-
Less: Utilised during the year	-	-
Balance as at 31st March, 2012	5,341,000	-

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Note no. 29 :

Operating Lease :

1. Operating lease rental charges recognised in the profit & loss account for the year are Rs. 2,72,000/- (2011: Rs.Nil)
2. The total of future minimum lease payments under non cancellable operating leases for each of the following period are as under

	31st March,2012	31st March,2011
	Rupees	Rupees
Not later than one year	260,000	-
	<u>260,000</u>	<u>-</u>

Note no. 30 :

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

	31st March,2012	31st March,2011
	Rupees	Rupees
a) Value of Imports on C.I.F Basis:		
Raw Material	638,861,764	-
Capital goods	111,567	108,133
	<u>638,973,331</u>	<u>108,133</u>

b) Expenditure in foreign currencies

Capital	-	108,058
Professional fees	2,139,291	-
Others	-	-
Travelling Expenditure	328,542	-
Software	33,705	-
	<u>2,501,538</u>	<u>108,058</u>

c) Consumption of components and spare parts

	31st March,2012		31st March,2011	
	Rupees	%	Rupees	%
Imported	638,861,764	76.7%	-	-
Indegineous	193,748,231	23.3%	-	-
Total	<u>832,609,995</u>	<u>100.0%</u>	<u>-</u>	<u>-</u>

Note no. 31 :

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,2012	31st March,2011
	Rupees	Rupees
Modules	623,142,776	-
Invertors	55,951,683	-
Others	153,515,536	-
	<u>832,609,995</u>	<u>-</u>

Note no. 32 :

Previous year's figures have been regrouped / restated wherever necessary. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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28 MAY 2012