

MAHINDRA EPC SERVICES PRIVATE LIMITED

ANNUAL ACCOUNTS

2010 - 2011

Head Office : Mumbai

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- (022) 6631 5835 / 36
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- 706 / 708, Sharda Chambers,
New Marine Lines, Mumbai 400 020

B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

TO

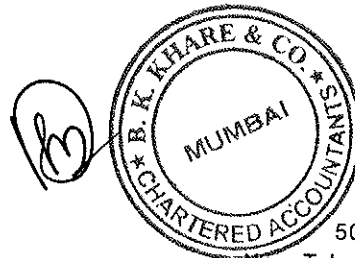
The Members

Mahindra EPC Services Private Limited

1. We have audited the attached Balance Sheet of M/s. Mahindra EPC Services Private Limited as at 31st March, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the period ended 31st March, 2011 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 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 per para 1(2)(iv) to the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the Company hence a statement on the matter specified in paragraphs 4 and 5 there under is not furnished.
4. Further to our comments referred to in paragraph 3 above, we report that:
 - i. 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;
 - ii. 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;
 - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

Branch Office : Pune

- Tel : (020) 2543 3704 • Fax : (020) 2542 0212
- E-mail : pune@bkkhareco.com
- 11, Venu-Madhav, 104/7, Off Lane No. 14,
Prabhat Road, Erandwane, Pune - 411 004.

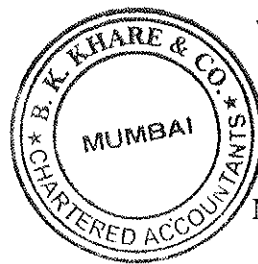


Branch Office : Bangalore

- Tel: (080) 4110 5357 •
- E-mail: bkkhareb@vsnl.net •
- 505, 8B Main, Koramangala, IVth Block, •
Near Telephone Exchange, Bangalore - 560 034.

- v. On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2011;
- (b) in the case of the Profit and Loss Account, of the loss during the period ended on that date; and
- (c) in the case of Cash Flow Statement, of the cash flows for the period ended as on that date.

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



Devdatta Mainkar

Devdatta Mainkar
Partner
Membership No. 109795

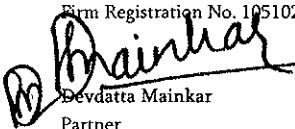
Place: Mumbai
Dated: 19th April, 2011

MAHINDRA EPC SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2011

| | | 2011 | |
|---|----------|------------|------------------------------|
| | Schedule | Rupees | Rupees |
| I SOURCES OF FUNDS: | | | |
| SHAREHOLDERS' FUNDS: | | | |
| Capital | I | 38,000,000 | |
| Reserves and Surplus | | - | |
| | | ----- | 38,000,000 |
| Total.... | | | ----- ----- 38,000,000 |
| II APPLICATION OF FUNDS: | | | |
| FIXED ASSETS | | | |
| | II | | |
| Gross Block | | 211,677 | |
| Less: Depreciation | | 518 | |
| Net Block | | ----- | 211,159 |
| CAPITAL WORK-IN-PROGRESS AND ADVANCES | | | 0 |
| | | | ----- 211,159 |
| NET CURRENT ASSETS: | | | |
| Current Assets, Loans and Advances | | | |
| Cash and Bank Balances | III (A) | 35,295,904 | |
| Other Current Assets | III (B) | 167,018 | |
| Loans and Advances | III (C) | 1,321,598 | |
| | | ----- | |
| | | 36,784,520 | |
| Less: Current Liabilities and Provisions | | | |
| Liabilities | IV (A) | 306,021 | |
| Provisions | IV (B) | 873,624 | |
| | | ----- | |
| | | 1,179,645 | |
| NET CURRENT ASSETS | | | 35,604,875 |
| Debit balance in Profit and Loss Account | | | 2,183,966 |
| Total.... | | | ----- ----- 38,000,000 |
| NOTES ON ACCOUNTS | XII | | |

Per our report attached

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


Devdatta Mainkar
Partner

M. No. 109795

Mumbai :

K Chandrasekar

Ranjan Pant



| MAHINDRA EPC SERVICES PRIVATE LIMITED | | |
|---|----------|---------------------------|
| PROFIT AND LOSS ACCOUNT FOR THE PERIOD 19TH SEPTEMBER,2010 TO 31ST MARCH,2011 | | |
| | | 2011 |
| | Schedule | Rupees |
| SALES | | - |
| Less: Excise Duty on Sales (Net) | | - |
| Net Sales | | - |
| Other Income | V | 186,631 |
| | | <u>186,631</u> |
| EXPENDITURE: | | |
| Raw Materials and Finished Products | | - |
| Personnel | | - |
| Interest, Commitment and Finance Charges | VI | 16,681 |
| Depreciation/Amortisation | II | 518 |
| Other Expenses | VII | 2,353,398 |
| | | <u>2,370,597</u> |
| Profit/(Loss) before taxation | | <u>(2,183,966)</u> |
| Less: Provision for Tax | | - |
| Loss after tax for the year | | <u>(2,183,966)</u> |
| Balance carried to Balance Sheet | | <u><u>(2,183,966)</u></u> |
| EARNINGS PER SHARE | | |
| (Face Value Rs. 10/- per share) (Rupees) | | (4.54) |
| Basic & Diluted | | |
| NOTES ON ACCOUNTS | VIII | |

Per our report attached

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

K Chandrasekar

Ranjan Pant

B. Mainkar
Bhavdatta Mainkar
Partner
M. No. 109795



Mumbai :

MAHINDRA EPC SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

| | | March 2011 |
|----|--|-------------|
| | | Rupees |
| A. | CASH FLOW FROM OPERATING ACTIVITIES : | |
| | Net loss before Tax | (2,183,966) |
| | Adjustments for : | |
| | Depreciation/Amortisation | 518 |
| | Interest Income | (185,575) |
| | Interest expense | 16,681 |
| | Operating Profit Before Working Capital Changes | (2,352,343) |
| | Adjustments for : | |
| | Trade and Other Receivables | (1,303,041) |
| | Trade and Other Payables | 1,179,645 |
| | Cash used for Operations | (2,475,738) |
| | Income taxes paid | (18,557) |
| | NET CASH USED IN OPERATING ACTIVITIES | (2,494,295) |
| B. | CASH FLOW FROM INVESTING ACTIVITIES : | |
| | Purchase of Fixed Assets | (211,677) |
| | Interest Received | 18,557 |
| | NET CASH USED IN INVESTING ACTIVITIES | (193,120) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES : | |
| | Proceeds from issue of Share Capital | 38,000,000 |
| | Interest expense | (16,681) |
| | NET CASH FROM FINANCING ACTIVITIES | 37,983,319 |
| | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 35,295,904 |
| | CASH AND CASH EQUIVALENTS | |
| | Opening Balance | - |
| | Closing Balance | 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 | 34,000,000 |
| | | 35,295,904 |
| | | 35,295,904 |

Per our report attached

For B K Khare & Co.
Chartered Accountants
Firm Registration No. 105102W
Devdatta Mainkar
Devdatta Mainkar
Partner
M. No. 109795
Mumbai :



K Chandrasekar

Ranjan Pant

Meerao
Ranjan Pant

MAHINDRA EPC SERVICES PRIVATE LIMITED

SCHEDULE I

CAPITAL

2011
Rupees

Authorised :

4,000,000 Equity Shares of Rs. 10 each

40,000,000

Total....

40,000,000

Issued and Subscribed:

3,800,000 Equity Shares of Rs. 10 each, fully paid up

38,000,000

(Entire equity Shares are held by Mahindra Holdings Limited, the Holding Company)

Total....

38,000,000



SCHEDULE II

Fixed Assets :

| Description of Assets | Additions and adjustments during the year at cost | | Deductions and adjustments during the year | | Depreciation/ Amortisation | | Deductions and Adjustments of Depreciation/A mortisation/A | | Net Balance as at 31st March, 2011 |
|-----------------------|---|--------|--|---------|----------------------------|--------|--|--------|------------------------------------|
| | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees | |
| Plant and Machinery | 211,677 | - | - | 211,677 | - | 518 | - | 518 | 211,159 |
| Total.... | 211,677 | - | - | 211,677 | - | 518 | - | 518 | 211,159 |

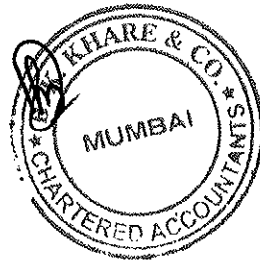


MAHINDRA EPC SERVICES PRIVATE LIMITED

Schedule III

2011

| | Rupees | Rupees | Rupees |
|---|------------|-----------------------------|--------------------------|
| Current Assets, Loans and Advances: | | | |
| (A) Cash and Bank Balances: | | | |
| Cash and cheques on hand | | | - |
| Balances with Scheduled Banks: | | | |
| (i) On Current Account* | 1,295,904 | | |
| (ii) On Fixed Deposit Account # | 34,000,000 | 35,295,904 | |
| # Unutilised monies from issue of shares | | | 35,295,904 |
| | | Total (A) | <u>35,295,904</u> |
| (B) Other Current Assets: | | | |
| Interest accrued on Fixed Deposits | | | 167,018 |
| | | Total (B) | <u>167,018</u> |
| (C) Loans and Advances: | | | |
| (Unsecured, considered good unless otherwise stated): | | | |
| Advances recoverable in cash or in kind or for value to be received | | | 1,303,041 |
| Payment towards Taxation | | | 18,557 |
| | | Total (C) | <u>1,321,598</u> |
| | | Total (A) + (B)+(C) | <u><u>36,784,520</u></u> |



MAHINDRA EPC SERVICES PRIVATE LIMITED

Schedule IV

| | Rupees | 2011 Rupees |
|---|----------------|-------------------------|
| Current Liabilities and Provisions: | | |
| (A) Current Liabilities | | |
| Sundry Creditors: | | |
| (i) Total outstanding dues of micro and small enterprises | - | |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | <u>136,960</u> | 136,960 |
| Other liabilities | | 169,061 |
| Total (A) | | <u>306,021</u> |
| (B) Provisions: | | |
| Provision for Expenses | | 873,624 |
| Total (B) | | <u>873,624</u> |
| Total (A) + (B) | | <u><u>1,179,645</u></u> |



MAHINDRA EPC SERVICES PRIVATE LIMITED**Schedule V****Other Income**

| | |
|--------------------------------------|---------|
| Interest on Fixed Deposits - (Gross) | 185,575 |
| [Tax Deducted at Source Rs. 18,557] | |
| Difference in Exchange | 1,055 |

Total.... 186,631

Schedule VI**Interest, Commitment and Finance Charges:**

| | |
|---------------|--------|
| On Term Loans | - |
| On Others | 16,681 |

Total.... 16,681

Schedule VII**Other Expenses:**

| | |
|--|-----------|
| Rent including lease rental (Net) | 33,211 |
| Registration and Documentation Charges | 420,150 |
| Professional Fees | 1,743,315 |
| Auditors Remuneration | 27,575 |
| Survey Fees | 91,230 |
| Subscription & Membership | 30,000 |
| Bank Charges | 6,296 |
| Miscellaneous Expenses | 1,620 |

Total.... 2,353,398



MAHINDRA EPC SERVICES PRIVATE LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. U 7 4 9 9 0 M H 2 0 1 0 P T C 2 0 7 8 5 4

Balance Sheet Date: 3 1 / 0 3 / 2 0 1 1 State Code: 1 1

II. Capital Raised during the year (Amount in Rs.Thousands)

| | | | |
|--------------|-------|-------------------|-----------|
| Public Issue | N I L | Rights Issue | 3 7 9 0 0 |
| Bonus Issue | N I L | Private Placement | N I L |

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities including Shareholders Fund

| | |
|-------------------|-----------|
| Total Liabilities | 3 8 0 0 0 |
|-------------------|-----------|

Total Assets

| | |
|--------------|-----------|
| Total Assets | 3 8 0 0 0 |
|--------------|-----------|

Sources of Funds

| | |
|-----------------|-----------|
| Paid-up Capital | 3 8 0 0 0 |
| Secured Loans | N I L |

Reserves & Surplus

| | |
|--------------------|-------|
| Reserves & Surplus | N I L |
| Unsecured Loans | N I L |

Application of Funds

| | |
|---------------------------|-------|
| Intangible Assets | N I L |
| Investments | N I L |
| Miscellaneous Expenditure | N I L |
| Deferred Tax Asset (Net) | N I L |

Net Fixed Assets

| | |
|--------------------|-----------|
| Net Fixed Assets | 2 1 1 |
| Net Current Assets | 3 5 6 0 5 |
| Accumulated Losses | 2 1 8 4 |

IV. Performance of company (Amount in Rs.Thousands)

Turnover

| | |
|----------|-------|
| Turnover | 1 8 7 |
|----------|-------|

Total Expenditure

| | |
|-------------------|---------|
| Total Expenditure | 2 3 7 1 |
|-------------------|---------|

| | |
|----------------------------|-----------|
| + - Profit/Loss Before Tax | - 2 1 8 4 |
|----------------------------|-----------|

| | |
|---------------------------|-----------|
| + - Profit/Loss After Tax | - 2 1 8 4 |
|---------------------------|-----------|

Earning per share in Rs.

| | | | |
|-------|-----------|---------|-----------|
| Basic | - 4 . 5 4 | Diluted | - 4 . 5 4 |
|-------|-----------|---------|-----------|

Dividend Rate %

| | |
|-----------------|-------|
| Dividend Rate % | N I L |
|-----------------|-------|

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

E P C

For and on behalf of the Board
Mahindra EPC Services Private Limited



K Chandrasekar

K Chandrasekar
DIRECTOR

Ranjan Pant

Ranjan Pant
DIRECTOR

SCHEDULE VIII

Notes on Accounts for the period ended 31st March, 2011

1) Significant Accounting Policies:

(a) Basis of Accounting:

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(b) 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 manners prescribed in Schedule XIV to the Companies Act, 1956.

(c) 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.

(d) Revenue Recognition:

Interest income is accounted on an accrual basis at contracted rates.

(e) 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 tax income will be available against which such deferred tax assets can be realised.



2) The Company was incorporated on 19th September 2010. Consequently, the accounts reported herein pertain to the period from 19th September 2010 to 31st March 2011 and there are no corresponding figures for previous year.

3) **Auditors remuneration include:**

| | |
|------------------------------------|---------------|
| Amount paid / payable to Auditors: | Rupees |
| Audit Fees..... | 27,575 |
| Total..... | 27,575 |

4) **Earnings per Share:**

| | |
|--|-----------|
| Amount used in numerator - loss for the period (Rs.)... | 2,183,966 |
| Weighted average number of equity shares used in computing basic earnings per share..... | 481,295 |
| Basic and Diluted earning per share (Rs.) (Face value of Rs.10 per share)..... | (4.54) |

5) **Related party transactions:**

(a) **Related party where control exists:**

| | |
|-----------------------|---|
| Holding Company: | Mahindra Holdings Limited |
| Fellow Subsidiaries : | Mahindra Consulting Engineers Limited Mahindra World City Jaipur Limited |

| Particulars | Holding Company | Fellow Subsidiaries | |
|---------------------|-----------------|---------------------------------------|------------------------------------|
| | | Mahindra Consulting Engineers Limited | Mahindra World City Jaipur Limited |
| Equity Contribution | 37,900,000 | - | - |
| Rent | - | - | 4,533 |
| Advance given | - | 1,047,850 | - |
| Outstanding : | | | |
| Receivable | - | 1,047,850 | - |

6) The Company does not have any dues outstanding to Micro, Small and Medium Enterprises as mentioned in the Micro, Small and Medium Enterprises Development Act 2006. Hence the disclosures related to amount paid as at the end of the year together with interest paid / payable as required under the said Act are not applicable.



- 7) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March,2011 is Rs. Nil
- 8) Bank Guarantees have been given by a Bank on behalf of the Company amounting to Rs. 20,000/-.
- 9) There is no provision for current tax in view of the losses for the year.
- 10) Additional Information pursuant to the Provisions of Paragraphs 3(i)(a) and (ii), 4C and 4D, of Part II of Schedule VI to the Companies Act,1956:

A. Value of Imports on C.I.F. Basis accounted for during the period :

| Sr. No. | Particulars | Rs. |
|---------|------------------------------|---------|
| 1 | Raw Materials | - |
| 2 | Components, Spare Parts, etc | - |
| 3 | Capital Goods | 108,133 |
| 4 | Items Imported for Resale | - |

B. Expenditure In Foreign Currencies (Subject To Deduction Of Tax Where Applicable)

| Sr. No. | Particulars | Rs. |
|---------|---------------------|---------|
| 1 | Capital Expenditure | 108,058 |

Other information is not applicable for the current year.

For Mahindra EPC Services Private Limited

Umesh *Ranjana*
 Director Director

