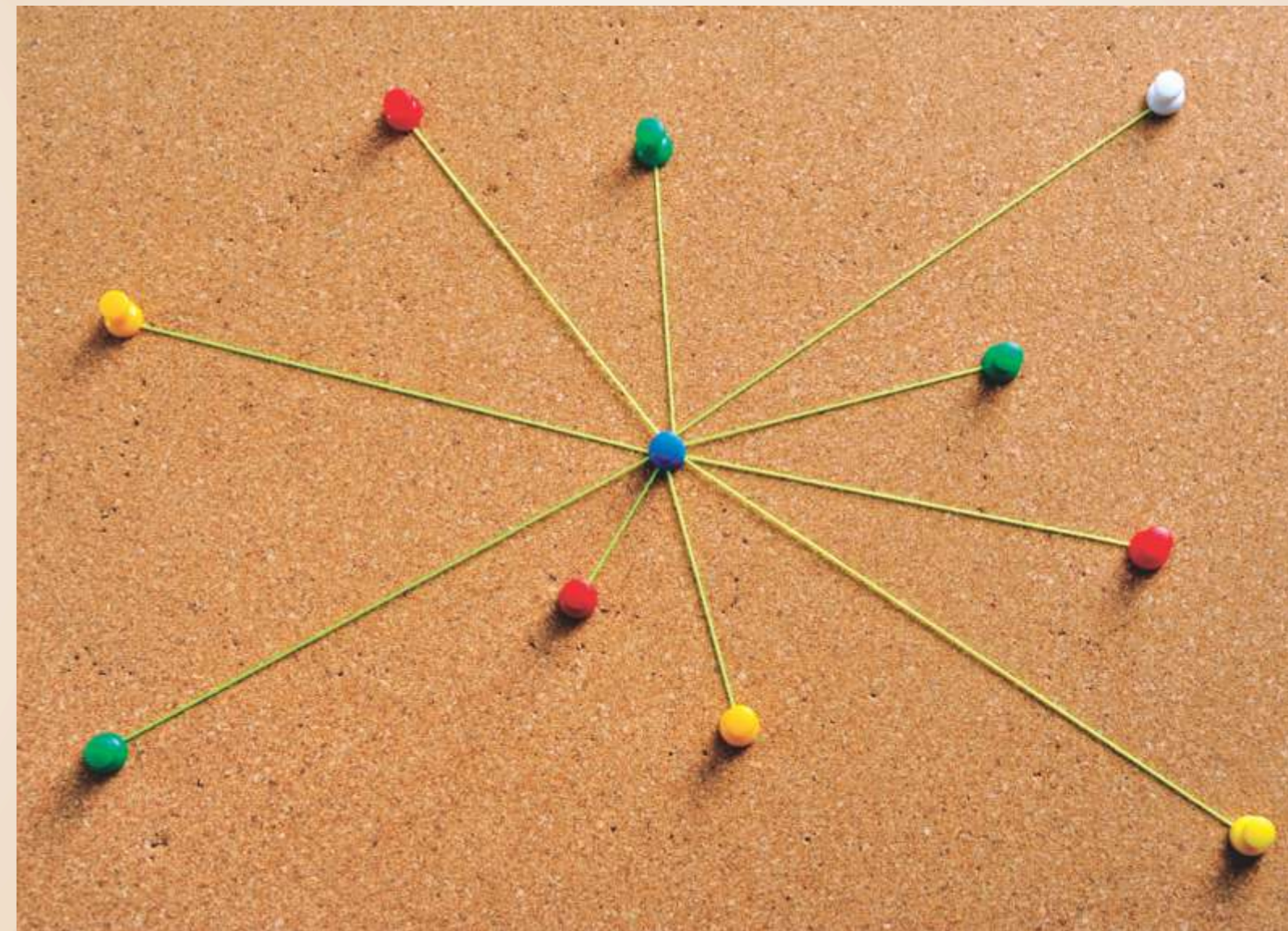


Widening the Horizon



Shriram EPC Limited

4th Floor, Sigappi Achi Building, 18/3, Rukmini Lakshmi pathi Salai,
Egmore, Chennai 600 008. Tel: + 91 44 4901 5678 Fax : + 91 44 4901 5655.
Website: www.shriramepc.com / Email: info@shriramepc.com

Shriram EPC Limited

Twelfth Annual Report 2011-2012

Disclaimer

In this annual report, we have disclosed forward-looking information to help investors comprehend our projects and take informed investment decisions. This report is based on certain forward-looking statements that we periodically make to anticipate results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Chairman's Message

Dear Shareholder,

It is my pleasure to present to you, our performance for the fiscal year 2011-12, marking another year of steady progress for your Company. During the last fiscal, we have continually worked on expanding our capabilities and horizons, moving towards realizing our vision of becoming a leader in engineering and project implementation. We have also implemented necessary steps to address key issues and pave the way for continued growth.

While it was believed that the Indian economy has been able to decouple itself from the world economy, the reality is that the global events have impacted us reducing India's GDP growth to 6.9% (estimated) after expanding at more than 8% during the last two fiscal years. The sovereign debt crisis in Europe, slow recovery of the US economy, political instability in Middle East, ramification of natural disasters in Japan & Indonesia, rising crude prices and higher commodity prices have combined to present a rather challenging operating environment.

However the challenges cannot be attributed to global factors alone as, closer home, the hawkish stance adopted by RBI to counter persistent inflation and the surging fiscal imbalance have compressed availability of capital. Sentiment has also been affected by the slow pace of reforms, a multitude of corruption issues and delayed regulations which have impacted the domestic decision making cycle. However, the fact still remains that India is the second fastest growing economy in the world, and is expected to continue to deliver relatively attractive growth rates.

Despite operating in a challenging environment, our revenue growth for the year was quite robust. Having a presence in multiple verticals enables us to avoid the effects of cyclicity in any single vertical and allows for balanced growth. During FY 2012 our contracting business remained fairly robust with Process & Metallurgy carrying the bulk of revenue and order wins for the year.

The contribution from the Water business has been steady and there was progress on



outstanding orders during the year. Towards the end of the year we also witnessed substantial turnover from our Power business comprising thermal power as well as solar power while biomass was subdued.

This year we have forayed into two new verticals of solar power and mines and mineral processing. We have already booked revenues from services in the solar power vertical. While we won order in the mines and mineral processing segment we begin executing on this order only in FY 2013.

Our order backlog has been fairly robust providing us healthy visibility. As of 31st March, 2012 we had an outstanding order backlog of ₹2,924 crore on a standalone basis and ₹3,803 crore on a consolidated basis. Given the strong order backlog and new order wins across verticals, we remain optimistic about our performance going forward.

Coming to the performance of our subsidiaries; it was a very challenging year for Leitner Shriram Manufacturing Limited in the wind turbine manufacturing business. Despite witnessing healthy topline growth there was pressure on profitability due to the sharp increase in price of a key raw material. This also led to some order cancellations during the year. However, these challenges have already shown signs of moderating and with the impending launch of wind turbines of larger capacity, we are confident that the performance in coming years will improve significantly.

The cooling tower business of Hamon Shriram Cottrell Pvt. Limited had a profitable year. Top line witnessed strong growth compared to last year; while profitability would have been even more impressive had it not been for Capex which had to be incurred on some projects. The demand for cooling towers is set to increase and prospects remain strong for this business given visibility from orders in the pipeline.

Our other subsidiaries / associates like Blackstone Group Technologies Pvt. Limited, Shriram SEPL Composites Pvt.

Limited and Haldia Coke and Chemicals Pvt. Limited have progressed well during the year and delivered a performance on expected lines.

During the course of the year there were two significant developments. The first was obtaining approval from the Board to raise around ₹150 crores of equity capital. The manner of fund raising and details are still being worked out but I can assure you that Shareholder interests will be adequately addressed. The funds raised will be primarily used for debt reduction and for the long-term business growth of the Company.

The other development is the conversion of part of the dues owed to the Company by Sree Jayajothi Cements Limited (SJCL) into equity. We have also assigned a part of the dues in favour of an SPV, Spark Environmental Technology Limited (SET). Together, the Company and SET have taken majority control in SJCL and will be undertaking necessary steps to improve the ongoing operations of SJCL while simultaneously identifying partners to co-invest in this equity. We believe that there is a considerable value in the asset and have undertaken steps which will eventually lead to recovery of outstanding dues.

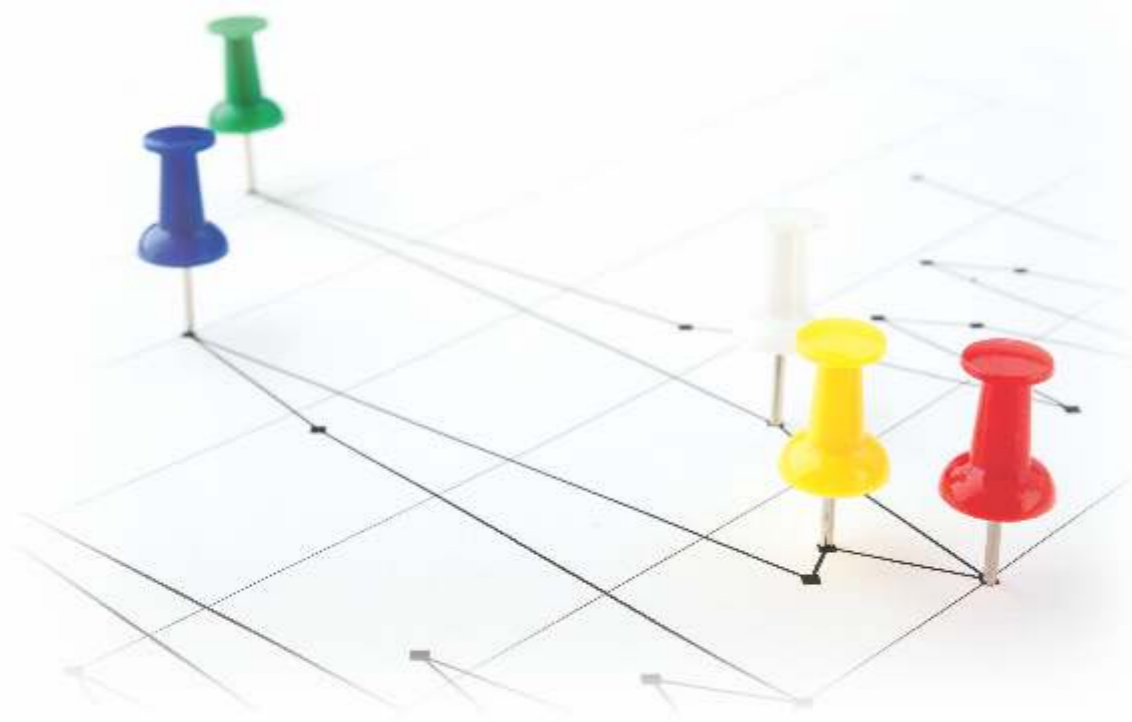
The initiatives undertaken during the year will help stabilize operations and result in resumption of growth in both topline and profits and we remain confident in the Company's potential to create value for its stakeholders.

At this juncture, I wish to express my gratitude and appreciation towards our employees, customers, business associates, suppliers and bankers. I would like to thank our Shareholders for their unstinted support.

Yours sincerely,

Arun Duggal
Chairman





Directors' Report

Dear Shareholder,

Your Directors have pleasure in presenting the Twelfth Annual Report together with the accounts of your Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

₹ in Lakhs

Particulars	Consolidated		Standalone	
	2011-12	2010-11	2011-12	2010-11
Total Income	1,89,118.86	1,68,741.94	1,40,788.59	1,32,523.09
Profit before interest, depreciation, tax and exceptional items	27,412.52	23,821.63	24,815.83	20,951.76
Interest & depreciation	24,633.30	16,058.01	20,902.51	13,805.28
Profit before tax & before exceptional items	2,779.22	7,763.62	3,913.32	7,146.48
Provision for taxation	1,487.15	2,791.16	1,362.57	2,521.51
Profit after tax	1,292.07	7,012.96	2,550.75	6,961.25
Balance brought forward from last year	20,425.17	13,802.01	19,023.79	12,856.72
Profit available for appropriation	24,578.50	21,219.35	21,574.54	19,817.97
Transfer to general reserves	63.77	174.05	63.77	174.05
Surplus carried forward	23,895.58	20,425.17	20,891.62	19,023.79



OPERATING RESULTS & PERFORMANCE

Your Directors are pleased to report that during the year your Company recorded a 6.24% growth in total income at ₹1407.89 crores from ₹1325.23 crores in the previous year on a standalone basis. Profit before tax at ₹39.13 crores.

Profit after tax was at ₹25.50 crores compared to the previous year figure of ₹69.61 crores. The last 2 years' figures cannot be compared as we had an exceptional income of ₹23.36 crores by sale of shares related to the restructuring of our investments in the Coke business – Ennore Coke Limited and Haldia Coke and Chemicals Pvt. Limited in the year 2010-11.

Earnings per share (EPS) was at ₹5.75 compared to ₹15.80 in the previous year.

Your Company's standalone order book was ₹2,924.15 crores as at 31st March, 2012.

CAPITAL STRUCTURE

During the year under review, the share capital of your Company was changed/ altered as follows:

Allotment of 81,885 Equity shares of ₹10 each fully paid up under ESOP 2006 & 2007 scheme.

BUSINESS HIGHLIGHTS

Your Directors are pleased to state that during the year your Company was awarded several prestigious projects. Some of these projects and other business initiatives taken by your Board to position the Company in its growth path as a key player in the EPC business and as a manufacturer of wind turbines are as under:

During the year the Company received the following major orders:

1. Order from Surya Dev Steels for Unit 2 of their 2X80 MW Captive Power Plant valued at ₹362 crores.
2. An order from Abhijeet Projects Ltd. for the construction of a 50MW Solar Thermal Power Plant in Rajasthan. Your Company will execute the EPC work for the project with technical support from Ener-T International Ltd. The order is valued at ₹640 crores and marks our entry into the emerging Solar Power market.

3. Order from Hindustan Copper Ltd. for work on the Surda Mine Project. Your Company will lead the consortium to undertake the project, which is valued at ₹206.34 crores. This marks our entry into the Mining and Minerals sector.

4. Order for the installation of a Coke oven by-product Complex including at the 3.0 MTPA Steel Plant of NMDC at Nagarnar in Chattisgarh. The value of the order is ₹411.60 crores of which the scope for your Company is ₹260 crores.

5. Orders in the Municipal Services Segment from the Kerala Water Authority / Kerala Sustainable Urban Development / TWAD / MCGM valued at over ₹150 crores.

The Company's Joint venture, Hamon Shriram Cottrell Pvt. Limited has an order backlog as of 31st March, 2012 of ₹348.32 crores. Major orders include GAIL (India) Limited, Pata.

The Company's other Joint Venture, Leitner Shriram Manufacturing Ltd. has an order backlog as of 31st March, 2012 of ₹524.98 crores.

SIGNIFICANT DEVELOPMENTS

SREE JAYAJOTHI CEMENTS LTD. (SJCL)

As you are all aware the Company had undertaken an EPC Contract for Sree Jayajothi Cements Ltd. (SJCL) for setting up a 3.2 MTPA Cement Plant at Kurnool District in Andhra Pradesh. The plant has been in commercial production for the past one year and has ended this financial year with a total cement production of over 1 million tonne. The total outstanding from SJCL is approximately ₹305 crores (Outstanding Dues). Based on an analysis of the cement industry, the Company had decided to participate in the investment potential in the cement industry and hence, with a view, to improve the SJCL's financial condition and recover its dues, the Company has converted a part of its outstanding dues into equity shares / equity linked instruments with a direct equity stake of upto an aggregate of 18.76%. An additional 49% is held by Spark Environmental Technology Limited.

The shareholders of the Company have accorded approval for this investment through a Postal Ballot.

The necessary acceptance by SJCL's bankers has also been obtained.

PROPOSED RIGHTS ISSUE

During the forthcoming year, your Company is planning to raise fresh capital. The structure & nature of the capital raise is being analysed and we will keep the shareholders informed once the structure is finalised.

BUSINESS OVERVIEW

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

The turnkey contracts segment represents the Company's engineering, procurement and construction projects business, which include renewable energy projects like Biomass-based power plants, Metallurgical and Process plant projects and Municipal services projects like Water and Waste-water treatment plants, Water and Sewer infrastructure and Pipe rehabilitation.

The Standalone order book was ₹2,924.15 crores as on 31st March, 2012.

Overall revenues from turnkey contracts increased by 33.73%, from ₹957.84 crores in FY 2011 to ₹1,280.98 crores in FY 2012 (standalone).

Your Company's Wind turbine business comprises of sale and services of 250 kw class wind turbine generators to clients.

The Wind turbine business revenue was at ₹113.20 crores in FY 2012 compared to ₹192.61 crores in FY 2011.

The order book for the turnkey contracts as on 31st March, 2012 is ₹2,772.86 crores.

CONSOLIDATED FINANCIAL STATEMENTS

The Audited Consolidated Financial Statement presented by the Company includes the financial information of all its subsidiary companies prepared in accordance with the Accounting Standard (AS 21) notified by Central Government under Companies (Accounting Standards) Rules, 2006.

The Government of India, Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956 vide letter ref.51/12/2007-CL-III dated 8th February 2011 have granted exemption to all Companies from attaching the full text of the financial statements of the Company's aforesaid Subsidiaries along with the Company's accounts from the year ended 31st March, 2011.

Necessary disclosures will be made in respect of the said subsidiaries in this Annual Report apart from the statement pursuant to Section 212 of the Companies Act, 1956.

However, on request by any member of the Company / statutory authority interested in obtaining them, these documents will be made available for examination, at its Registered Office. Pursuant to this, a statement summarizing the financial results of all the subsidiaries is attached to the consolidated financial statement.

DIVIDEND

The Board of Directors have recommended a dividend of ₹1.20 per share. This translates into a payout of ₹6.19 crores including an amount of ₹86 lakhs as Dividend Distribution Tax.

SUBSIDIARY COMPANIES AND JOINT VENTURES

SUBSIDIARIES

SHRIRAM EPC (SINGAPORE) PTE. LTD.

Shriram EPC (Singapore) Pte. Ltd. is a 100% subsidiary of your Company.

The audited financial results of SEPC Singapore for Fiscal 2012, are set forth below:

(In USD, except per share data)

	Fiscal 2012
Sales and other income	-
Profit / (Loss) after tax	(106,884)
Equity capital	20,210,013
Reserves and Surplus (excluding revaluation reserves)	(286,625)
Earnings / (Loss) per share (diluted) (SGD)	(0.00)
Earnings / (Loss) per share (basic) (SGD)	(0.00)
Net asset value	19,923,388

During the year Shriram EPC (Singapore) Pte. Ltd. has made a loss of US dollars 106,884.

BLACK STONE GROUP TECHNOLOGIES PVT. LTD. (BGT)

BGT which had been set up as an engineering outsourcing outfit in Chennai in 1993 acts as Engineering outfit of the Group with 200 strong technical staff.

The Company holds 55% in the equity stake of BGT.

BGT along with its subsidiary has reported a consolidated turnover of ₹18.72 crores in the year 2011-12 compared to ₹13.10 crores in the previous year 2010-11. During last year, BGT saw the beginning of a recovery in its main market for engineering services - the USA. This has resulted in a modest increase in order inflows and corresponding increase in margins. We look forward to continue this trend in this year also.

JOINT VENTURES

HAMON SHRIRAM COTTRELL PRIVATE LIMITED (HSCL)

The Company's joint venture Company, HSCL has reported significant growth. The turnover of HSCL has increased from ₹158.00 crores in 2011 to ₹217 crores in 2012, an increase of 37%.

The major orders received by HSCL during the year are:

GAIL (India) Limited, PATA - 1- Utility Cooling Tower & Cooling Tower Water Treatment Plant

for GAIL Petrochemical. ₹75 crores

GAIL (India) Limited, PATA - 2 ₹35 crores

Reliance Industries Limited ₹10 crores

In the year under review, HSCL decided to exit the Air Pollution Control business and focus on the market for Cooling Systems.

In order to reflect the joint venture status of HSCL, your Company is consolidating HSCL on a proportionate basis as a JV.

LEITNER SHRIRAM MANUFACTURING LIMITED (LSML)

LSML is a joint venture focussed on the manufacture and installation of wind turbines.

This year has been a very difficult year for LSML due to a dramatic increase in the price of Neodymium magnets which are a critical component of the generators. The price increase was to the extent of 300% due to supply constraints from the only source - China. This significantly

affected margins and forced the Company to reduce its output and decline contracts that were not viable at these prices. Magnet prices have subsequently corrected and new sources should shortly enter the market.

LSML has also started operations in the States of Maharashtra & AP and we are confident that LSML during the coming year will perform better with increased order book and newer products, which are under testing.

MAJOR ACHIEVEMENTS DURING THE YEAR

- Successfully completed the first major export order to Sri Lanka for 10.5 MW to Power Gen Lanka P Ltd. - USD 12.90 million.
- Commenced execution of 93.6 MW order from Beta Wind farms at Tadipatri with the new WEG model LTW 80 1.8.
- Successfully completed erection and commissioning WEG for 100 MW in India since inception.
- Prototype for a new variant of the 1.5 MW turbine as well as a 2MW turbine were installed at Sivagnapuram, Tamil Nadu, and are under testing for certification.
- Blade Plant expansion for doubling capacity for production of rotor blades is completed.

LSML order book position from various clients like PPS Enviro, TVH, Power Gen Lanka and OGPL is ₹524.98 Crores.

During the year under review, LSML has reported a turnover of ₹721 crores as compared to ₹550 crores during the year 2010-11 with a loss of ₹28.75 crores as compared to a profit of ₹4.20 crores during the year 2010-11.

ASSOCIATES

HALDIA COKE & CHEMICALS PVT. LTD. (HCCL)

HCCL is engaged in the business of inter alia, manufacturing, processing, importing, exporting, trading, buying, selling, stocking, distributing coke (carbon), coal and supplying to manufacturing industries like steel, copper,

aluminium and to carry on the business of managing, owning, controlling, erecting, commissioning, operating plants for the above and also to act as engineering procurement and construction contractors in connection with engineering.

During the year under review, HCCL has reported a turnover of ₹1479.67 crores with a profit after tax of ₹123.38 crores.

SHRIRAM SEPL COMPOSITES PVT. LTD. (SSEPL)

SSEPL is an associate for manufacture of specialised GRP pipes and liners. SSEPL had received significant orders during the year with an order from Hinduja National Power Corporation Limited for a total order value of ₹23 crores. The order backlog as on March 2012 is over ₹45 crores.

The turnover during the current year was relatively stagnant since the new orders were received only in the second half of the year. We expect a significant increase in turnover during the forthcoming year.

The consolidated turnover of SSEPL during the current financial year has been ₹7.17 crores against the previous year figure of ₹9.20 crores and a loss of ₹7.10 crores against the previous year figure of loss of (₹8.19 crores).

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the operations, performance and outlook of the Company and its business is given in the Management Discussion and Analysis report, which forms a part of this report.

CORPORATE GOVERNANCE

Your Company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance along with a certificate from the Auditors forms a part of this report.



ESOPs

The details required to be provided in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of the stock options granted under the Shriram EPC Employee Stock Option Scheme - 2006 and the Shriram EPC Employee Stock Option Scheme - 2007 are given below:

Sl. No.	Particulars	ESOP Scheme 2006	ESOP Scheme 2007
	Date of Grant	22-11-2006	22-11-2007
1	Total number of options granted	16,40,161	5,00,000
2	Exercise price	₹10/-	₹10/-
3	Number of options vested	1,42,309	48,700
4	Number of options exercised	66,885	15,000
5	Total number of shares arising as a result of exercise of options	66,885	15,000
6	Number of options lapsed	-	-
7	Number of options forfeited	-	-
8	Variation in terms of options	-	-
9	Money realised by exercise of options	₹6,68,850	₹1,50,000
10	Total number of options in force as on March 31, 2012	75,424	58,400
11	Grant to Senior Management - Number of options - Vesting period	-	-
12	Any other employee who received a grant in any one year of options amounting to 5% or more of options granted during the year	-	-
13	Identified employees who were granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-	-

The number of shares issued during the year pursuant to exercise of options under the Shriram EPC Employee Stock Option Schemes amounted to 81,885 shares, resulting in dilution of EPS by 0.01%

CORPORATE SOCIAL RESPONSIBILITY

Your Company has sponsored a comprehensive training programme for school teachers being conducted in Vishakhapatnam by The Launch Pad, an organisation devoted to enhancing the teaching methodology of school teachers. The first of such programmes concluded with the training of teachers at the Chaitanya Public School, Ukkumagaran. This programme will now be conducted in many more such schools.

Your Company further provides financial assistance to the spouses of deceased employees on a case to case basis. Further, the Company also lends financial support for education of employees' children at the graduation level on a case to case basis.

DIRECTORS

During the year Mrs. Vathsala Ranganathan, resigned as a Director of the Company due to her pre-occupation. The Board placed on record their appreciation for the invaluable services rendered by Mrs. Vathsala Ranganathan during her tenure of office.

Mr. Sunil Varma, resigned as a Director of the Company on 16th May, 2012 due to his pre-occupation. The Board placed on record their appreciation for the invaluable services rendered by Mr. Sunil Varma from 2008 during his tenure.

Mr. R. S. Chandra the nominee Director of Bessemer Venture Partners Trust stepped down on 30th May, 2012 and in his place Mr. Vishal Vijay Gupta joined the Board as a non-executive and non-rotational director on 30th May, 2012.

Mr. Vishal Vijay Gupta was appointed as an Additional Director on 30th May, 2012, to hold office till the ensuing Annual General Meeting.

Notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company together with a deposit of ₹500/- proposing the appointment of Mr. Vishal Vijay

Gupta (not liable to retire by rotation) as Director of the Company.

Mr. R. Sundararajan and Mr. S. Krishnamurthy retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Company has constituted an Audit Committee as per the provisions of the Companies Amendment Act, 2000 and under Section 292 A of the Companies Act, 1956 at the Board Meeting held on June 5, 2002. The present members of the Committee are as follows:

1. Mr. S. R. Ramakrishnan
2. Mr. R. Sundararajan
3. Mr. Sunil Varma - resigned on 16th May, 2012
4. Mr. S. Krishnamurthy
5. Mr. S. Bapu- appointed on 30th May, 2012

The Committee has met so far four times during the year.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and the Companies (Particulars of Employees) Amendment Rules, 2011, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.



DIRECTORS' RESPONSIBILITY STATEMENT

Your directors confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. That they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the profit of the company for that period;
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. That they had prepared the annual accounts on a going concern basis.

REGISTRAR & SHARE TRANSFER AGENT

Cameo Corporate Services Limited

Subramanian Building, V Floor

No. 1, Club House Road

Chennai - 600 002

India

Tel: (91 44) 2846 0390 - 394

Fax: (91 44) 2846 0129

Email: investor@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R. D. Ramaswamy, Director

SEBI Registration Number: INR000003753

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for reappointment.

As regards the observations of auditors in Para 4 of their report, the Company confirms that out of the total receivables of ₹60,636.62 lakhs, from Sree Jayajothi Cements Limited(SJCL), ₹9,323.45 Lakhs has been directly converted into Equity and ₹25,676.56 Lakhs have been converted into Equity Linked Instruments in Spark Environmental Technology Limited (a fellow shareholder in SJCL), in April 2012. The Company has appointed its representative as a member on the Board of Directors in SJCL, to monitor the operations of the company and to ensure recovery of its dues, over a period of time. The Company is convinced about the viability of cement vertical and accordingly, the Company is confident of recovering all the amounts due to it and does not expect any shortfall in the recovery of the dues. With respect to the investment, the management is of the view that there is significant upside potential in the business and as the investment is of long term nature, the diminution in the value of investment is not other than temporary in nature.

APPRECIATION & ACKNOWLEDGEMENTS

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank the Shareholders of the Company for their continued support even in this global recession. Further the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

For and on behalf of the Board

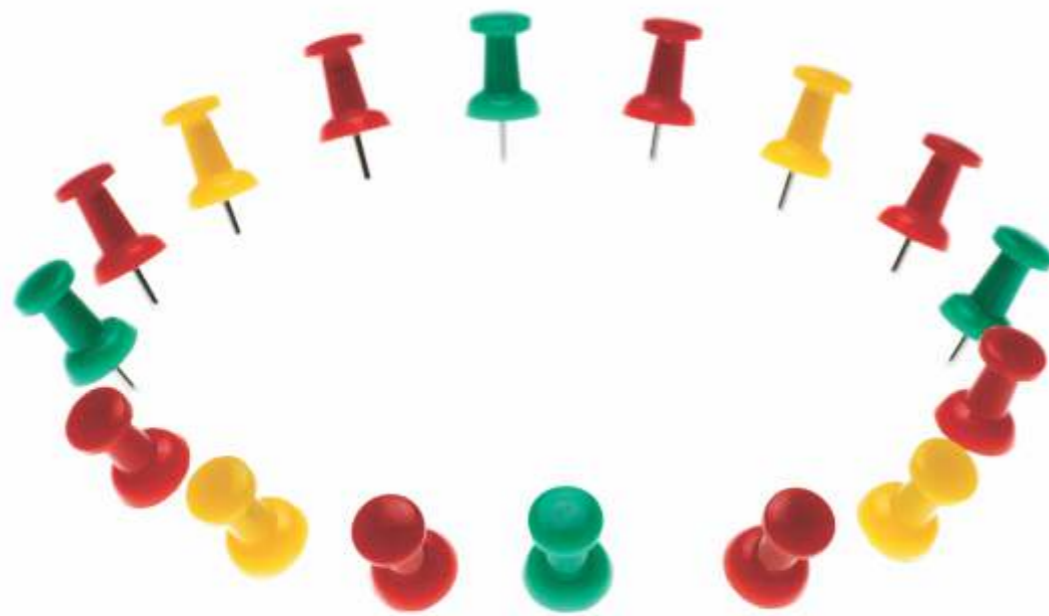
Place : Chennai

Date : 30th May 2012

Arun Duggal

Chairman





Management Discussion and Analysis: FY 2011-12

Company Overview

Shriram EPC Limited (SEPC) is a leading service provider of Integrated Design, Engineering, Procurement, Construction and Project Management services. The Company's business centers around providing integrated turnkey solutions for Process and Metallurgy plants, Power plants including Thermal power plants, Biomass based power plants and Solar power plant, Water and Waste-water treatment plants, Water and Sewer infrastructure and Pipe rehabilitation.

Through its Subsidiaries & Associates the Company also manufactures

- Wind Turbine Generators (WTG)
- Cooling Towers
- GRP pipes and liners

SEPC also holds interests in the following:

- 21.11% (direct and indirect) stake in Orient Green Power Company Ltd. –

Owner & operator of Renewable energy power generation projects.

- 48.48% stake in Haldia Coke and Chemicals Pvt. Limited-leading manufacturer and marketer of metallurgical coke.
- 55% in Blackstone Group Technologies Pvt. Ltd., a design & engineering firm.

SEPC is headquartered in Chennai, Tamil Nadu and has offices in New Delhi, Kolkata and Beijing. It has a factory in Chennai.

THE MACRO-ECONOMIC SCENARIO

The Fiscal year 2011-12 reflected the fragile state of the global economy since the two shocks over the last five years. The US which is the largest economy is yet to fully recover from the impact of these events. This year the Eurozone faced an intensification of the debt crisis in some of its member countries. Together these two regions represent a large part of global GDP and the resultant impact has led to slowing of global growth. This was further exacerbated by political



unrest in the Middle East, natural disasters in Japan, Thailand and Indonesia and slowing growth in China and other emerging economies.

In addition to slowing global growth, the Indian economy was beset by a host of domestic challenges. Multiple governance issues ranging from policy inaction, corruption scandals and a burgeoning fiscal deficit weakened sentiment. The aggressive stance by the RBI to tackle persistent inflation, led to a high interest rate regime. These factors have contributed to a slow growth rate of the Indian economy which is estimated to have grown by 6.9% during 2011-12, after having witnessed growth rates in excess of 8% in the past two years.

The concern over fiscal sustainability, has led to increased risk aversion, resulting in currency depreciation of the INR against US dollar, which continues to gain in the time of uncertainty. We also witnessed the USA being downgraded by rating agency Standard & Poor, following which the ratings of several other economies are under review. Even India is under pressure to retain its investment grade. The World Bank has reduced its forecast for the growth of the global economy in FY 2012 and FY 2013 to 2.5 and 3.1% in 2012 and 2013, versus the 3.6% projected in June for both years.

INDUSTRY OVERVIEW

POWER

India is the fifth largest producer and consumer of electricity in the world after US, China, Japan and Russia. As of 31st March, 2012, India had an installed capacity of 199.87 Gigawatt (GW). Captive power plants generate an additional 31.5 GW. Out of the total installed capacity, Thermal Power plants constitute 66%, Hydroelectric about 19% and the rest contributed by a combination of Wind, Small Hydro, Biomass and Nuclear. India generated 855 Bu electricity during fiscal 2011-12 (Source: <http://www.powermin.nic>).

Despite the increase in the installed capacity, the fact remains that the per capita power consumption is still very low when compared with other major economies of the world.

To support the growth which the Indian economy is expected to witness over the next years, there is a significant need to boost the investment in infrastructure segment, especially Power sector. The Government is aware of the role power sector can play in boosting the growth of the economy and thus has started taking steps towards accelerating the growth of this sector.

80,000 MW of power generation capacity is under construction for the 12th five year plan ending 2017. According to the Planning Commission estimates, the country's energy supply needs to grow at 6.5% annually if the nation wants to achieve annual economic growth of 9% during the 12th Five Year Plan period (2012-17) that commenced from April. For the 11th five year plan a target of 78,775 MW was set, which was revised to 62,000 MW during the mid-term review against which actual capacity addition was 55,000 MW.

India's Performance during 2011-12

- The electricity generation during the financial year was 876.43 BU witnessing a growth rate of 8.05% over same period last year.
- The achievement was 102.51% of the yearly target; target for the financial year 2011-12 was 855 BU.
- Thermal generation during the financial year was 708.45 BU registering a growth rate of 6.53% over the same period last year.
- Electricity generation during the financial year from coal based thermal power plant was 584.58 BU, a growth of 9.20% year on year. However concerns remain over the availability and quality of gas and coal for thermal generation growth.

RENEWABLE ENERGY

Renewable Energy primarily comprising of Wind power, Hydro power, Solar power, Biomass energy and Geothermal energy is no longer an alternate energy but has become a key part in solving the nation's energy needs. India continues to make continuous progress in electricity generation through conventional as well as renewable power generation. Since 2002, renewable energy's share as a percentage of total capacity has increased by almost four times. As of 31st March, 2012, renewable energy based power generation installed capacity was 24,503.45 MW (excl Hydro) comprising of 12.15% of the Total installed capacity in the country (Source: <http://www.powermin.nic>).

India plans to double its amount of clean power generation capacity to almost 53,000 MW by 2017 under the latest five year plan. The Ministry of New and Renewable Energy plans to add 29,800 MW of renewable capacity in the next five year plan; more than twice of the 12,400 MW it planned for the last five year plan. It plans to have 15,000 MW Wind power, 2100 MW Small Hydro power, 10,000 MW Solar Power and



2,700 MW bio-power has been proposed for capacity addition of grid – interactive renewable power during the 12th Five year plan

(<http://pib.nic.in/newsite/erelease.aspx?relid=84315>).

WIND ENERGY

GLOBAL SCENARIO

The global Wind power market recovered somewhat in 2011, thanks to a strong year in a number of national markets, growing about 6% compared to 2010. The main drivers of growth in the global market as they have been for the past several years, are the Asian powerhouses of China and India. The two countries together accounted for just over 50% of the global market in 2011.

For the second year running, the majority of wind power installations were outside of the Organization for Economic Co-operation and Development (OECD), and this is a trend which is likely to strengthen even further in the near future.

Position	Country	Total capacity
June 2011 (GW)		
1	China	52.80
2	USA	42.43
3	Germany	27.98
4	Spain	21.15
5	India	14.55
6	Italy	6.20
7	France	6.06
8	United Kingdom	5.71
9	Canada	4.61
10	Portugal	3.96
11	Rest of the World	29.55
	Total	215.00

(Source: GWEC)

The new global total at the end of 2011 is just shy of 238 GW, representing cumulative market growth of more than 20%.

Overall, GWEC projects an average annual market growth rate of about 8% for the next five years, but with a strong 2012 and a substantial dip in 2013. Total installations for the 2012-2016 period are expected to reach 255 GW,

with cumulative market growth averaging just under 16%.

INDIAN SCENARIO

The development of Wind power in India began in the 1990s, and has progressed steadily in the last few years. The short gestation periods for installing Wind turbines, and the increasing reliability and performance of Wind energy machines have made wind power a favoured choice for capacity addition in India. The potential for growth in India is very high, taking into account government policies and the gap between demand and supply.

The Wind energy sector in India will continue to expand, because it is close to grid parity due to the rising coal and oil prices. The advantage which the wind energy sector has over other renewables is that it is very competitive. There is hardly any resource costs involved, while land acquisition and technology costs are one-time expenses. The Indian economy continues to struggle with massive power shortages, with state utilities unable to produce enough power to meet the growing demands of its industries. Separately, the ongoing rise in global oil and coal prices has also continued to be a drag on the Country's economic growth, which in turn has made policy makers champion the growth of renewable energy growth.

The total Wind energy potential in India has been estimated at over 50,000 MW. India's Wind energy sector has seen significant investments spurred by the development potential, availability of wind farm equipment at competitive prices and conducive government policies. Currently more than 70% of the installed generation capacity from renewable sources is accounted by Wind power.

As per a Report by ICRA it is estimated that Wind based capacity addition during FY 2011-12 was about 2800 MW (as against actual of 2,350 MW in FY 2011) and going forward it is estimated to grow at an annual rate of 15% supported by growing demand from Independent power



producer (IPP) segment. Further it is estimated that with spiralling international cost of conventional energy sources and persistent domestic fuel shortages wind energy looks cost competitive.

Fresh Wind based capacity installation in domestic market stood at 2,349 MW in FY 2011, which was significantly higher than one has witnessed in any previous year.

State wise Installed Capacity as on August 2011

ICRA expects Wind capacity addition in FY 2012 to remain at about 2800 MW (against 2350 MW in FY 2011) and further grow at the annual growth rate of about 15%. This is expected to lead to total Wind energy capacity of 52,000 MW by FY 2020.

WATER SUPPLY AND SANITATION

Given the rapidly reducing water availability in the country, it is imperative for a nation to manage its water uses in a sustainable manner. Not only does growing water scarcity and water pollution pose serious risks to a country but it can affect Company's operations as well. However, few Indian companies comprehend the enormity of these risks. In order to lessen water-related business risks, companies need to formulate a comprehensive strategy aimed at water conservation.

The access to drinking water has improved significantly for a number of people but, still close to 780 million people lack access to an improved water source; approximately one in nine people (http://www.who.int/water_sanitation_health/publications/2012/imp_report/en/index.html).

A number of innovative approaches to improve water supply and sanitation have been tested in India, in particular in the early 2000s. These include demand-driven approaches in rural water supply since 1999, community-led total sanitation, public-private partnerships to improve the continuity of urban water supply in Karnataka, and the use of micro-credit to women in order to improve access to water.

Company Overview

Your Company offers services relating to Industrial processes, Metallurgy, Thermal power plants, Solar power plants, Biomass power plants, Mines and Mineral processing, Waste and Water management and distribution systems.

Through its subsidiaries, associates and Joint Ventures, your Company also offers services and solutions catering to detailed engineering, cooling towers, Wind turbines, GRP pipes and metallurgical coke.



Process & Metallurgy

Your Company provides turnkey EPC solutions for Ferrous & Non-Ferrous, Cement, Aluminum, Copper and Thermal power plants. Your Company continues to develop projects including design, engineering and construction of Blast furnace auxiliaries, Rolling Mills, Aluminum Refining, Copper Smelting, Thermal Power Plants, Cement plants and Coke Oven Batteries. Your Company also contributes to the design, engineering and construction of coal gasification (producer's gas) plants.

Your Company's technology partners in this segment of business include Danieli Corus of Italy, Siemens VAI of Austria, Envirotherm GMBH of Germany, CKD NoveErgo of Czech Republic. The list of customers for Process & Metallurgy includes SAIL, RINL, NMDC and HCL etc.,

Notable contract win received during the year:

- Order for the installation of a Coke Oven by-product complex including at the 3.0 MTPA Steel Plant of NMDC at Nagarnar in Chattisgarh. The value of the order is ₹411.60 crores of which the scope for the Company is ₹260 crores. The order is executable over 30 months and the Company's consortium partners are Hutni of the Czech Republic and Beekay Engineering Corporation.

Mines and Mineral Processing

Your Company undertakes all types of Mining activities which include Planning, Development and Production of Ore / Coal. Along with various overseas technology partners, the Company provides high end engineering services in the field of Copper, Gold and Coal mines using latest technology and equipment.

Your Company along with its foreign technology partners has the capability to build coal washery plants where the mined coal can be crushed, screened to the required size, and washed to reduce the ash content in order to improve the Calorific value. Your Company also offers other ore beneficiation processes for Iron and Copper.

Notable contract win received during the year:

- Hindustan Copper Limited. The order value is ₹205.18 crores.

Power

Our range includes Coal based Thermal power projects, Biomass power plants & Solar thermal projects.



Notable contract wins received during the year:

- Two orders from M/s. Suryadev Alloys and Power P Ltd. for ₹354 crores and ₹362 crores respectively.
- Designing, Engineering, Procuring, Supplying, Erection, Testing & Commissioning of a 50MW Solar Thermal Power Plant in the Jaisalmer district of Rajasthan – Abhijeet Project. The value of the order win is ₹640 crores.
- An order for complete engineering, supply, construction, testing and commissioning of a 8 MW Biomass Power Plant at Hambantota, Sri Lanka. The order value is ₹51 crores.

Water and Waste-water Management

Your Company offers turnkey design – build environmental projects catering to Water and Waste-water treatment, Management and Water distribution system.

Your Company has undertaken various projects in this vertical for Multiple Clients in India. The prospects for this vertical are bright owing to expectations of sustained rural – urban migration as well as emphasis on upgrading urban infrastructure in India.

Your Company has executed several turnkey projects for Water and Waste-water distribution, water and sewage treatment and pipe rehabilitation across several Indian states.

Notable contract wins received during the year:

- Kerala Water Authority - ₹56.55 crores.
- Kerala Sustainable Urban Devt. Project - ₹56.94crores.
- Tamil Nadu Water Supply Board - ₹6.52 crores.
- Hindusthan National Power Corpn. - ₹22.50crores.

Cooling Towers

Through our Joint Venture, Hamon Shriram Cottrell Pvt. Ltd. (HSCL) the Company designs, supplies and provides service for the whole life cycle of FRP and concrete cooling towers.

HSCL clientele list includes some of the country's premier institutions from the Reliance Power plant to the Mitsubishi Chemical Corporation as well

as BHEL. HSCL is installing the largest FRP cooling towers in the world for the Reliance Power project at Sasan.

Notable contract win received during the year:

- GAIL (India) Limited - Construction of a Cooling Tower and Cooling Water Treatment Plant for the Pata petrochemical complex in Uttar Pradesh. The value of the order is ₹35.86 crores (Phase I) & ₹72.38 crores (Phase II)

GRP PIPES

Your Company provides Advanced Pipe Rehabilitation services and utilizes technology allowing for trenchless renovation, rehabilitation of water and sewer pipes without need for excavation, including MSWL using RIB loc technology, CIPP lining, GRP lining and pipe bursting technologies.

Notable contract win received during the year:

- Hinduja National Power Corporation Ltd (HNPC): Supply and Erection of a GRP piping system to be carried out by Shriram SEPL Composites Pvt. Ltd. (SSCEPL), an associate of the Company.

Haldia Coke & Chemicals Private Ltd

Haldia Coke & Chemicals Private Limited is a leading manufacturer and marketer of coal products including metallurgical coke .

SWOT ANALYSIS

Strengths

Expertise: Your Company offers high-end design and engineering for a variety of industries. In addition, it has entered into several partnerships, joint ventures and associations which provide it with patented and industry leading technologies. It is able to offer its customers expertise and specialization in its chosen areas. This domain expertise acts as a key differentiator and enables the Company to effectively compete with peers when bidding for contracts. It is focused on widening its domain expertise and entered new verticals - in FY12, the Company forayed into Solar power and Mines & Mineral processing.



Diversified operations: Your Company offers services across several verticals including process & Metallurgy, Thermal power plants, Renewable energy including Biomass power plants, Solar power plants and Wind turbines, Coal gasification, Mines & Mineral processing, Municipal services including Pipe Rehabilitation as well as water and wastewater distribution and management systems. Through its subsidiaries it offers solutions catering to detailed design and engineering, cooling towers, GRP pipes, etc. This diversified business model protects SEPC from over reliance on a single customer, industry or vertical.

Credible Leadership: The Board of Directors comprises of eminent independent professionals. The Management team of the Company consists of competent and well qualified individuals with rich experience in the industry and in the functions they represent. This offers the Company, the expertise, stability and competence and is a significant factor behind the impressive track record of the Company.

Track Record: Your Company has a consistent track record. From the amalgamation of few small process engineering Companies in 2001 it now runs a diversified operation with competencies and capabilities across various industries. Through its various tie-ups and initiatives to introduce technology in the process industry, the Company has an enviable track record of project execution. Today, the Company can be compared with the best in the industry and is well placed to compete in a dynamic and evolving business environment.

Weaknesses

Susceptibility to project investments: Your Company executes EPC orders for customers across various verticals. Its business is dependent on project investments by its customers and these are driven by requirements of capacity expansion in their respective industries. Further, prices of raw materials, interest rates and ability to obtain regulatory approval also have a bearing on pace of capital investment by clients. A slowdown in the environment for capital investments, as has happened currently, will impact the pace of growth of the Company's business. Your Company has diversified the areas of its operation to counter the cyclical nature in individual segments of its business.

Inflation: The price of raw materials, services, labour has been increasing due to increased inflation. The growth over the last few years has also resulted in greater clamour for resources. As long as costs increase in greater

proportion than revenues the profitability profile of the business will be adversely affected. Further, higher interest rates and elongated working capital cycles in adverse times are exacerbating the pressures on profitability.

Opportunities

Large scale demand: The industries that your Company caters to are critical to the long term progress of the country. To satisfy the demand, large scale investments will be required in power including renewable energy, process industries like steel, cement, cooling towers, municipal and water infrastructure, etc. The steady growth in demand in end-user verticals is resulting in a gradual expansion of the opportunity for the Company.

New Verticals: In recent years, your Company has added capabilities in verticals like Thermal power plants, Material handling, Solar power plants and Mines and Mineral processing to complement its strengths in Process and Metallurgy, Biomass power plants, Water and waste-water management, etc. These have resulted in steady growth for the Company in varied operating conditions. In order to enhance its capabilities and strengthen its business model, your Company will look to enter newer verticals with high potential which are synergistic to the existing areas of business.

New Markets: Historically, your Company has focussed on opportunities in the domestic market in India. While it has undertaken overseas projects in the past, these have not been of large scale. With the increasing prevalence of Indian Multinational companies, your Company will also look to explore the potential in overseas markets.

Threats

Increasing Competition: The threat of emerging competition cannot be ruled out. Other companies in same or similar industries which are faced with challenging operating environment could decide to offer services in similar verticals as us. Further, our existing competitors may decide to price their services differently in order to gain market share at the cost of profitability. All of these factors could have a bearing on growth and performance of our business.

Regulatory and Political Risks: Any measures adopted by the government to regulate the industries we serve or specific to our industry can impact our progress. An increase in regulation or the incidence of increase levy and charges could also hamper profitability. The uncertain political environment resulting in policy flip



flops can have an adverse effect on our customers and their investment plans.

Disruptive Technologies: The pace of technological change has increased and industries can be impacted by disruptive technology. Any new technologies that impact our customer industries could also affect the requirement for our services catering to those industries.

OUTLOOK

We continue to remain focussed on generating strong financial returns and create a world-class Engineering, Procurement and Construction Company. We recognize the potential of renewable energy and strive to develop and manufacture technologically advanced WTGs. We will continue to pursue opportunities by expanding and enhancing our presence throughout India and abroad. We look to capitalize on our strengths, local experience and familiarity with local working conditions and ever strengthening relationships with our clients and strategic partners in order to establish and maintain a leading position in the industry. We further intend to target specific project segments and industries where we believe there is high potential for growth and can enjoy competitive advantages.

PERFORMANCE ANALYSIS OF CONSOLIDATED RESULT (TO INPUT)

Risk Management and Internal Controls

Cash Flow Management

The Company continues to make investments in infrastructure, investments and purchase of equipment and Wind Turbines. We are also working towards effective cash flow management in order to ensure smooth functioning of business operations.

Foreign Exchange Management

The current financial year has seen significant volatility in foreign exchange. While the proportion of projects undertaken by the Company is primarily domestic in nature, the Company may have an increasing proportion of export revenues going forward as well as import of some equipments / materials for our projects. We monitor the market closely and hedge our

exchange risk by undertaking necessary but simple forward covers on a case to case basis to minimize our risk.

Taxation Risk

In respect of tax assessments yet to be concluded the Company is exposed to possible disallowances. However, the revenue and cost recognition principles adopted by the Company are in line with generally accepted accounting and costing principles followed by industry and have also been assessed as fair and proper by independent consultants.

Employee Risk

Attrition from key technical and support personnel is a consistent risk that the Company is susceptible to, especially given the increasing opportunities in the business verticals in which we operate. The Company has ensured competitive compensation policies and robust employee development and retention plans including ESOP schemes to minimize attrition. The Company also provides high standards of work environment and recreational facilities to its employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's internal control systems are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Because of its inherent limitations, internal controls may not prevent or detect mis-statements. Management believes that the financial statements included in this report fairly represents all material facts of the Company's financial position and results of operations and cash flows for the periods presented.

Your Company believes that it has established sufficient and adequate internal control systems and procedures to ensure:

- Reliability and integrity of financial and operational information;
- effectiveness and efficiency of operations;
- safeguarding of assets; and
- compliance with laws, regulations and contracts.



HUMAN RESOURCES

Human resources are an extremely valuable asset for our Company. We continue to encourage employee involvement and harness them towards attainment of the Company's goals. The Company believes in nurturing talent and placing great emphasis on training and developing the workers. We have employed several engineers from prestigious institutes as we continue to add value to our Company's strength. We believe in maintaining a congenial atmosphere which provides equal opportunity for all.

During FY 2011-12, the total headcount of the Company and its Subsidiaries / Associates stood at 2497, an increase of 240 associates as compared to the earlier year. The new employee growth was spread evenly across all service lines.

MANAGEMENT'S RESPONSIBILITY STATEMENT

The Management is responsible for preparing the Company's consolidated financial statements and

SAFE HARBOUR

Some of the statements in this Annual Report that are not historical facts are forward looking statements. These forward looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward looking statements. These risks include, but are not limited to, the level of market demand for our services. In this highly-competitive market, for the types of services that we offer, the market conditions could cause our customers to reduce their spending for our services. In addition, other risks include our ability to create, acquire, build, new and existing businesses, to retain qualified personnel, currency fluctuations and market fluctuations in India and elsewhere around the world, and also risks not specifically mentioned herein but those that are common to industry.

related information that appears in this annual report. It believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles.

ENDNOTE

Your Company has already established its presence in key business verticals and has established its competence through meaningful client engagement. It has demonstrated to customers its significant domain knowledge and enhanced its service offerings to win business deals while competing against several peer companies. The management is now focussed on taking these initiatives forward and transforming the vast potential of the sharply focussed organization into growth.





Corporate Governance Guidelines

Corporate Governance refers to the manner, in which a Company is directed, and laws and customs affecting that direction. It includes the manner in which a Company operates under the laws governing Companies, the bye-laws established by the Company itself, and the structure of the Company. The corporate governance structure specifies the relationship, and the distribution of rights and responsibilities, among primarily three groups of participants, viz., and the Board of Directors, Managers, and Shareholders. This system spells out the rules and procedures for making decisions on corporate objective that are set, as well as the means of attaining and monitoring the performance of those objectives.

The fundamental concern of corporate governance is to ensure the conditions whereby a Company's Directors and Managers act in the interests of the Company and its various Stakeholders.

Our Company's Corporate Governance philosophy

is based on the following principles

- * To be transparent and maintain a high degree of disclosure levels.
- * To make a clear distinction between personal conveniences and corporate resources.
- * To communicate externally, in a truthful manner.
- * To comply with various statutes.
- * Management not the Owner but is the trustee of the shareholders' capital.

The Board supervises the functioning of the management and protects the long-term interests of all stakeholders of the Company. The Board comprises of equal number of independent and non-independent members. Further we have Audit, Share Transfer & Investors Grievance, Investment, Borrowing and Remuneration Committees which comprise independent directors in the respective Committees as required under Clause 49 of the listing agreement.



BOARD OF DIRECTORS

SIZE AND COMPOSITION OF BOARD

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board. As at 31st March, 2012, the Board consists of 11 members, 2 of whom are executive directors and others are non-executive directors.

The composition of our Board and the number of outside directorships held by each of the directors is given in the table.

The Board periodically evaluates and decides the need for increasing or decreasing its size.

Five meetings of the Board of Directors were held during the year ending 31st March, 2012 : 25th May, 2011, 11th August, 2011, 10th November, 2011, 8th February, 2012 and 18th February, 2012.

Name	Position	Category	No. of Board Meetings Attended during the year out of the 5 (FIVE) meetings held	Whether Attended the AGM held on 9th Sep. 2011	No. of Directorships in other Indian Public Limited Companies		No. of Committee Positions held	
					Chairman	Director	Chairman	Member
Mr. Arun Duggal	Chairman	Non-Executive	3	Yes	4	11	3	7
Mr. T. Shivaraman	Managing Director & CEO	Executive	5	Yes	-	2	-	3
Mr. M. Amjad Shariff	Jt. Managing Director	Executive	4	Yes	-	2	-	-
Mrs. Vathsala Ranganathan*	Non-Independent Director	Non-Executive	-	No	NA	NA	NA	NA
Mr. S. R. Ramakrishnan	Independent Director	Non-Executive	3	No	-	3	-	6
Mr. R. Sundararajan	Independent Director	Non-Executive	4	Yes	-	10	4	9
Mr. Sunil Varma**	Independent Director	Non-Executive	3	Yes	-	1	1	-
Mr. R. S. Chandra***	Non-Independent Director	Nominee	3	No	-	2	-	-
Mr. Sunil Kumar Kolangara	Non-Independent Director	Nominee	2	No	-	4	-	-
Mr. S. Krishnamurthy	Independent Director	Non-Executive	5	Yes	-	3	1	5
Mr. P. D. Karandikar	Independent Director	Non-Executive	4	No	-	6	1	4
Mr. S. Babu	Independent Director	Non-Executive	5	Yes	-	1	-	-
Mr. Vishal Vijay Gupta****	Non-Independent Director	Nominee	NA	NA	NA	NA	NA	NA

*Resigned from the Board w.e.f. 2.3.2012,

**Resigned from the Board w.e.f.16.5.2012,

***Resigned from the Board w.e.f. 30.5.2012,

****Appointed as an Additional Director w.e.f. 30.5.2012.



None of the Directors on the Board is a Member of more than 10 committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all companies in which he is a Director.

The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in the amended Clause 49 of the listing agreements.

Changes in the composition of the Board during the year 2011-2012 is as under:

Sl. No.	Name of Director	Particulars - Appointed/Ceased	Date
1	Mrs. Vathsala Ranganathan	Resigned as Director of the Company	02-03-2012
2	Mr. Sunil Varma	Resigned as Director of the Company	16-05-2012
3	Mr. R. S. Chandra	Resigned as Director of the Company	30-05-2012
4	Mr. Vishal Vijay Gupta	Appointed as an Additional Director of the Company	30-05-2012

MEMBERSHIP TERM

The Board periodically recommends to the shareholders about re-appointments as per statute and the provisions of the Companies Act, 1956 which requires the retirement of one third of the Board Members (who are liable to retire by rotation) to retire every year, and qualifies the retiring members for re-appointment upon completion of their term.

COMPENSATION POLICY

The Remuneration committee determines and recommends to the Board, the compensation payable to the Executive Directors. All Board-level compensation is approved by shareholders, and separately disclosed in the financial statements.

COMMITTEES OF THE BOARD

The Board has five committees viz., the Audit Committee, the Remuneration Committee, the Share Transfer & Investor Grievance Committee, the Investment Committee and the Borrowing Committee.

The Board is responsible for constituting, reconstituting, co-opting and fixing terms of service for committee members and also its Charters.

The Committee Chairman or Members in consultation with the Company Secretary, determine the frequency and duration of the committee meetings. Normally, the Audit

Committee meets a minimum of four times a year and all other committees meet as and when the need arises and recommendations of the Committee are placed before the Board and recorded.

The quorum for all the Committee meetings is either two members or one-third of the members of the Committee, whichever is higher.

1. AUDIT COMMITTEE

Our Audit Committee comprises of four independent directors. The members of the Committee are:

1. Mr. S. R. Ramakrishnan
2. Mr. R. Sundararajan
3. Mr. S. Krishnamurthy
4. Mr. Sunil Varma (Ceased to be a Director w.e.f. 16.5.2012)
5. Mr. S. Babu (Appointed as a Member w.e.f. 30.5.2012)

At the meeting on September 10, 2007, the Audit Committee adopted a charter which meets the requirements of Clause 49 of the listing agreement with Indian Stock Exchanges. The Charter is given below:

REDEFINED POWERS OF THE AUDIT COMMITTEE

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.



3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of reference:

The Company had constituted an Audit Committee in the year 2002. The terms of reference of the Audit Committee broadly are as under:

1. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors.
2. Discussions with internal auditors on significant audit findings and follow up thereon;
3. To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
4. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
5. Recommending the appointment / re-appointment of statutory auditors and fixation of their remuneration.

Further the committee is empowered to implement entire terms as specified in the Clause 49 of the listing agreement and also do all other acts for implementing the same.

AUDIT COMMITTEE ATTENDANCE

Four Audit Committee Meetings were held during the year. These were held on 25th May, 2011, 11th August, 2011, 10th November, 2011 and 8th February, 2012.

Members	Category	No. of Meetings Attended
Mr. S. R. Ramakrishnan	Independent	3
Mr. R. Sundararajan	Independent	4
Mr. Sunil Varma	Independent	3
Mr. S. Krishnamurthy	Independent	4

2. SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE:

Our Share Transfer & Investors' Grievance Committee comprises of three independent directors. The members of the Committee are:

- 1) Mr. R. Sundararajan
- 2) Mr. S. R. Ramakrishnan
- 3) Mr. P. D. Karandikar

The Company has already designated Mr. K. Suresh, Company Secretary as the Compliance Officer.

Share Transfer & Investor Grievance Committee Charter:

Investors Grievance Committee was constituted at the Board Meeting held on 10th September, 2007. The Committee looks into the letters / complaints received from the shareholders / investors / stock exchanges / SEBI and then review the same with the Registrar. These letters / complaints are replied to immediately / redressed to the satisfaction of the complainants. The committee reviews periodically the action taken by the Company and the Share Transfer Agents in this regard. The pendency report if any, and the time taken to redress the complaints are also reviewed by the Committee. The charter of the committee is as follows:

1. Investor relations and redressal of shareholders grievances in general and relating to non receipt of dividends, interest, non- receipt of balance sheet etc.
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE ATTENDANCE

Four Share Transfer and Investors' Grievance Committee meetings were held during the year. These were held on 25th May, 2011, 11th August, 2011, 10th November, 2011 and 12th January, 2012.

Members	Category	No. of Meetings Attended
Mr. R. Sundararajan	Independent	4
Mr. S. R. Ramakrishnan	Independent	3
Mr. P. D. Karandikar	Independent	3

There was no complaint pending to be resolved at the beginning of the year. During the year one complaint was received during the quarter ended December, 2011 and the same was redressed during the same period.

3. INVESTMENT COMMITTEE

Our Investment Committee comprises of four independent directors. The members of the Committee are:

1. Mr. S. R. Ramakrishnan
2. Mr. R. S. Chandra (ceased to be a member w.e.f. 30.5.2012)
3. Mr. R. Sundararajan



4. Mr. S. Krishnamurthy
 5. Mr. Vishal Vijay Gupta (Appointed as a member w.e.f. 30.5.2012).
 6. Mr. S. Babu (Appointed as a member w.e.f. 30.5.2012).

Investment Committee Charter:

- a. To invest funds of the Company in fixed / term deposits with bank(s), bodies corporate in shares / debentures (convertible or non-convertible) of companies, Government securities (Central, State or semi-Government) up to a limit not exceeding ₹50 crores (Rupees Fifty crores only) in one or more investments between two board consecutive meetings unless otherwise decided by the Board.

Any investments over and above ₹50 Crores shall be recommended by the Investment Committee to the Board for their approval.

- b. To issue Corporate Guarantees for the borrowings of Subsidiary and associate companies upto a limit of ₹150 crores in one or more tranches between two consecutive board meetings unless otherwise decided by the Board. Any guarantees over and above ₹150 Crores shall be recommended by the Investment Committee to the Board for their approval.

- c. To make Subscription / Contribution to share capital, public / rights issue and un-subscribed portion of rights issues, subscription to additional share capital, participation by way of private placement, including investment of funds abroad up to a limit not exceeding ₹50 crores (Rupees Fifty crores only) in one or more investments between two consecutive board meetings unless otherwise decided by the Board. Any investments over and above ₹50 Crores shall be recommended by the Investment Committee to the Board for their approval.

INVESTMENT COMMITTEE ATTENDANCE

Four Investment Committee meetings were held during the year. These were held on 16th June,

2011, 12th July, 2011, 11th August, 2011 and 10th November, 2011.

Members	Category	No. of Meetings Attended
Mr. S. R. Ramakrishnan	Independent	1
Mr. R. S. Chandra	Non-Independent	3
Mr. R. Sundararajan	Independent	3
Mr. S. Krishnamurthy	Independent	4
Mr. S. Babu	Independent	N.A.
Mr. Vishal Vijay Gupta	Non-Independent	N.A.

4. BORROWING COMMITTEE

Our Borrowing Committee comprises of two independent directors. The members of the Committee are:

1. Mr. T. Shivaraman
2. Mrs. Vathsala Ranganathan (Resigned w.e.f. 2.3.2012).
3. Mr. S. Krishnamurthy
4. Mr. S. Babu (appointed as a Member w.e.f. 15.3.2012).

BORROWING COMMITTEE CHARTER:

- * Borrow monies otherwise than on Debentures not to exceed ₹100 crores at any one time.
- * Create necessary charges on the assets of the company as they may deem fit.
- * Empowered to authorise affixing of the common seal of the company to any documents that may be required to be executed in pursuance of the exercise of the borrowing powers delegated to it provided such documents - signed by any two directors of the company or by one director and such other officer as may be authorised by the committee.

BORROWING COMMITTEE ATTENDANCE:

Twenty one Borrowing Committee meetings were held during the year. These were held on 21st April 2011, 12th May 2011, 25th May 2011, 21st June 2011, 29th June 2011, 30th June 2011, 10th August 2011, 11th August 2011, 21st September 2011, 27th September 2011, 30th September 2011, 7th October 2011, 27th October 2011, 26th November 2011, 7th December 2011, 10th December 2011, 23rd



February 2012, 28th February 2012, 19th March 2012, 28th March 2012 and 30th March 2012.

Members	Category	No. of Meetings Attended
Mrs. Vathsala Ranganathan	Non-Independent	2
Mr. S. Babu	Independent	2
Mr. S. Krishnamurthy	Independent	21
Mr. T. Shivaraman	Non-Independent	18

5. REMUNERATION COMMITTEE

Our Remuneration Committee comprises of two independent directors. The members of the Committee are:

- 1) Mr. R. Sundararajan
- 2) Mr. S. R. Ramakrishnan
- 3) Mr. T. Shivaraman
- 4) Mr. R. S. Chandra (Resigned on 30th May 2012).
- 5) Mr. Vishal Vijay Gupta (Appointed as a member on 30th May 2012).

Remuneration Committee Charter:

1. To determine within the agreed framework, specific remuneration packages for each of the executive Directors, the Non-Executive Directors and such other members of the Executive Management including salary, bonuses, incentive payments, share options, pension rights, terms of employment and any compensation payments.
2. To approve and monitor the level and structure of the remuneration of the first layer of management, such layer to be determined by the Board;
3. All Human Resources related issues.
4. Other key issues / matters as may be referred by the Board or as may be necessary in view of Clause 49 of the Listing Agreement or any statutory provisions.
5. To decide the quantum of option to be granted under an ESOP per employee and in aggregate.
6. To determine the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
7. To determine the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
8. To fix the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
9. To determine the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;

10. To perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), in particular those stated in Clause 5 of the ESOP Guidelines.

11. To issue and allot shares subject to the provisions of the Section 75 of the Companies Act, 1956 and subject to the Memorandum and Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

12. To issue duplicate share certificates in accordance with the Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

13. To affix the Common Seal of the Company in accordance with the Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificates) Rules, 1960.

Other key issues / matters as may be referred by the Board or as may be necessary in view of Clause 49 of the Listing Agreement or any statutory provisions.

MISCELLANEOUS PROVISIONS

The Committee may invite other Directors / Officers of the Company to attend the meetings of the Committee as 'Invitees' from time to time, as and when required.

Minutes of the Remuneration Committee will be placed before the Board in its subsequent meeting.

REMUNERATION COMMITTEE ATTENDANCE

Four Remuneration Committee meetings were held during the year. These were held on 7th April 2011, 29th June 2011, 24th October 2011 and 12th January 2012.

Members	Category	No. of Meetings Attended
Mr. R. Sundararajan	Independent	4
Mr. S. R. Ramakrishnan	Independent	1
Mr. T. Shivaraman	Non-Independent	4
Mr. R. S. Chandra	Non-Independent	-
Mr. Vishal Vijay Gupta	Non-Independent	N.A.



REMUNERATION FOR THE YEAR

Non-executive Directors are paid a sitting fees of ₹15,000/- for every meeting of the Board and ₹10,000/- for every committee meeting attended by them.

Details of the remuneration of Non-Executive Directors and Independent Directors for the year ended 31st March, 2012 are as follows:-

Name	Sitting fees paid for Board and Committee Meetings (Net off Tax Deducted at Source) (₹)	
	Board	Committee
Mrs. Vathsala Ranganathan	NIL	18,000
Mr. S. R. Ramakrishnan	45,000	80,000
Mr. R. Sundararajan	54,000	1,35,000
Mr. S. Babu	67,500	18,000
Mr. R. S. Chandra	40,500	27,000
Mr. Sunil Varma	40,500	27,000
Mr. Sunil K. Kolangara	27,000	NIL
Mr. S. Krishnamurthy	67,500	2,61,000
Mr. P. D. Karandikar	54,000	27,000

Executive Directors - Salary / Allowances (₹)

Name	Salary	Commission	Value of Perquisites
Mr. T. Shivaraman	40,15,008	20,00,000	Nil
Mr. M. Amjad Shariff	43,99,008	20,00,000	Nil

General Body Meetings

The location and time where the last three Annual General Meeting held are given below:-

For the year ended March 31	Venue	Day and Date	Time
2011	AT MINI HALL, SRI KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017	FRIDAY 09-09-2011	03.00 P.M.
2010	AT MINI HALL, SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017	WEDNESDAY 29-09-2010	03.00 P.M.
2009	SRI NARADA GANA SABHA, 314, T T K ROAD, CHENNAI – 600 018	MONDAY 31-08-2009	03.00 P.M.

SPECIAL RESOLUTIONS PASSED AT LAST THREE ANNUAL GENERAL MEETINGS

At the 9th AGM held on August 31, 2009, the following resolution was passed:

Under Section 31 of the Companies Act, 1956 for altering Article No.169 of the Articles of the

Association of the company for increase the number of Directors from 12 to 15.

At the 10th AGM held on 29th September, 2010, the following resolution was passed:

Under Section 372A of the Companies Act, 1956 providing consent to invest, acquire by way



of subscription, purchase or otherwise in the Equity Shares and / or Deep Discount Convertible Debentures of M/s. Beta Wind Farm Pvt. Ltd., Chennai in one or more tranches subject to an amount not exceeding ₹100 Crores.

Under Sections 198, 269, 309, 310, 316 and all other applicable provisions of the Companies Act, 1956, if any, providing consent to revise the Salary of Mr. T. Shivaraman – Managing Director & CEO for the remaining tenure of his service with effect from 29th September, 2010.

Under Sections 198, 269, 309, 310, 316 and all other applicable provisions of the Companies Act, 1956, if any, providing consent to revise the Salary of Mr. M. Amjad Shariff – Joint Managing Director for the remaining tenure of his service with effect from 29th September, 2010.

Under Section 163 and all other applicable provisions, if any, providing consent to keep the Register of Members, the Index of Members and copies of all Annual returns prepared under Section 159 and 160 of the Act, together with the copies of certificates and documents required to be annexed under Section 160 and 161 of the Companies Act, 1956 at No.9, Vanagaram Road, Ayanambakkam, Chennai- 600 095, India with effect from this meeting instead of the Registered Office of the Company at No 5. T.V. Street, Chetput, Chennai - 600 031.

Under Section 293(1)(d) of the Companies Act, 1956, consent of the company be and is hereby accorded to the Board of Directors to borrow moneys from time to time not withstanding that the moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however the total amount of such borrowings shall not exceed at any one time a sum of ₹1500 crores (Rupees one thousand five hundred crores only).

At the 11th AGM held on 9th September, 2011, the following resolution was passed:

Under Section 31 and other applicable provisions, if any, of the Companies Act, 1956 for altering the Article No. 2 of the Articles of Association of the Company to enable the shareholders/directors of the Company to

participate effectively in the general meetings and board meetings of the Company through electronic mode.

POSTAL BALLOT

Approval of the shareholders was obtained on 31st March, 2012 by way of a Special Resolution under Section 372A of the Companies Act, 1956 for making investment/ loans / guarantees / security to Sree Jayajothi Cements Limited (SJCL) and Spark Environmental Technology Limited (SET) to the extent of ₹400 Crores. (Investments not exceeding ₹352 crores and Loans / Guarantees / Security not exceeding ₹48 crores).

Code of Conduct

The Board has laid down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company, and the Code is posted on the website of the Company www.shriramepc.com. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the MD is forming part of the report.

Whistle Blower Policy

In line with the Company's commitment to the High standards of ethical, moral and legal business conduct and its commitment to open communication, a 'Whistle Blower Policy' has been framed and is posted on the website of the Company www.shriramepc.com.

The Audit Committee is vested with the power to review functioning of the 'Whistle Blower' mechanism.

Prevention of Insider Trading

The Company has framed a code of conduct for Prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / Offices (including Statutory Auditors) / designated employees. The code ensures the prevention of dealing in Company's shares by persons having access to unpublished price sensitive information.

As regards the non-mandatory requirements, the following were adopted:

1. As detailed in the earlier paragraphs, the Company had constituted a Compensation Committee which has been merged with the Remuneration Committee.
2. Pursuant to the non mandatory requirements of the listing agreement, the Company has established a

whistle blower mechanism to provide an avenue to raise concern.

3. The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases issued by the Company from time to time and posted in the Company's website.
4. Other Non mandatory requirements have not been adopted by the Company.

Other Disclosures

There were no materially significant related party transactions, with Directors / Promoters / Management which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had a potential conflict with the interest of the Company at large were placed before the Board.

Transactions with the related parties are disclosed in Note 34 to the accounts in the Annual Report.

Your Company has followed the Accounting Standards notified by the Central Government through Companies (Accounting Standards) Rules, 2006 in preparation of its financial statements.

Risk Management

Your Company has laid down procedures to inform board members about the risk assessment and minimization procedures. The board periodically discusses the significant business risks identified by the Management and the mitigation process being taken up. A detailed note on risk identification and mitigation is included in the Management discussion and analysis, annexed to the Directors' Report.

Subsidiary Companies

Your Company does not have any material non listed Indian Subsidiary Company. The Audit Committee reviews the financial statements and in particular, the investments made by unlisted subsidiary companies. The minutes of the Board meetings as well as statements of all significant

transactions of the unlisted subsidiary companies are placed before the Board of Directors of the Company for their review.

Compliance with Corporate Governance Norms

Your Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the Stock Exchanges for the quarter ended 31st March, 2012. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the stock exchanges. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai, along with the Annual Report.

The Ministry of Corporate Affairs recently announced a set of voluntary guidelines on Corporate Governance. The Company, in line with its stated policy of being committed to the principles and practices of good corporate governance, is in compliance with a number of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the Company is in the process of evaluating the feasibility for implementation progressively.

Means of Communication

The audited financial results are published in the newspapers including Economic Times, Business Line, Makkal Kural etc. The quarterly results and other major announcements like book closure and dividend declarations will also be published in leading newspaper dailies and will also be made available in the Company's website www.shriramepc.com. Besides the financial information, the following are posted on the Company's website:

- Periodical press releases
- Presentations to investors / analysts

The code of conduct and the whistle blower policy are also posted on the Company's website.



CEO / CFO Certification

CEO and CFO have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement.

Management Discussion and Analysis

A Management Discussion and Analysis forms part of the Annual Report.

General Shareholder Information

A separate section on the above has been included in the Annual Report.





General Shareholder Information

REGISTERED OFFICE

4th Floor, Sigappi Achi Building, 18/3 Rukmini Lakshmi pathi Salai, Egmore, Chennai - 600008.

ANNUAL GENERAL MEETING

Day	Friday
Date	21st September, 2012
Time	11:00 AM
Venue	Mini Hall – Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T Nagar, Chennai – 600 017

TENTATIVE FINANCIAL CALENDAR

Annual General Meeting	
Financial reporting for the 01 st Quarter ending 30th June, 2012	On or before 14th August, 2012
Financial reporting for the 02 nd Quarter ending 30th September, 2012	On or before 14th November, 2012
Financial reporting for the 03 rd Quarter ending 31st December, 2012	On or before 14th February, 2013
Financial reporting for the year ending 31st March, 2013	On or before 30th May, 2013



FINANCIAL YEAR

The Financial year of the Company is April 1– March 31.

BOOK CLOSURE FOR DIVIDEND

Thursday, the 13th September, 2012 to Friday, the 21st September, 2012 (both days inclusive)

LISTING ON STOCK EXCHANGES AND STOCK CODE

Equity Shares	
National Stock Exchange of India Limited	SHRIRAMEPC
Bombay Stock Exchange Limited	532945

MARKET PRICE DATA AND COMPARISON

Month	[BSE]		[NSE]	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr 11	175.00	155.10	177.00	157.20
May 11	168.00	123.00	163.95	124.00
Jun 11	181.90	128.50	181.05	125.60
Jul 11	168.45	130.80	165.00	133.30
Aug 11	140.00	112.20	143.90	114.00
Sep 11	131.00	115.00	130.90	115.70
Oct 11	126.15	114.00	132.00	112.05
Nov 11	125.00	101.30	128.50	101.00
Dec 11	109.40	77.80	109.80	77.30
Jan 12	106.65	81.25	107.95	80.05
Feb 12	113.80	86.05	108.95	85.55
Mar 12	95.75	77.15	95.45	77.00

REGISTRAR AND SHARE TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building, V Floor
No. 1, Club House Road
Chennai 600 002, India
Tel: (91 44) 2846 0390 - 394
Fax: (91 44) 2846 0129
Email: investor@cameoindia.com
Website: www.cameoindia.com
Contact Person: Mr. R. D. Ramaswamy, Director
SEBI Registration Number: INR000003753

SHARE TRANSFER AND INVESTOR SERVICE SYSTEM

A Committee of the Board constituted for the purpose, approves share transfers in the physical form and also in Electronic mode.



SHAREHOLDING PATTERN AS ON 31st MARCH, 2012

Category	No. of Shares	% of Shareholders
Promoters	1,74,46,073	39.34
Directors and Relatives	26,740	0.06
FII	22,19,894	5.01
Mutual Fund	17,28,407	3.90
Financial Institutions	3,17,646	0.72
Corporate Bodies	33,84,354	7.63
Foreign Corporate Bodies	1,34,81,762	30.40
Non-Resident Indian (Repatriable)	28,911	0.07
Non-Resident Indian (Non-Repatriable)	7,870	0.02
Trust	37,86,779	8.54
Clearing Member	9,725	0.02
Public	19,06,123	4.30
Total	4,43,44,284	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2012

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1 - 5000	8,163	93.85	7,36,159	73,61,590	1.66
5001 - 10000	217	2.49	1,72,020	17,20,200	0.39
10001 - 20000	127	1.46	1,87,141	18,71,410	0.42
20001 - 30000	49	0.56	1,25,793	12,57,930	0.28
30001 - 40000	23	0.26	78,734	7,87,340	0.18
40001 - 50000	18	0.21	81,963	8,19,630	0.18
50001 - 100000	46	0.53	3,29,275	32,92,750	0.74
100001 - And Above	55	0.63	4,26,33,199	42,63,31,990	96.14
Total	8,698	100.00	4,43,44,284	44,34,42,840	100.00

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE: 31st MARCH, 2012

Category	No. of Holders	Total Positions	% of Holdings
PHYSICAL	9	63	0.00
NSDL	5,662	4,01,62,087	90.57
CDSL	3,027	41,82,134	9.43
TOTAL	8,698	4,43,44,284	100.00

NOMINATION FACILITY

The Shareholders may avail of the nomination facility under Section 109A of the Companies Act, 1956. The nomination form (Form 2B), along with instructions, will be provided to the members on request. In case the members wish to avail of this facility, they are requested to write to the Company's registrar M/s. Cameo Corporate Services Limited.

DEMATERIALISATION OF SHARES

The shares of the Company are compulsorily traded in

dematerialized form. The code number allotted by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd., to Shriram EPC Limited is ISIN INE-964H01014.

ADDRESS FOR INVESTOR CORRESPONDENCE

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, share transfers, transmissions, change of address or any other query relating to shares, please write to:



Cameo Corporate Services Limited
Subramanian Building, V Floor
No. 1, Club House Road, Chennai 600 002. India
Tel: (91 44) 2846 0390 Fax: (91 44) 2846 0129
Email: investor@cameoindia.com
Website: www.cameoindia.com

Mr. K Suresh
Company Secretary
SHRIRAM EPC LIMITED, 4th Floor, Sigapi Achi Building,
18/3 Rukmini Lakshmiipathi Salai, Egmore,
Chennai-600008.India
Tel: (91 44)49015678 Fax: (91 44) 49015655
Email: suresh@shriramepc.com
Website:www.shriramepc.com

ONLINE INFORMATION

Shareholders are requested to visit www.shriramepc.com for online information about the Company. The financial results, share price information, dividend announcements of the Company are posted on the website of the Company and are periodically updated with all developments, for the information of Shareholders.

Exclusive e-mail id for Investor Grievances : Pursuant to Clause 47(f) of the Listing Agreement, the following e-mail ID has been designated for addressing Investors' Grievances : investors@shriramepc.com

DISCLOSURES

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions are given in the Notes to Accounts.

There have been no instances of non-compliance on any matters relating to capital markets, nor have any penalty / strictures been imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on such matters.

MEANS OF COMMUNICATION

The quarterly results are being published in leading National English Newspaper (The Hindu Business Line) and in one vernacular (Tamil) newspaper (Makkal Kural). The quarterly results are also available on the Company's website www.shriramepc.com

The Company's website also displays official press releases, shareholding pattern and presentations made to the analysts and brokers.

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGERS

The Board of Directors at their meeting held on February 14, 2008 have adopted the Code of Conduct for Directors and Senior Management (the Code) which is

applicable to all Directors - Executive as well as Non-Executive and members of Senior Management.

The Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the need of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments.

DECLARATION ON CODE OF CONDUCT

To the Members of Shriram EPC Limited
This is to confirm that the Board has laid down a code of conduct for all Board Members and senior management of the Company. The code of conduct has also been posted on the website of the Company.

It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2012, as envisaged in Clause 49 of the Listing Agreement with Stock Exchanges.

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

We have examined the compliance of conditions of Corporate Governance by Shriram EPC Limited, ("the Company") for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place : Chennai
Date : 30th May, 2012



AUDITORS' REPORT TO THE MEMBERS OF SHRIRAM EPC LIMITED

1. We have audited the attached Balance Sheet of Shriram EPC Limited, as at March 31, 2012, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, both 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 of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. The Company has investments in Sree Jayajothi Cements Limited (SJCL) in the nature of equity shares of ₹1,500.00 lakhs. In addition the SJCL has certain receivables due to the Company comprising of Trade receivables amounting to ₹30,472.62 lakhs. These amounts aggregating to ₹31,972.62 lakhs (net of Cheques in transit of ₹30,164.00 Lakhs as referred to in Note No.52.2 in the financial statements) have been secured by assets of the SJCL (Refer Note No.52.2 of the Financial statements). The Company has since invested directly and through a Company in the group and has also drawn up a proposal for recovering its dues over a period of time. Accordingly, the company is hopeful of recovering all the amounts due to them. Pending the outcome of its proposals as mentioned above, the shortfall, if any, in the realization of the aforesaid trade receivables, adjustment if any, that may be required to the carrying value of the

aforesaid equity shares is not presently ascertainable

5. Further to our comments in the Annexure 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 purposes 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;

(v) Subject to the effect on the financial statements in respect of matters referred to in paragraphs 4 above, which we are unable to determine, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the significant accounting policies and notes thereon 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. On the basis of written representations received from the directors as on March 31, 2012 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Place : Chennai
Date : 30th May 2012



Annexure referred to in Paragraph 3 of the report of even date

i) Having regard to the nature of the Company's business/activities/result, clauses (viii), (x), (xi), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable.

ii) In respect of fixed assets:

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

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

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposals has, in our opinion not affected the going concern status of the company.

iii) In respect of its inventories:

a) As explained to us, inventories (other than contract work in progress) were physically verified by the management at reasonable intervals.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories. The discrepancies noticed on physical verification between physical stock and book records were not material.

iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted unsecured loans, to three parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the previous year. At the year-end, the outstanding balances of such loans

aggregated to ₹3,484.81 Lakhs and the maximum amount involved during the year was ₹4,020.24 Lakhs.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.

(c) There are no overdue amounts as at the Balance Sheet date.

(d) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory and the sale of goods and services. However the internal controls with regard to the purchases of fixed asset needs to be strengthened. During the course of our audit, we have not observed any major weaknesses in internal controls.

vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

b) Where each of such transactions is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain services for which comparable quotations are not available and in respect of which we are unable to comment.

vii) In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of the business.

viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the

Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix) Statutory and other dues

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

a) The Company has been generally regular in depositing undisputed statutory dues with slight delays including Provident Fund, Work Contract Tax, Income Tax, Value Added Tax, Customs Duty, Wealth tax, Service tax, Cess and other statutory dues applicable to it with the appropriate authorities during the year except in respect of

Tax deducted at source and Employees State Insurance dues, where the company has not generally been regular in depositing the dues with the appropriate authorities though the delays in deposit have not been serious.

b) There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Work Contract Tax, Income Tax, Value Added Tax, Customs Duty, Wealth tax, Service tax and Cess were in arrears with appropriate authorities, as at 31st March, 2012 for a period of more than six months from the date they became payable.

c) Details of dues of Income tax, Value added tax, Wealth Tax, Service Tax, Customs duty, Excise duty and Cess which have not been deposited as on 31st March, 2012 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Income Tax Act	Income Tax demand	Appellate Tribunal	1999-2000	48.08
Income Tax Act	Income Tax demand	Appellate Tribunal	2001-2002	49.15
Income Tax Act	Income Tax demand	Appellate Tribunal	2002-2003	155.33
Income Tax Act	Income Tax demand	Commissioner of Income Tax (Appeals)	2003-2004	26.24
Income Tax Act	Income Tax demand	Commissioner of Income Tax (Appeals)	2004-2005	298.48
Income Tax Act	Income Tax demand	Commissioner of Income Tax (Appeals)	2005-2006	219.68
Income Tax Act	Income Tax demand	Commissioner of Income Tax (Appeals)	2006-2007	192.24
Income Tax Act	Income Tax demand	Commissioner of Income Tax (Appeals)	2007-2008	63.56



x) In our opinion and according to the information and explanations given to us, the Company has given guarantee, for loans taken by a subsidiary company, associate company and joint venture company, from a bank during the year the terms of which are *prima facie* not prejudicial to the interest of the company.

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

xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

xiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Place : Chennai
Date : 30th May, 2012

Geetha Suryanarayanan
Partner
(Membership No. 29519)



SHRIRAM EPC LIMITED
BALANCE SHEET AS ON 31st MARCH, 2012

₹ in Lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A EQUITY AND LIABILITIES			
1 Share Holder's Fund			
Share Capital	3	4,434.43	4,426.24
Reserves and Surplus	4	46,314.34	44,368.31
2 Share Application Money Pending Allotment			
		-	1.97
		50,748.77	48,796.52
3 Non-Current Liabilities			
Long-term Borrowings	5	2,931.98	6,639.94
Deferred Tax Liabilities (Net)	37	3,073.33	2,893.64
Other Long Term Liabilities	6	13.39	16.09
Long-term Provisions	7	174.23	187.82
		6,192.93	9,737.49
4 Current Liabilities			
Short-term Borrowings	8	1,76,418.38	1,12,874.27
Trade Payables	9	53,270.83	39,174.77
Other Current Liabilities	10	39,104.73	41,986.17
Short-term Provisions	11	749.08	1,649.20
		2,69,543.02	1,95,684.41
TOTAL		3,26,484.72	2,54,218.42
B ASSETS			
1 Non-Current Assets			
Fixed Assets			
	12		
Tangible Assets		12,204.87	12,958.71
Intangible Assets		420.26	642.27
Capital Work-in-Progress		-	12.29
		12,625.13	13,613.28
Non-Current Investments	13	28,981.59	26,757.40
Long-term Loans and Advances	14	1,955.65	1,289.31
Other Non-Current Assets	15	9,100.66	6,392.72
		52,663.03	48,052.70
2 Current Assets			
Inventories	16	27,802.03	15,757.34
Trade Receivables	17	1,23,304.99	98,722.40
Cash and Cash Equivalents	18	36,280.01	40,431.10
Short-Term Loans and Advances	19	71,078.19	51,254.88
Other Current Assets	20	15,356.47	-
		2,73,821.69	2,06,165.72
TOTAL		3,26,484.72	2,54,218.42

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

T. Shivaraman
Managing Director

R. Sundararajan
Director

Place : Chennai
Dated : 30th May, 2012.

K. Suresh
Company Secretary

R. S. Chandrasekharan
Chief Financial Officer



SHRIRAM EPC LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

₹ in Lakhs

Particulars	Note No.	Year ended Mar 31, 2012	Year ended Mar 31, 2011
I Revenue from Operations	21	1,38,220.03	1,31,072.37
II Other Income	22	2,568.56	1,450.72
III Total Revenue (I+II)		1,40,788.59	1,32,523.09
IV EXPENDITURE			
Cost of Raw Materials and Components			
Consumed	23	7,883.53	8,957.30
Erection, Construction & Operation Expenses	24	1,02,884.61	78,089.68
Purchases of Stock in Trade	25	7,004.09	15,160.49
Change in Inventories of Finished Goods, Contract Work in Progress and Stock In Trade	26	(11,535.07)	2,068.50
Employee Benefit Expenses	27	3,066.99	2,989.24
Finance Costs	28	19,687.19	12,604.74
Depreciation and Amortisation Expenses ¹²		1,215.32	1,200.54
Other Expenses	29	6,668.61	4,306.12
Total Expenses		1,36,875.27	1,25,376.61
V Profit Before Exceptional Items and Tax (III-IV)		3,913.32	7,146.48
VI Exceptional Item - Profit on Sale of Investment	49	-	2,336.28
VII Profit Before Tax (V+VI)		3,913.32	9,482.76
VIII Tax expense:			
(1) Current tax expense		1,182.88	2,430.00
(2) Deferred tax		179.69	91.51
		1,362.57	2,521.51
IX Profit After Tax for the year		2,550.75	6,961.25
X Earnings per Share: (Face value of ₹10/- per share)			
Basic	36	5.75	15.80
Diluted	36	5.75	15.80
See accompanying notes forming part of the financial statements			

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

T. Shivaraman
Managing Director

R. Sundararajan
Director

Place : Chennai
Dated : 30th May, 2012.

K. Suresh
Company Secretary

R. S. Chandrasekharan
Chief Financial Officer

SHRIRAM EPC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	3,913.32	9,482.76
Depreciation	1,215.32	1,200.54
Provision for Doubtful Debts	-	509.49
Employee Stock Option Expense	14.43	281.67
Provision for Gratuity	(11.49)	25.39
Provision for Compensated Absences	(16.44)	48.72
Loss on Fixed Assets Discarded	276.42	-
Bad Debts Written off	1,899.40	273.17
Dividend Income	(13.81)	-
Interest Income	(2,037.71)	(746.28)
Gain on Unrealised Exchange Fluctuation	(52.13)	(1,988.63)
Interest and Finance Charges	19,687.19	8,571.74
Loss on Sale of Fixed Assets (Net)	20.19	0.21
Profit on Sale of Investments	-	(2,336.28)
	20,981.37	5,839.74
Operating Profit before working capital changes	24,894.69	15,322.50
Working capital changes		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(12,044.69)	1,996.86
Trade Receivables	(29,913.82)	(10,244.26)
Loans and Advances	(35,636.48)	(21,772.88)
	(77,594.99)	(30,020.28)
Adjustments for increase / (decrease) in operating liabilities:		
Liabilities and Provisions	9,474.57	(7,947.03)
	9,474.57	(7,947.03)
Cash Used in operations	(43,225.73)	(22,644.81)
Net income tax paid	(1,431.69)	(623.90)
Net Cash Used in Operating Activities	(44,657.41)	(23,268.71)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds on Sale of Fixed Assets	28.90	2.43
Additions to Fixed Assets	(553.12)	(645.75)
Bank balances not considered as Cash and cash equivalents		
- Placed	(1,892.78)	(703.94)
- Matured	-	-
Sale of Current Investments	900.00	-
Sale of Long Term Investments	12,180.00	3,301.60
Purchase of Current Investments	(900.00)	-
Purchase of Long-Term investments	(14,404.19)	(6,658.44)
Interest Received	1,916.24	715.94
Dividend received	13.81	-
Net Cash Used in Investing Activities (B)	(2,711.14)	(3,988.16)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares (Including Share Application Money)	6.22	34.01
Proceeds from long term Borrowings	1,69,589.13	1,44,429.91
Repayment of long term Borrowings	(1,42,451.95)	(1,16,204.89)
Net Increase / (Decrease) in Working Capital Borrowings	34,842.10	29,338.80
Interest and Finance Charges Paid	(20,092.87)	(7,843.35)
Dividends paid (including distribution tax)	(620.07)	(615.25)



SHRIRAM EPC LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Net Cash from Financing Activities (C)	41,272.55	49,139.23
D NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A + B + C)	(6,096.01)	21,882.36
Cash and Cash equivalents as at the beginning of the year	39,154.46	17,272.10
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	52.13	-
Cash and Cash equivalents as at the end of the year*	33,110.58	39,154.46
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	36,280.01	40,431.10
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		
- Margin Money having maturity period exceeding three months	(3,169.43)	(1,276.64)
Cash and cash equivalents at the end of the year	33,110.58	39,154.46
* Comprises:		
a) Cash on hand	49.81	27.51
b) Cheques, drafts on hand	-	29.09
c) Cheques in Transit	30,164.00	-
d) Balances with banks		
(i) In current accounts	307.47	28,630.22
(ii) In EEFC accounts	508.80	-
(iii) In deposit accounts with original maturity of less than 3 months	2,061.57	10,466.99
(iv) In earmarked accounts (Unpaid Dividend Account)	18.93	0.65
	2,896.77	39,097.86
	33,110.58	39,154.46

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Geetha Suryanarayanan
Partner

T. Shivaraman
Managing Director

R. Sundararajan
Director

Place : Chennai
Dated : 30th May, 2012.

K. Suresh
Company Secretary

R. S. Chandrasekharan
Chief Financial Officer



SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

1. Corporate Information

Shriram EPC Limited (the "Company" or "SEPC"), the flagship Company of the Shriram Group. The Shriram Group has diverse interests across Financial Services, IT Services, Project Engineering & Construction, Property Development, Life Insurance and General Insurance. Company provides end-to-end solutions to engineering challenges, offering multi-disciplinary design, engineering, procurement, construction and project management services. SEPC is focussed on providing turnkey solutions for Ferrous & Non-Ferrous, Cement, Aluminium, Copper and Thermal power plants, Water Treatment & Transmission, Renewable energy, Cooling towers & Material Handling.

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

2. Significant Accounting Policies:

2.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the

reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Stock of land for windmill projects is valued at lower of cost and net realizable value. Cost of land includes purchase consideration, stamp duties and registration charges for transfer of title.

Contract in Progress represents work in Process on construction contracts which reflects proportionate value of inputs and expenses on contracts yet to be billed

2.4 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises of cash on hand, cheques in transit and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby Profit / (Loss) before Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Revenue Recognition

Income in respect of sale of goods is recognised at the time of transfer of title. Sales are inclusive of all taxes.

Revenue in respect of Engineering Contracts is recognised as and when progressive bills are raised



based on customers measurement acceptance and terms of the Contract, taking into consideration technical estimate revision, costs to complete and stages of completion. Profits are recognized after charging corresponding proportionate costs relating to the Contractual billings. Escalation, which in the opinion of the Management is recoverable on the contract are also recognized as and when the claims are accepted by the customers.

Provision for anticipated losses on contracts is being made in the year when they are established.

Revenue from other Contracts is recognized based on completed Contract method, when rendering of service is completed or substantially completed.

Revenue from sale of windmill development rights is recognized on transfer of the rights to the buyer under the terms of contract.

Contract Revenue earned in excess of billing has been reflected as 'Unbilled Revenue' under 'Other Current Assets' and billing in excess of Contract Revenue has been reflected as 'Advances Billing' under 'Other Current Liabilities'.

Dividend Income on Investments is accounted for when the right to receive the payment is established. Interest income is accounted on accrual basis. Interest income is included under the head "other Income" in the Statement of Profit and loss.

2.7 Fixed Assets and Depreciation

Fixed Assets are stated at historical cost (net of CENVAT/VAT wherever applicable) less Accumulated Depreciation / Amortisation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use. Capital work in progress is stated at the amount expended up to the Balance sheet date.

Tangible Assets

Depreciation is computed under Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except for the following:

Leasehold improvements are written off over the primary period of their lease.

Certain items of Plant and Machinery used at project sites are depreciated over an estimated useful life of

2 to 4 years.

Individual assets costing ₹5,000/- each or less is depreciated in full in the year of addition.

Intangible Assets

Depreciation is computed under Straight Line method at the rates specified below:

Technical Know-how fees are amortised over the period of 5 to 10 years based on estimated useful life of the asset.

Software cost are amortised over a period of 5 years based on Managements evaluation of their estimated useful life.

Lease hold Land Using Rights is amortised over the primary period of lease, which is 20 years.

2.8 Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/realizations and year-end restatements are dealt with in the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

2.9 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.10 Employee Benefits

Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.



Long-term Employee Benefits

(i) Defined Contribution Plans:

Contribution to state governed Provident Fund scheme and Employee State Insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined Benefit Plans:

The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit Method and is not funded. The contribution there of paid / payable is charged to Statement of Profit and Loss.

(iii) Long Term Compensated Absences:

The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

2.11 Employee Stock Option Scheme

In respect of stock options granted to the employees under the stock option schemes established, the Company determines the compensated cost based on the intrinsic value method and the compensation cost is amortised on a straight line basis over the vesting period.

2.12 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Segments assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

2.13 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vested in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Taxation

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

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences,

being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.15 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised

for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements as a matter of prudence.

2.17 Derivatives

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.



3 Share Capital

The authorized, issued, subscribed and fully paid-up share capital comprises of equity shares ₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Authorised :-		
6,50,00,000 Equity Shares of ₹10 each	6,500.00	6,500.00
2,00,00,000 Convertible Preference shares of ₹10/each.	2,000.00	2,000.00
	8,500.00	8,500.00
Issued, Subscribed and fully Paid-up:-		
4,43,44,284 Equity Shares of ₹10 each, (4,42,62,399 Equity Shares of ₹10 each)	4,434.43	4,426.24
Total	4,434.43	4,426.24

3.1 Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period : ₹ in Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	In Shares	Amount	In Shares	Amount
Equity Shares				
At the beginning of the year	4,42,62,399	4,426.24	4,39,13,777	4,391.38
Issued during the year	81,885	8.19	3,48,622	34.86
Outstanding at the end of the year	4,43,44,284	4,434.43	4,42,62,399	4,426.24

3.2 Details of shareholders holding more than 5% shares of the Company

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No of Shares	% holding	No of Shares	% holding
Equity Shares				
Shriram Industrial Holdings Private Limited	1,49,29,070	33.67%	1,33,35,123	30.13%
Shriram Auto Finance (Partner: Ms Vathsala Ranganathan)	25,17,003	5.68%	51,23,231	11.57%
Bessemer Venture Partners	1,04,81,762	23.64%	1,04,81,762	23.68%
Agronaut Ventures	23,73,364	5.35%	23,82,957	5.38%
Unit Trust of India Investment Advisory Services Ltd	37,86,779	8.54%	37,86,779	8.56%

3.3 Terms/rights attached to the Equity Shares

The Company has issued equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

For the year ended March 31, 2012, the amount of dividend recognized as distributions to equity share holders is ₹1.20 per share (March 31, 2011 ₹1.20 per share). The dividend proposed by the Board of Directors is subject to the approval of the Share Holders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



SHRIRAM EPC LIMITED

Notes forming part of Financial Statements

4 Reserves and Surplus

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
a) Capital Reserve - As per last Balance Sheet	12.92	12.92
b) Securities Premium		
Opening Balance	24,780.30	24,537.71
Add: Transfer from Stock Options Outstanding Account	55.57	242.59
	24,835.87	24,780.30
c) Share Options Outstanding Account		
Opening Balance	150.44	126.42
Add: Deferred Stock compensation Expenses	14.43	281.67
Less: Transfer to Securities Premium on Share Allotment	(55.57)	(242.59)
Less: Transfer to General Reserve	-	(15.06)
	109.30	150.44
d) General Reserve		
Opening Balance	400.86	211.75
Add: Transfer from Statement of Profit and Loss	63.77	174.05
Add: Transfer from stock options outstanding	-	15.06
	464.63	400.86
e) Surplus in Statement of Profit and Loss		
Opening balance	19,023.79	12,856.72
Add: Profit for the year	2,550.75	6,961.25
Less: Appropriations		
Proposed Dividend - 12% (Previous Year 12%)	532.13	531.15
Dividend Tax	86.43	88.33
Provision of Dividend for 2010 - 11 (Refer Note 51)	0.59	0.65
Transfer to General Reserve	63.77	174.05
	20,891.62	19,023.79
TOTAL	46,314.34	44,368.31

5 Long Term Borrowings

(Refer Note 5.1 below)

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Secured		
Term Loans		
From Banks	2,802.93	6,628.11
From Others	93.99	-
Finance Lease Obligations	35.06	11.83
Total	2,931.98	6,639.94



5.1 Details of Borrowings

Particulars	As at March 31, 2012	Interest Rate	Terms of Repayment	Secured by
IndusInd Bank	568.27	17.00%	72 Months – 20 Equal Installment of ₹40 Lakhs each quarter	1. Exclusive charges on the Windmills acquired 2. Hypothecation of receivables
Punjab National Bank	3,454.41	15.00%	₹77.01 Lakhs installment p.m- Door to door tenor of 7 years & 3 months. The Co. shall repay the entire TL of ₹6,700 Lakhs in 87 EMI commencing from the month of Mar'09 and ending with the month May'16	1. First charge on the immovable properties and assets of the project, present and future 2. First paripassu charge on the entire fixed assets of the Company including project assets.
Axis Bank	203.95	11.00%	36 Months	Hypothecation of the equipment financed under this loan.
Jammu and Kashmir Bank	2,528.26	13.25%	15 Months-Repayable in 3 equal monthly installment @ the end of 13th ,14th & 15th month of disbursement	Subservient charge on current Assets of the company
L&T Finance Limited	121.34	12.50%	47 Months- ₹3,19,500/- pm for the first 46Months & ₹3,12,600/- on 47th month	Hypothecation of the equipment financed under this loan
HDFC Bank	52.41	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Axis Bank	2.64	10.00%	48 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Reliance Capital Fund	4.79	13.30%	59 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Total	6,936.07			
Less: Current Maturities of Long Term Borrowings (Refer Note 10)	(4,004.09)			
Net Balance	2,931.98			



6 Other Long-term Liabilities

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Security Deposit Received	13.39	16.09
Total	13.39	16.09

7 Long-term Provisions

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Provision for Gratuity	174.23	187.82
Total	174.23	187.82

8 Short-term Borrowings

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Secured - Loans Repayable on Demand		
Cash Credit from Banks	66,801.38	37,157.11
Short Term Loans (Refer Note 8.1 below)		
From Banks	98,418.62	60,530.92
From Financial Institutions	-	14,707.79
From Others	2,500.00	-
Bills Discounted	5,707.38	478.45
Unsecured		
Short Term Loans from Banks	2,991.00	-
Total	1,76,418.38	1,12,874.27

8.1 Details of Security

Particulars	As at March 31, 2012	Secured by
DBS Bank	5,062.47	1. First Paripassu charges on the current assets including stock and receivables both present and future 2. Second Paripassu charge on the Fixed Assets
IndusInd Bank	6,454.26	1. Primary- First charge on the entire Current Assets of the company on paripassu basis with other banks in the Multiple Banking Arrangement (MBA) 2. Collateral – First charges on unencumbered Fixed Assets of the company on the paripassu basis with other banks in MBA
Punjab National Bank	8,277.81	Paripassu 1st charge on Current Assets of the Company



8.1 Details of Security (Contd.)

Particulars	As at March 31, 2012	Secured by
Barclays Bank	1,867.85	1. First Paripassu charge by way of hypothecation on the entire current assets of the borrower, both present and future, excluding the assets specifically charged with other lenders. 2. First Pasipassu charges on the entire fixed assets of the borrower, both present and future, excluding assets specifically charged with other lenders.
State Bank of Travancore	4,047.56	1. Primary - Hypothecation of current assets on first pari passu basis with other working capital lenders. 2. Collateral - First pari passu charge on fixed assets of the company with other lenders
State Bank of Mysore	9,973.15	1. Subservient Charges on entire the assets of the Company present and future. 2. Fixed Deposit Receipt of 10% of the Loan under lien to Bank.
UCO Bank	5,000.00	1. Subservient Charges on the assets of the Company minimum assets Coverage Ratio 1.50:1. 2. Collateral - Fixed Deposit Receipt of ₹500 Lakhs under lien to bank
Yes Bank	2,023.59	First Pasipassu charge on all the Assets of the borrower (excluding windmill and specific projects assets)
Federal Bank of India	2,534.73	Demand Promissory Note dated May 13, 2011 for ₹2,500 Lakhs
Canara Bank	7,500.00	Subservient charges on the Current Assets of the company
Central bank of India	10,104.04	Subservient charges on the current assets of the company
State Bank of Hyderabad	2,000.08	Collateral - Subservient charges on the entire Fixed Assets of the company present and future
Oriental Bank of Commerce	10,000.00	1. Primary - Hypothecation Charge on Current Assets of the Company on pari passu basis with other lending banks. 2. Collateral - 1st on Fixed Assets (Net) of the company on pari passu basis with other lending banks
South Indian Bank Limited	5,000.00	Primary - 1st Paripassu on Fixed Assets of the company
State Bank of Patiala	6,068.79	Extention of charges over current assets
Easy Access Financial Services Limited	2,500.00	Demand Promissory Note dated March 20, 2012 for ₹3,700 Lakhs
Indian Bank	2,500.87	Primary - Paripassu Charges on Co's Receivables along with other banks under multiple arrangement



Syndicate Bank	10,003.42	Subservient charges on the assets of the company
Cash Credit Facilities	66,801.38	Cash Credit Facilities are secured by hypothecation of Current Assets, Inventories of Raw Materials, Contract Work in Progress, Finished Goods, Stock in Trade and Receivables on a pari passu basis with other participating lenders and a first charge on the Company's Fixed Assets on a pari passu basis with other lending banks.

9 Trade Payables

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Dues to Micro Enterprises and Medium Enterprises (Refer Note 43) *	15.27	9.30
Other	53,255.56	39,165.47
Total	53,270.83	39,174.77

* As identified by Management and relied upon by auditors

10 Other Current Liabilities

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Advance from Customers	26,085.61	37,803.76
Advance Billing	7,925.50	-
Current Maturities of Long Term Loans		
From Banks	3,951.96	2,152.98
From Others	27.35	-
Current Maturities of Finance Lease Obligations	24.78	34.49
Statutory Dues	720.94	1,565.76
Interest accrued but not due on Borrowings	77.43	156.60
Provision for Expenses	291.16	272.58
Total	39,104.73	41,986.17

11 Short-term Provisions

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Provision for Employee Benefits		
Gratuity	7.99	5.88
Compensated Absences	82.58	99.02
Bonus	9.99	9.90
Provision for Warranties (Refer Note 39)	29.39	29.39
Unclaimed Dividend	0.67	0.65
Proposed Dividend	532.13	530.50
Dividend Distribution Tax	86.33	88.22
Provision for Taxes (Net of Advance Taxes of ₹ Nil (March 31, 2011: ₹7,233 Lakhs))	-	885.64
Total	749.08	1,649.20



SCHEDULES TO BALANCE SHEET
12 Fixed Assets

₹ in Lakhs

Sl. No.	Block of Assets	Gross Block			Depreciation				Net Block		
		As at April 1, 2011	Additions	Deletions	As at March 31, 2012	As at April 1, 2011	Depreciation for the year	Depreciation on Deletions	As at March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets											
1	Freehold Land	473.07	-	-	473.07	-	-	-	-	473.07	473.07
2	Buildings	171.74	-	-	171.74	46.41	4.88	-	51.29	120.45	125.33
3	Leasehold Improvements	320.08	225.26	320.08	225.26	194.45	46.67	234.34	6.78	218.48	125.63
4	Plant and Equipments										
	Given under Operating Lease	1,301.51			1,301.51	242.19	68.72		310.91	990.60	1,059.32
	Owned	12,156.68	214.50	92.82	12,278.36	1,493.34	787.18	29.78	2,250.74	10,027.62	10,663.35
5	Furniture and Fixtures	116.50	3.91	46.72	73.69	59.95	6.00	19.75	46.20	27.49	56.95
6	Office Equipment	97.77	27.83	46.72	78.88	28.84	4.45	13.04	20.25	58.63	68.93
7	Computers	437.07	31.87	202.56	266.38	244.67	50.05	144.86	149.86	116.52	192.41
8	Vehicle										
	Taken under Operating Lease	227.71	46.93	50.84	223.80	50.87	18.31	2.00	67.18	156.62	176.84
	Owned	75.96	2.82	47.62	31.16	59.08	7.05	50.37	15.77	15.39	16.88
	Total	15,378.09	553.12	807.36	15,123.85	2,419.80	993.31	494.14	2,918.98	12,204.87	12,958.71
Intangible Assets											
9	Technical Knowhow	1,101.97	-	-	1,101.97	802.80	140.98	-	943.78	158.19	338.53
10	Software	396.48	-	-	396.48	117.38	79.30	-	196.68	199.80	255.74
11	Leasehold Right to use	80.00	-	-	80.00	16.00	1.73	-	17.73	62.27	48.00
		1,578.45	-	-	1,578.45	936.18	222.01	-	1,158.19	420.26	642.27
	Total	16,956.54	553.12	807.36	16,702.30	3,355.98	1,215.32	494.14	4,077.17	12,625.13	13,600.99
	Previous Year	16,327.57	634.55	5.58	16,956.54	2,158.47	1,200.54	2.94	3,355.98	13,600.99	

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

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Investments -Trade - Quoted		
Investments in Associate		
3,86,526 (3,86,526) Equity Shares of ₹10/- each fully paid up in Orient Green Power Company Limited(1)	2,827.50	2,827.50
Investments - Trade - Unquoted		
Investments in Subsidiary Companies		
2,02,10,020 (2,02,10,020) Equity Shares of US \$1/- each fully paid up in Shriram EPC (Singapore) Pte. Ltd.	9,081.96	9,081.96
3,74,429 (3,74,429) Equity Shares of ₹10/- each fully paid in Blackstone Group Technologies Private Limited	969.85	969.85
Investment in Joint Ventures		
8,06,97,877 (6,72,05,949) Equity Shares of ₹10/- each fully paid up in Leitner Shriram Manufacturing Limited	8,069.79	6,720.60
78,85,252 (74,97,656) Equity Shares of ₹10/- each fully paid up in Hamon Shriram Cottrell Private Limited	1,360.27	1,160.27
Investments in Associates		
1,16,50,001 (49,00,001) Equity Shares of ₹10/- each fully paid up in Shriram SEPL Composites Private Limited	1,165.00	490.00

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
2,22,39,167 (2,22,39,167) Equity Shares of ₹10/- each fully paid up in Haldia Coke and Chemicals Pvt. Ltd.(2)	4,007.22	4,007.22
Investments in Others		
50,00,000 (50,00,000) Equity Shares of ₹10/- each fully paid Sree Jayajothi Cements Ltd.	1,500.00	1,500.00
Total	28,981.59	26,757.40
Aggregate amount of Quoted Investments	2,827.50	2,827.50
Market Value of Quoted Investments	49.28	98.37
Aggregate amount of Unquoted Investments	26,154.09	23,929.90

(1) Includes 1,03,776 Bonus Shares received during the earlier years

(2) Of the above, 1,00,92,344 Equity Shares have been pledged with a lender for monies borrowed by the associate

14 Long-term Loans and Advances

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Loans and advances to related parties (Refer Note 14.1 below and Note 50)	1,364.78	1,207.11
Prepaid Taxes		
(Net of Provisions of ₹8,846.21 Lakhs (March 31, 2011: ₹Nil Lakhs)	430.33	-
Deposits	160.54	82.20
Total	1,955.65	1,289.31

14.1 Long-term Loans and Advances include due from:

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Private Companies in which directors are interested:		
Hamon Shriram Cottrell Private Limited	216.71	194.29

15 Other Non Current Assets

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Long Term Trade Receivables - Retention Monies	9,100.66	6,392.72
Total	9,100.66	6,392.72

16 Inventories (Lower of Cost or Net Realisable Value)

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Raw Materials and Components for Wind Turbine Generators	990.91	481.29
Contract Work-in-Progress	20,574.13	15,177.14
Finished Goods for Wind Turbine Generators	-	98.91
Stock in Trade	6,236.99	-
Total	27,802.03	15,757.34



17 Trade Receivables

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, Considered Good (Refer Note 17.2)	2,913.69	-
Unsecured, Considered Good	65,770.35	47,439.65
Unsecured, Considered Doubtful	-	916.33
	68,684.04	48,355.98
Other Trade Receivables		
Secured, Considered Good (Refer Note 17.2)	27,558.92	-
Unsecured, Considered Good	27,062.03	51,282.75
Less: Provision for Doubtful Trade Receivables	-	(916.33)
Total	1,23,304.99	98,722.40

17.1 Trade Receivables include due from:

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Private Companies in which directors are interested:		
Hamon Shriram Cottrell Private Limited	240.50	99.18

17.2 Secured by a subservient charge on fixed asset and current assets of the debtor.**18 Cash and Cash Equivalents**

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Cash on hand and in imprest accounts	49.81	27.51
Cheques, drafts on hand	-	29.09
Cheques in Transit	30,164.00	-
Balances with Banks		
Current Account	816.27	28,630.22
Unpaid Dividend Account	18.93	0.65
Deposit Account	1,931.29	6,638.35
Margin Money (Refer Note 18.1 below)	3,299.71	5,105.28
Total	36,280.01	40,431.10

18.1 Balances with banks include margin monies amounting to ₹2,418.83 Lakhs (March 31, 2011: ₹1,276.63 Lakhs) which have an original maturity of more than 12 months.

19 Short-term Loans and Advances

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Loans and Advances to Related Parties (Refer Note 19.1 below and Note 50)	25,636.64	12,619.45
Short-term Loans and Advances (Refer Note 50)	18,461.94	6,646.12
Loans and advances to Employees	60.31	78.89
Advances to Suppliers	24,732.45	28,686.19
Deposits	1,026.44	1,026.62
Balance with Government Authorities	356.97	1,668.45
Prepaid Expenditure	803.44	308.46
MAT Credit Entitlement	-	220.70
Total	71,078.19	51,254.88

19.1 Short-term Loans and Advances include due from:

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Private Companies in which directors are interested:		
Haldia Coke and Chemicals Pvt Ltd	1,523.92	-
Shriram SEPL Composites Private Limited	1,744.17	2,096.38

20 Other Current Assets

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Unbilled Revenue	15,348.71	-
Others	7.76	-
Total	15,356.47	-

21 Revenue from Operations

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Revenue from Engineering and Construction Contracts	1,27,606.49	92,183.80
Sale of Wind Turbine Generators	9,061.51	16,061.40
Sale of Windmill Development Rights	-	3,200.00
Sale of Traded Goods	839.22	16,773.56
Other Operating Income - Sale of Power	712.81	2,853.61
Total	1,38,220.03	1,31,072.37

22 Other Income

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Interest on Bank Deposits	2,037.71	746.28
Lease Rentals Received	66.15	81.67
Management Fees Received	157.64	119.42
Gain on Exchange Fluctuation	178.15	412.02
Dividend	13.81	-
Others	115.10	91.33
Total	2,568.56	1,450.72

23 Cost of Raw Materials and Components Consumed

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Opening Stock	481.29	409.65
Add: Purchases	8,393.15	9,028.94
Less: Closing Stock	990.91	481.29
Total	7,883.53	8,957.30

24 Erection, Construction & Operation Expenses

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Cost of Materials and Labour	94,105.66	69,813.26
Cost of Windmill Development rights	-	1,700.00
Other Contract Related Costs	4,429.20	3,866.41
Freight Charges on Purchase	7.21	0.33
Commercial Taxes	4,342.54	2,709.68
Total	1,02,884.61	78,089.68



25 Purchases of Stock in Trade

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Windmills	6,236.99	-
Coal	767.10	15,160.49
Total	7,004.09	15,160.49

26 Change in Inventories of Finished Goods, Contract Work in Progress and Stock In Trade

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Opening Stock of Contract Work in Progress	15,177.14	16,794.55
Less: Closing Stock of Contract Work in Progress	20,574.13	15,177.14
	(5,396.99)	1,617.41
Opening Stock of Finished Goods	98.91	550.00
Less: Closing Stock of Finished Goods	-	98.91
	98.91	451.09
Opening Stock in Trade	-	-
Less: Closing Stock in Trade	6,236.99	-
	(6,236.99)	-
Total	(11,535.07)	2,068.50

27 Employee Costs

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Salaries and Wages	2,717.03	2,302.78
Contribution to Provident Funds	141.50	85.72
Expense on Employee Stock Option (ESOP) Scheme (Refer Note 32)	14.43	281.67
Gratuity	26.20	63.85
Staff Welfare Expenses	167.83	255.22
Total	3,066.99	2,989.24

28 Finance Costs

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Bank Charges, Letter of Credit / Guarantee charges	2,524.09	2,544.06
Interest on Cash Credits	8,129.98	2,930.73
Interest on Commercial Paper	-	359.69
Interest on Term Loans**	8,709.35	6,631.77
Interest - Others	323.77	138.49
Total	19,687.19	12,604.74

** Net of recoveries of ₹3,237.98 Lakhs (March 31, 2011: ₹791.64 Lakhs)

**29 Other Costs**

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Rent	412.36	298.32
Rates and taxes	48.09	59.33
Repairs and Maintenance:		
Building	85.45	46.55
Plant and Machinery and Equipments	487.02	64.15
Others	66.51	56.98
Auditors' Remuneration:		
Audit Fees	20.00	20.00
Other services	9.41	14.00
Out of pocket reimbursement	5.62	1.00
Printing and stationery	35.93	44.12
Communication expenses	98.15	104.09
Advertisement & Business Promotion	70.24	135.05
Travelling and conveyance	825.48	642.36
Electricity & water	45.94	41.71
Legal & Professional Charges	1,279.84	1,444.81
Donation	11.43	4.06
Sitting Fees	10.85	12.00
Insurance premium	404.91	250.67
Bad Debts and Advances		
Bad Debts and Advances	2,815.73	359.97
Less: Provision made in the earlier years	(916.33)	(86.80)
	1,899.40	273.17
Add: Provision made in the Current Year	-	509.49
	1,899.40	782.66
Loss on Fixed Assets Discarded	276.42	-
Loss on Sale of Fixed Assets	20.19	0.21
Miscellaneous Expenses	555.37	284.05
Total	6,668.61	4,306.12

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

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Details of Contract revenue and costs		
Contract Revenues recognised for the Financial year	1,26,060.69	95,037.40
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	3,39,322.70	2,50,937.07
Advances received for contracts in progress	25,295.79	25,114.16
Retention money for contracts in progress	9,100.66	6,392.72
Gross amount due from customers for contract work (Asset)	15,348.71	-
Gross amount due to customers for contract work (Liability)	7,925.50	-



31 Disclosures under Accounting Standard 15 (Revised)

31.1 Gratuity

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of obligations at the beginning of the year	193.70	150.30
Current Service Cost	58.86	38.74
Interest Cost	14.46	10.73
Actuarial (Gain) or Loss	(60.36)	8.61
Benefits paid	(25.69)	(14.68)
Present Value of obligations at the end of the year	180.97	193.70
Components of Employer Expense		
Cost for the year		
Current Service Cost	58.86	38.74
Interest Cost	14.46	10.73
Net actuarial (Gain) / Loss recognised in the period	(60.36)	8.61
Net Cost	12.96	58.08
Assumptions		
Discount Rate	8.00%	7.50%
Retirement rate per annum	3.00%	3.00%
Expected rate of Salary increases	5.00%	5.00%

31.2 Actuarial Assumptions for Compensated Absences

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Rate of Mortality	LIC - 94-96 Mortality rates	LIC - 94-96 Mortality rates
Rate of Discount	8.00%	7.50%
Rate of Salary Escalation	5.00%	5.00%

32 Employee Stock Compensation Expenses

The Company has two Employee Stock Option Schemes (A) Employee stock option scheme 2006, (B) Employee stock option scheme 2007. As per the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India, the Company has considered the best available estimate of the number of shares or stock options expected to vest based on the current attrition rates of its employees and measured the compensation expense at fair value on the date of grant.

32.1 Shriram EPC Limited 2006 ESOP Scheme (the 2006 Scheme)

In Pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on November 20, 2006 the Company instituted an ESOP Scheme for all its eligible employees including the subsidiaries and associates Companies.

In accordance with the 2006 Scheme the Company has granted on November 22, 2006 (Grant date) options to eligible employees at an exercise price of ₹10/- per equity share. Under the terms of the 2006 Scheme the options will vest in the employees in the following proportion :



Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company on or after January 1, 2001
November 22, 2007	30%	20%
November 22, 2008	30%	20%
November 22, 2009	20%	30%
November 22, 2010	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modifications in the Terms of the 2006 Scheme

The Company has carried out a modification in "The 2006 scheme" and accordingly additional grants of 4,24,952 options were made during the year ended March 31, 2008. Those grants have been made as at April 1, 2007 and will vest with the employees in same proportion as in the original scheme.

The movement in the stock options during the year was as per the table below :

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Options at the beginning of the Year		
Vested	1,42,309	1,45,953
Unvested	-	3,70,300
Add: Granted during the year	-	-
Add: Vested during the year	-	3,53,986
Less: Lapsed during the year	-	(37,822)#
Less: Exercised during the year	(66,885)	(3,36,122)
Options outstanding at the end of the year		
Vested	75,424	1,42,309
Unvested	-	-
Exercisable at the end of the year	75,424	1,42,309

#Out of lapsed options during the previous year, Employee Compensation Expense of ₹15.06 Lakhs recognised till date in respect of 21,508 options has been transferred to General Reserve.

Deferred Stock Compensation Expense

During the year, an amount of ₹Nil Lakhs (March 31, 2011: ₹267.04 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

The values of services rendered in return for share options granted are measured by reference to the fair value of the share options granted and this is evaluated on the basis of an independent valuation carried out as on the grant date.

32.2 Shriram EPC Limited - 2007 - ESOP Scheme (the 2007 Scheme)

The Company instituted another Scheme for all eligible employees in pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on September 20, 2007.

In accordance with the 2007 Scheme the Company has granted on October 1, 2007 and January 1, 2008 (grant dates) options to eligible employees including subsidiaries and associate companies at an exercise price of ₹10/- per equity share. Under the terms of the 2007 Scheme the options will vest in the employees in the following proportion :



Vesting Schedule	In respect of employees who are in employment with the company prior to January 1, 2001	In respect of employees who have joined the company on or after January 1, 2001
At the end of Year 1	30%	20%
At the end of Year 2	30%	20%
At the end of Year 3	20%	30%
At the end of Year 4	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modification in the Terms of the 2007 Scheme

The company has carried out a modification in "The 2007 scheme" in the previous year and accordingly additional grants of 10,000 options have been made. These grants have been made as at June 14, 2010 and will vest with the employee in 2 years in equal proportion from the end of 1 year from the date of grant.

The movement in the stock options during the year was as per the table below :

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Options at the beginning of the Year		
Vested	48,700	41,500
Unvested	35,700	56,900
Add: Granted during the year	-	10,000
Add: Vested during the year	24,700	19,700
Less: Lapsed during the year	-	(11,500)
Less: Exercised during the year	(15,000)	(12,500)
Options outstanding at the end of the year		
Vested	58,400	48,700
Unvested	11,000	35,700
Exercisable at the end of the year	58,400	48,700

Deferred Stock Compensation Expense

During the year, an amount of ₹14.43 Lakhs (Previous Year ₹14.63 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

32.3 Fair value of Options Granted :

The estimated fair value of each stock option granted under the employee stock option Scheme 2006 is ₹80. The fair value was arrived at based on a transaction entered into between a willing buyer and a seller for purchase of shares recent to the grant date of the options.

The estimated fair value of each stock option granted under the employee stock option Scheme 2007 is ₹68.42 as per the Fair value method. The model inputs were the weighted average price arrived under the following methods :

Method	Value per Share	Weights assigned
Net Asset Value method	43.27	1
Price earnings capacity method	23.74	2
Market Capitalisation method	71.1	2
Value per transaction between willing parties	122.98	2



33 The Company has considered business segment as the primary segment for disclosure. The Company's operations comprises of three segments namely Construction Contracts, Wind Turbine Generators and Trading. The above segment has been identified taking into account the organisation structure as well as the differing risks and return of these segments.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
	₹ in Lakhs											
External Sales	1,28,098.40	95,783.68	11,320.12	19,261.40	839.22	16,773.56	-	-	-	-	1,40,257.74	1,31,818.65
Intersegmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,28,098.40	95,783.68	11,320.12	19,261.40	839.22	16,773.56	-	-	-	-	1,40,257.74	1,31,818.65
Result												
Segment Result	21,834.38	17,550.33	(569.96)	1,902.90	72.90	1,993.88	-	-	-	-	21,337.32	21,447.11
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure/Income	-	-	-	-	-	-	-	-	7,414.02	5,728.89	7,414.02	5,728.89
Operating Profit	21,834.38	17,550.33	(569.96)	1,902.90	72.90	1,993.88	-	-	(7,414.02)	(5,728.89)	13,923.30	15,718.22
Interest expenses	-	-	-	-	-	-	-	-	10,009.98	8,571.74	10,009.98	8,571.74
Exceptional Items	-	-	-	-	-	-	-	-	-	2,336.28	-	2,336.28
Profit before Tax											3,913.32	9,482.76
Tax Expense	-	-	-	-	-	-	-	-	1,362.57	2,521.51	1,362.57	2,521.51
Profit after Tax											2,550.75	6,961.25
Other Information												
Segment Assets	2,66,927.73	2,04,551.95	19,329.82	12,183.42	10,815.25	10,504.95	-	-	-	-	2,97,072.80	2,27,240.32
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	29,411.92	26,978.10	29,411.92	26,978.10
Total Assets	2,66,927.73	2,04,551.95	19,329.82	12,183.42	10,815.25	10,504.95	-	-	29,411.92	26,978.10	3,26,484.72	2,54,218.42
Segment Liabilities	2,58,064.57	1,85,375.66	7,032.79	5,658.85	10.13	1,161.33	-	-	-	-	2,65,107.42	1,92,195.84
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	10,628.53	13,226.06	10,628.53	13,226.06
Total Liabilities	2,58,064.57	1,85,375.66	7,032.79	5,658.85	10.13	1,161.33	-	-	10,628.53	13,226.06	2,75,735.95	2,05,421.90
Capital Expenditure (Gross)	553.12	634.55	-	-	-	-	-	-	-	-	553.12	634.55
Unallocated Corporate Capital Expenditure-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,215.32	1,200.54	-	-	-	-	-	-	-	-	1,215.32	1,200.54
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-



B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
Rest of the World												
Revenue	10,916.68	1,661.17	1,536.20	-	-	-	-	-	-	-	12,452.87	1,661.17
Assets	8,250.63	1,698.45	303.83	-	-	-	-	-	-	-	8,554.46	1,698.45
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
India												
Revenue	1,17,181.72	93,376.23	9,783.92	19,261.40	839.22	16,773.56	-	-	-	-	1,27,804.87	1,29,411.20
Assets	2,58,677.10	2,02,853.50	19,025.99	12,183.42	10,815.25	10,504.95	-	-	29,411.92	26,978.10	3,17,930.26	2,52,519.97
Capital Expenditure	553.12	634.55	-	-	-	-	-	-	-	-	553.12	634.55

34 Related Party Disclosures under Accounting Standard 18

34.1 Disclosure of related party transactions in accordance with Accounting Standard -18 notified by Central Government of India under Companies (Accounting Standards) Rules, 2006.

(As identified by the management and relied upon by the auditors)

Status of the Related Parties	Name of the Related Parties 2011-12	Name of the Related Parties 2010-11
Subsidiaries	Shriram EPC (Singapore) Pte Ltd. Blackstone Group Technologies (Pvt.) Limited Chemprojects Consulting Pvt Ltd.	Shriram EPC (Singapore) Pte Ltd. Blackstone Group Technologies (Pvt.) Limited Chemprojects Consulting Pvt. Ltd.
Jointly Controlled Entities	Hamon Shriram Cottrell Private Limited Leitner Shriram Manufacturing Limited	Hamon Shriram Cottrell Private Ltd. Leitner Shriram Manufacturing Limited
Associates	Haldia Coke and Chemicals Pvt Limited Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd.) Wellman Coke India Ltd. (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd.) Shriram SEPL Composites Private Limited Shriram Composites Private Limited	Haldia Coke and Chemicals Pvt Ltd (with effect from June 21, 2010) Ennore Coke Limited (upto June 20, 2010) Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Pvt. Limited with effect from June 21, 2010) Wellman Coke India Ltd (Subsidiary of Haldia Coke and Chemicals Pvt Limited with effect from June 21, 2010) Shriram SEPL Composites Private Limited Shriram Composites Private Limited
Companies over which Key Management Personnel exercises Significant Influences	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Ltd. P. S. R. Green Power Projects P Ltd. Amrit Environmental Technologies Private Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Private Limited Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Wind Farms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Orient Eco Energy Private Limited Global Power Tech Equipments Private Limited	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Ltd. P. S. R. Green Power Projects P Ltd. Amrit Environmental Technologies Private Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Private Limited Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Wind Farms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited
Key Management Personnel	T. Shivaraman - Managing Director M. Amjad Shariff - Joint Managing Director	T. Shivaraman - Managing Director M. Amjad Shariff - Joint Managing Director


34.2 Transactions during the year

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Revenue		
Blackstone Group Technologies Pvt. Limited	17.65	-
Ennore Coke Limited	107.20	12,285.36
P S R Green Power Projects P Ltd.	13.42	800.46
Global Power Tech Equipments P Ltd.	4.27	47.28
Orient Green Power Company Limited	968.53	7,198.00
Amrit Environmental Technologies Private Limited	34.19	36.05
SM Environmental Technologies Private Limited	977.84	753.27
Orient Green Power Company (Rajasthan) Private Limited	959.19	1,075.17
Sanjog Sugars and Eco Power Private Limited	134.74	2,697.93
Orient Eco Energy Private Limited	398.04	-
Clarion Wind Farms Private Limited	-	288.37
Gamma Green Power Private Limited	2,034.40	11,756.10
Beta Wind Farm Private Limited	15,591.36	95.55
Wellman Coke India Ltd.	824.58	-
Lease Rental Income		
Clarion Wind Farms Private Limited	66.15	81.67
Management Fees Received		
Hamon Shriram Cottrell Private Ltd.	157.64	119.42
Purchases of Goods and Services		
Hamon Shriram Cottrell Private Ltd.	544.07	549.05
Blackstone Group Technologies (Pvt.) Limited	331.32	474.65
Chemprojects Consulting Pvt. Ltd.	103.48	58.04
Leitner Shriram Manufacturing Limited	6,445.93	9,220.32
Cost of Windmill Development Rights		
Bharat Wind Farm Ltd	-	1,700.00
Transfer of Margins		
Leitner Shriram Manufacturing Limited	4,384.33	32.20
Expenses incurred on behalf of related party		
Leitner Shriram Manufacturing Limited	33.40	17.23
Hamon Shriram Cottrell Private Ltd.	1.14	1.39
Blackstone Group Technologies (Pvt.) Limited	2.21	3.04
Shriram SEPL Composites P Ltd.	34.71	1.45
Haldia Coke & Chemicals Pvt. Limited	1.60	0.67
Ennore Coke Ltd.	20.49	13.28
Orient Green Power Company Limited	43.95	12.69



**34.2 Transactions during the year**

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Bharat Wind Farm Limited	7.90	0.19
Chemprojects Consulting Private Limited	-	-
Clarion Wind Farm	0.16	-
Beta Wind Farm Limited	-	-
Gamma Wind Farm Limited	-	-
Shriram Composites Private Limited	0.53	-
Expenses incurred for the company by the related party		
Leitner Shriram Manufacturing Limited	2.96	17.29
Blackstone Group Technologies Private Limited	35.58	0.24
Orient Green Power Company Limited	16.83	-
Clarion Wind Farm Private Limited	4.51	0.01
Bharat Wind Farm Ltd.	126.00	-
Beta Wind Farm Private Limited	310.95	-
Gamma Green Power Private Limited	0.27	-
Interest Income		
Shriram SEPL Composites P Ltd	239.80	242.48
Hamon Shriram Cottrell Private Limited	21.27	4.53
Haldia Cokes & Chemicals Pvt. Ltd.	229.95	148.39
Ennore Coke Limited	313.82	-
Blackstone Group Technologies Private Limited	37.71	-
Employee Stock Options Expenses transferred		
Leitner Shriram Manufacturing Limited	-	11.98
Orient Green Power Company Limited	-	4.63
Hamon Shriram Cottrell Private Ltd.	-	32.88
Blackstone Group Technologies Private Limited	-	6.45
Shriram SEPL Composites Private Limited	-	2.10
Bharat Wind Farm Private Limited	-	3.93
Ennore Coke Limited	-	8.13
Recovery of SAP Cost		
Leitner Shriram Manufacturing Limited	42.20	-

34.2 Transactions during the year (Contd.)

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Orient Green Power Company Limited	18.48	-
Bharat Wind Farm Private Limited	12.10	-
Ennore Coke Limited	7.72	-
Remuneration to Key Management Personnel		
T. Shivaraman	60.15	55.13
M. Amjad Shariff	63.99	59.41
Purchase of Investments from		
Leitner Shriram Manufacturing Limited	1,349.19	2,287.15
Hamon Shriram Cottrell Private Ltd.	200.00	364.06
Shriram SEPL Composites Private Ltd.	675.00	-
Haldia Cokes & Chemicals Pvt. Limited	-	4,007.22
Sale of Investments to		
Haldia Coke and Chemicals Pvt. Limited	-	400.80
Advance Given (Gross)		
Haldia Cokes & Chemicals Pvt. Ltd.	11,997.99	2,663.73
Orient Green Power Company Limited	21,035.40	35,532.61
Hamon Shriram Cottrell Private Ltd.	-	-
Leitner Shriram Manufacturing Limited	4,394.02	9,335.47
Blackstone Group Technologies Private Limited	493.78	830.82
Shriram SEPL Composites Private Limited	222.50	990.50
Shriram EPC (Singapore) Pte Ltd.	513.80	-
Ennore Coke Limited	6,409.68	2,046.80
Chemprojects Consulting Pvt. Ltd.	86.98	82.00
Bharat Wind Farm Ltd.	-	1,809.00
Clarion Windfarms Private Limited	989.00	638.50
Beta Wind Farm Private Limited	4,509.60	850.00
Gamma Green Power Private Limited	1,762.43	213.00
Sale of Fixed Assets		
Ennore Coke Limited	-	0.71



34.3 Transactions during the year (Contd.)

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Amount outstanding - Dr / (Cr)		
Leitner Shriram Manufacturing Limited	(10,654.93)	(331.25)
Ennore Coke Limited	10,357.78	9,168.98
Wellman Coke India Ltd.	78.91	754.33
Shriram SEPL Composites Private Limited	1,847.13	2,237.22
Hamon Shriram Cottrell Private Limited	771.13	341.36
Shriram EPC (Singapore) Pte Ltd.	509.60	-
Blackstone Group Technologies Private Limited	1,044.77	904.11
Chemprojects consulting Pvt. Ltd.	106.32	108.71
Shriram Composites Pvt. Ltd.	2,869.88	140.84
Orient Green Power Company Limited	15,658.57	5,983.01
Beta Wind Farm Private Limited	(2,556.94)	(5,279.99)
Gamma Green Power Pvt. Ltd.	1,129.95	837.04
Clarion Wind Farm Pvt. Ltd.	1,095.50	105.07
Haldia Cokes & Chemicals Pvt. Limited	1,523.93	(10.40)
Bharat Wind Farm Limited	127.74	(1,383.91)
Orient Green Power Company (Rajasthan) Private Limited	(138.76)	-
P. S. R. Green Power Projects Pvt. Ltd.	18.54	-
Amrit Environmental Technologies Private Limited	35.33	-
Sanjog Sugars and Eco Power Private Limited	(1,332.70)	-
S. M. Environmental Technologies Private Limited	(866.59)	-
Orient Eco Energy	(271.69)	-
Global Power Tech Equipments Pvt. Ltd.	51.76	-
Commitments (Net of Advances)		
Orient Green Power Company Limited	5,093.69	-
Corporate Guarantees		
Hamon Shriram Cottrell Private Limited	2,100.00	2,100.00
Shriram Composites Private Limited	1,000.00	1,000.00
Blackstone Group Technologies Private Limited	200.00	200.00
Chemprojects Consulting Pvt Ltd	100.00	100.00
Orient Green Power Company Limited	1,600.00	-
Shriram SEPL Composites Private Limited	1,800.00	-



35 Finance Lease Disclosure - In Respect Of Cars Taken On Hire Purchase

35.1 Details of Leased Assets

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
a) Cost of leased asset	223.80	227.71
b) Net carrying amount	156.62	176.84

35.2 Year wise future minimum lease rental payments on contracts:

₹ in Lakhs

Particulars	Total minimum lease payments as at Mar 31, 2012	Present value of lease payment as at Mar 31, 2012	Total minimum lease payments as at Mar 31, 2011	Present value of lease payment as at Mar 31, 2011
Not later than one year	24.78	19.23	26.25	23.48
Later than one year and Less than five years	35.06	31.46	20.07	15.22
Later than five years	-	-	-	-
Total	59.84	50.69	46.32	38.70
Less: Future Finance Charges	9.15	NA	7.62	NA
Present Value of Minimum Lease payments	50.69	50.69	38.70	38.70

36 Earnings Per Share

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Basic		
Net Profit for the Year (In Rs Lakhs)	2,550.75	6,961.25
The weighted average number of equity shares outstanding during the year	4,43,22,506	4,40,44,886
Face Value of Share (₹)	10.00	10.00
Diluted		
Net Profit for the Year (In ₹ Lakhs)	2,550.75	6,961.25
Add: Expense on Employee Stock Option (ESOP) Scheme	14.43	281.67
Profit attributable to Equity Shareholders (In ₹ Lakhs)	2,565.18	7,242.92
The weighted average number of potential equity shares outstanding during the year including Stock Options	4,43,46,120	4,41,08,542
Face Value of Share (₹)	10.00	10.00



37 Deferred Tax - Disclosure Accounting Standard 22

₹ in Lakhs

Particulars	As at Mar 31, 2012		As at Mar 31, 2011	
	LSML	HSCL	LSML	HSCL
Deferred Tax Liability				
On Depreciation	3,172.03		3,358.63	
Total Liability	3,172.03		3,358.63	
Deferred Tax Asset				
Provision for Gratuity	59.12		62.85	
Provision for Compensated absences	26.79		32.13	
Provision for Doubtful Debts	-		357.26	
Others	12.79		12.75	
Total Asset	98.70		464.99	
Net Deferred Tax Liability	3,073.33		2,893.64	

38. Information On Jointly Controlled Entities As Per As 27

38.1 List Of Jointly Controlled Entities As On 31st March, 2012

Name	Country of Incorporation	Share in Ownership and Voting Power	
		2011-12	2010-11
Leitner Shriram Manufacturing Limited (LSML)	India	49.48%	49.48%
Hamon Shriram Cottrell Private Limited (HSCL)	India	49.99%	49.99%

38.2 Contingent Liabilities In Respect Of Jointly Controlled Entities As On 31st March, 2012

₹ in Lakhs

Particulars	Mar 31, 2012		Mar 31, 2011	
	LSML	HSCL	LSML	HSCL
(i) Directly incurred by the Company	-	2,100.00	-	2,100.00
(ii) Share of the Company in contingent liabilities incurred by jointly controlled entity	8,044.07	573.55	6,440.20	264.50
(iii) Share of other venturers in contingent liabilities incurred by jointly controlled entity	8,213.15	573.77	6,575.56	264.61

38.3 Capital Commitments In Respect Of Jointly Controlled Entities As On March 31, 2012

₹ in Lakhs

Particulars	Mar 31, 2012		Mar 31, 2011	
	LSML	HSCL	LSML	HSCL
Share of the company in Capital Commitments incurred by jointly controlled entity	713.03	-	172.64	-
Share of other venturers in Capital Commitments incurred by jointly controlled entity	728.01	-	176.26	-



38.4 Disclosure Of Financial Data As Per As 27 Is Based On Audited Financials Of The Jointly Controlled Entities.

38.5 Share Of The Company In The Assets, Liabilities, Incomes And Expenses Of The Jointly Controlled Entities Are Given Below :

Particulars	Mar 31, 2012		Mar 31, 2011	
	LSML	HSCL	LSML	HSCL
Assets	43,130.81	8,769.38	28,643.58	6,349.26
Liabilities	36,543.48	6,513.29	21,982.18	4,518.44
Income	35,958.42	10,897.06	27,418.53	7,940.47
Expenses	37,381.40	10,671.76	27,210.85	7,586.78

39 Details Of Provision - Provision For Warranty Is Estimated Based On The Terms And Conditions

₹ in Lakhs

Particulars	Opening Balance	Additions	Withdrawals	Closing Balance
Provision for Warranty	29.39	Nil	Nil	29.39
	(29.39)	Nil	Nil	(29.39)

Figures in bracket represent Previous Year Figures

40 Contingent Liabilities

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Letters of Guarantees issued by the Banks	38,962.10	22,219.83
Letters of Credits issued by the Banks	12,831.65	20,181.70
Bills Discounted	-	22,710.00
Corporate Gurantees issued	6,800.00	3,400.00
Claims against the Company not acknowledged as debts	1,294.94	905.80
Disputed income tax demands contested in Appeals not provided for Civil Cases*	1,073.71	1,073.71
Appeal pending before	Assessment Year	
Appellate Tribunal	2000-01	48.08
Appellate Tribunal	2001-02	20.95
Appellate Tribunal	2002-03	49.15
Appellate Tribunal	2003-04	155.33
Commissioner of Income Tax (Appeals)	2004-05	26.24
Commissioner of Income Tax (Appeals)	2005-06	298.48
Commissioner of Income Tax (Appeals)	2006-07	219.68
Commissioner of Income Tax (Appeals)	2007-08	192.24
Commissioner of Income Tax (Appeals)	2008-09	63.56

*Management is of the opinion that the Appeals preferred by the Company will be decided in its favour.

41 Capital Commitments

41.1 Estimated Amount Of Contracts Remaining To Be Executed On Capital Account(net Of Advances) And Not Provided For ₹ Nil Lakhs (March 31, 2011: Nil Lakhs)



41.2 Share Purchase Obligations Towards Investments

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Sree Jayajothi Cements Limited	9,340.00	-

41.3 Debenture Purchase Obligations Towards Investments

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Spark Environmental Technology Limited	25,650.00	-
Sree Jayajothi Cements Limited	-	11,000.00

41.4 Other Commitments

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Windmill Purchase Obligation		
Orient Green Power Company Limited (Net of Advances of ₹22,406.31 Lakhs)	5,093.69	-

42 Sale Of Weg Business

Though the Company had obtained its Shareholders' approval through Postal Ballot on August 21, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitner Shriram Manufacturing Limited (LSML) with effect from April 1, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Loss / Profit in the Statement of Profit and Loss for the year ended March 31, 2012.

43 Disclosures Required Under Section 22 Of The Micro, Small And Medium Enterprises Development Act, 2006

The total amount required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount outstanding as at March 31, 2012 is as follows :

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Dues outstanding more than 45 days :		
Principal amounts	15.27	9.30
Interest accrued and due on above amounts	3.97	0.43
The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment		
As per the terms of the contracts	-	-
As specified in the Act	3.97	2.14
The amount of interest accrued and remaining unpaid at the end of the year.	6.11	2.14



44 Dues From Subsidiaries And Associates

44.1 Loans And Advances

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Subsidiaries		
Shriram EPC (Singapore) Pte Ltd.	509.60	-
Blackstone Group Technologies Private Limited	1,041.75	904.11
Chemprojects Consulting Private Limited	106.32	108.71
Associates		
Haldia Cokes & Chemicals Pvt. Ltd.	1,523.93	-
Orient Green Power Company Limited	17,706.31	9,126.12
Shriram SEPL Composites Private Limited	1,744.18	2,096.38
Ennore Coke Limited	1,829.20	-
Clarion Windfarms Private Limited	926.65	-
Total	25,387.93	12,235.32

44.2 Maximum Amount Outstanding At Any Time During The Year:

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Subsidiaries		
Shriram EPC (Singapore) Pte Ltd.	513.80	489.58
Blackstone Group Technologies Private Limited	1,188.70	1,156.36
Chemprojects Consulting Private Limited	149.95	108.71
Associates		
Haldia Cokes & Chemicals Pvt. Ltd.	1,523.93	1,737.19
Orient Green Power Company Limited	22,410.89	10,768.87
Shriram SEPL Composites Private Limited	2,279.61	2,106.38
Ennore Coke Limited	2,054.96	4,723.43
Bharat Wind Farm Ltd.	-	1,631.21
Clarion Windfarms Private Limited	984.52	444.10
Beta Wind Farm Private Limited	2,403.75	1,076.79
Gamma Green Power Private Limited	-	213.00
Total	33,510.10	24,455.62

45 Cif Value Of Imports

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Raw Materials and components (for Wind Turbine Generators)	810.19	995.93
Capital Goods	-	346.53
Materials consumed in execution of Engineering Contracts	-	32,066.66



46 Expenditure In Foreign Currency

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Travel	226.06	61.49
Professional Consultancy	1,048.84	44.92
Labour Charges	6,028.18	-
Others	48.74	124.89
Total	7,351.82	231.30

47 Earnings In Foreign Currency

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
FOB Value of Exports	12,452.87	1,661.17

48 Raw Materials And Components Consumed:

Particulars	year ended Mar 31, 2012		year ended Mar 31, 2011	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	554.48	7.43	510.41	5.70
Indigenous	6,910.03	92.57	8,446.89	94.30
Total	7,464.51	100.00	8,957.30	100.00

49 During the first quarter of the previous year, the company had sold its entire investment in Ennore Coke Ltd. to Haldia Coke & Chemicals Pvt. Ltd (HCCL). The profit on this sale (₹2,336.28 Lakhs) is disclosed as an exceptional item.

50 The company has granted advances/loans to its subsidiaries and group companies for the purpose of carrying on operations, based on the business needs and exigencies on those Companies. Some of these advances/loans are interest free. However in the opinion of the management, all these advances/loans(including the interest free loans) are conducive to the interest and development of the business of the group and hence are not prejudicial to the interests of the company.

51 Subsequent to the date of approval of the annual accounts for the year ended March 31, 2012 by the Board and before the book closure date 32,559 Equity Shares (March 31, 2011: 28,149 Equity Shares) were allotted under the Shriram EPC Limited Employee Stock option Scheme 2006 & 2007 to employees and dividends of ₹0.59 Lakhs (March 31, 2011: ₹0.65 Lakhs) on these shares were paid. The total amount of ₹0.70 Lakhs (March 31, 2011: ₹0.76 Lakhs) including dividend distribution tax have been appropriated from the Surplus in Statement of Profit and Loss.

52 Subsequent Events

52.1 Subsequent to the date of Balance Sheet 2,450 Equity Shares were allotted under the Shriram EPC Employee Option Scheme 2006 & 2007.

52.2 Investment in Sree JayaJothi Cement Limited and Spark Environmental Technology Limited

52.2.1 The company had executed an EPC contract for Sree JayaJothi Cement Limited ('SJCL') in an earlier year and the total amount outstanding under Trade Receivables of ₹30,472.62 Lakhs, Debentures of ₹Nil (Net of cheques in transit of ₹12,186 Lakhs) and loans and advances of ₹Nil (Net of cheques in transit of ₹17,978 Lakhs) is outstanding for a considerable period of time. Apart from this the company also has investment in Equity shares of SJCL amounting to ₹ 1,500 Lakhs. These amounts aggregating to ₹31,972.62 Lakhs have been secured by assets of the investee company.



52.2.2 On April 2, 2012, the company has invested ₹9,323.45 Lakhs in SJCL constituting 17.81% of the entire issued, subscribed and paid up capital of SJCL. The company has also entered into an agreement with SJCL, for recovering its balance dues over a period of time. The company has appointed its representative as a member on the Board of Directors in SJCL, to monitor the operations of the company and to ensure recovery of its dues. The company is convinced about the viability of cement vertical and accordingly, the company is hopeful of recovering all the amounts due to them and does not expect any shortfall in the recovery of the dues. With respect to the investment, the management is of the view that there is significant upside potential in the business and as the investment is of long term nature, the diminution in the value of investment is not other than temporary in nature.

52.2.3 On April 19, 2012, the company has invested an amount of ₹25,676.56 Lakhs in Spark Environmental Technology Limited ('Spark' a fellow Shareholder in SJCL), towards subscription of 2,56,76,565 Optionally Convertible Debentures (OCD) of a face value of ₹100 each, carrying an interest rate of 12%. The terms of Debentures are as follows:

- On the expiry of 5 years from date of allotment, all OCD shall be either be converted to Equity Shares, redeemed in full, or partly converted and partly redeemed.
- At or prior to maturity date, the holder of OCD has the option to either convert into Equity Shares or redeem, all or part of the OCD.
- Upon conversion, each debenture shall be converted into 10 Equity Shares.

52.2.4 Spark has subscribed to 25,67,65,645 shares of ₹10 each constituting 49.05 % of SJCL Equity during April 2012.

53. The revised Schedule VI has become effective from April 1, 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 and reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

T. Shivaraman
Managing Director

R. Sundararajan
Director

Place : Chennai
Dated : 30th May, 2012.

K. Suresh
Company Secretary

R. S. Chandrasekharan
Chief Financial Officer



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF SHRIRAM EPC LIMITED

1. We have audited the attached Consolidated Balance Sheet of SHRIRAM EPC LIMITED ("the Company"), its subsidiaries, jointly controlled entities and associates (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The Company has investments in Sree Jayajothi Cements Limited (SJCL) in the nature of equity shares of ₹1,500 Lakhs. In addition SJCL has certain receivables due to the Company comprising of Trade receivables amounting to ₹30,472.62 Lakhs. These amounts aggregating to ₹31,972.62 Lakhs (net of Cheques in transit of ₹30,164 Lakhs as referred to in Note No. 47.2 in the financial statements) have been secured by assets of SJCL (Refer Note No. 47.2 of the financial statements). The Company has since invested directly and through a

company in the group and has also drawn up a proposal for recovering its dues over a period of time. Accordingly, the company is hopeful of recovering all the amounts due to them. Pending the outcome of its proposals as mentioned above, the shortfall, if any, in the realization of the aforesaid trade receivables, adjustment if any that may be required to the carrying value of the aforesaid equity shares is not presently ascertainable.

4. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹12,808.54 Lakhs as at March 31, 2012, total revenues of ₹1,436.84 Lakhs and net cash outflows amounting to ₹1,671.24 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. We, also, did not audit the financial statements of three associates, whose Group's share of Losses of ₹486.40 Lakhs for the period ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of the subsidiary and associates is based solely on the reports of the other auditors.

5. Without qualifying our opinion, we draw attention to Note No. 3.2 of the financial statements regarding the difference in figures relating to group's share of loss and reserves between the unaudited consolidated financial statements and the audited consolidated financial statements of the subsidiary for the year ended March 31, 2011 which have been recognized in these consolidated financial statements.

6. The consolidated financial statements of an Associate whose Group's share of profits of ₹5,981.16 Lakhs and Group's share of reserves of ₹1,667.33 Lakhs for the year ended March 31, 2012 are included in the Consolidated Financial Statements based on unaudited financial statements. The adjustments if any that may be required to be made in the Consolidated Financial Statements, had the audited consolidated financial statements of the associate for the year ended March 31, 2012 were available is presently not ascertainable.

7. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint



Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

8. Subject to our comments in paragraph 3 and 6 above and the consequential effects thereof which are not quantifiable, and based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries, joint ventures and associates, and to the best of our information and according to the explanations given to us read with our comments in paragraph 4 and 5 above, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

Place : Chennai

Date : 30th May 2012

(i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

(ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and

(iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.008072S)

Geetha Suryanarayanan
Partner
(Membership No. 29519)



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

₹ in Lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A EQUITY AND LIABILITIES			
1. Shareholders' Funds :			
Share Capital	5	4,434.43	4,426.24
Reserves and Surplus	6	68,800.33	46,015.77
2. Share Application Money Pending Allotment			
		-	1.97
		73,234.76	50,443.98
3. Minority Interest			
		204.56	209.42
4. Non-Current Liabilities			
Long-term Borrowings	7	5,838.58	9,644.79
Deferred Tax Liabilities (Net)	39.1	3,151.32	2,969.36
Other Long Term Liabilities	8	53.99	129.86
Long-term Provisions	9	374.30	348.07
		9,418.19	13,092.08
5. Current Liabilities			
Short-term Borrowings	10	1,95,574.07	1,22,422.92
Trade Payables	11	69,607.89	49,338.60
Other Current Liabilities	12	43,663.83	34,055.75
Short-term Provisions	13	1,066.31	1,868.57
		3,09,912.10	2,07,685.84
TOTAL		3,92,769.61	2,71,431.32
B ASSETS			
1. Goodwill on Consolidation			
-- Subsidiaries		699.00	699.00
--- Joint Ventures		153.61	153.61
2. Non-Current Assets			
Fixed Assets	14		
Tangible Assets		19,835.14	20,533.67
Intangible Assets		1,129.58	934.26
Capital Work-in-Progress		541.08	199.59
		21,505.80	21,667.52
Deferred Tax Asset (Net)	39.2	72.43	36.53
Non-Current Investments	15	41,565.64	18,809.38
Long-term Loans and Advances	16	2,082.30	602.40
Other Non-Current Assets	17	10,277.19	7,577.63
		75,503.36	48,693.46
3. Current assets			
Inventories	18	44,247.34	25,767.98
Trade receivables	19	1,42,178.29	99,355.21
Cash and cash equivalents	20	37,515.52	42,149.31
Short-term loans and advances	21	75,796.16	54,438.25
Other current assets	22	16,676.33	174.50
		3,16,413.64	2,21,885.25
TOTAL		3,92,769.61	2,71,431.32

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells
Chartered Accountants

 Geetha Suryanarayanan
Partner

 T. Shivaraman
Managing Director

 R. Sundararajan
Director

 Place : Chennai
Date : 30th May, 2012.

 K. Suresh
Company Secretary

 R. S.Chandrasekharan
Chief Financial Officer

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

₹ in Lakhs

Particulars	Note No.	Year ended Mar 31, 2012	Year ended Mar 31, 2011
I Revenue from Operations	23	1,86,176.21	1,66,967.96
II Other Income	24	2,942.65	1,773.98
III Total Revenue (I+II)		1,89,118.86	1,68,741.94
IV Expenditure			
Cost of Raw Materials and Components Consumed	25	44,249.81	34,691.88
Erection, Construction & Operation Expenses	26	1,08,864.39	81,867.32
Purchases of Stock in Trade	27	7,004.09	15,160.49
Change in Inventories of Finished Goods, Contract Work in Progress and Stock In Trade	28	(14,131.66)	1,510.45
Employee Benefit Expenses	29	6,358.78	5,466.72
Finance Costs	30	22,678.68	14,401.75
Depreciation and Amortisation Expenses	14	1,954.62	1,656.27
Other Expenses	31	9,360.93	6,223.44
Total Expenses		1,86,339.64	1,60,978.32
V Profit Before Exceptional Items and Tax (III-IV)		2,779.22	7,763.62
VI Exceptional Item - Profit on Sale of Investment	44	-	2,040.50
VII Profit Before Tax (V+VI)		2,779.22	9,804.12
VIII Tax Expense:			
(1) Current tax expense		1,340.48	2,626.37
(2) Deferred tax		146.67	164.79
		1,487.15	2,791.16
IX Profit After Tax		1,292.07	7,012.96
X Less: Minority Interest share of Profit /(Loss)		7.13	(47.21)
XI Profit After Tax and Minority Interest		1,284.94	7,060.17
Add: Share of Profit from Associates (Net) (Refer Note 3.2)		2,868.39	357.17
XII Profit for the year		4,153.33	7,417.34
XIII Earnings per equity share:			
Basic	38	9.37	16.84
Diluted	38	9.37	16.84

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells
Chartered Accountants

 Geetha Suryanarayanan
Partner

 T. Shivaraman
Managing Director

 R. Sundararajan
Director

 Place : Chennai
Dated : 30th May, 2012.

 K. Suresh
Company Secretary

 R. S. Chandrasekharan
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012.

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	2,779.22	9,804.12
Provision for Doubtful Debts	22.62	515.33
Provision for Gratuity	(11.48)	-
Provision for compensated absences	(16.44)	-
Interest Income	(2,345.71)	(763.83)
Depreciation	1,954.62	1,656.27
Loss / (Profit) on Sale of Fixed Assets (Net)	20.19	(40.38)
Assets written off	283.09	-
Bad Debts Written Off	1,954.70	-
Dividend income	(13.81)	-
Profit on Sale of Investments	-	(2,040.50)
Employee Stock Option Expense	14.43	281.67
Interest and Finance Charges	22,678.68	14,401.75
Loss / (Gain) on Unrealised Exchange Fluctuation	294.66	(1,933.11)
Operating Profit before working capital changes	27,614.77	21,881.32
Working capital changes :		
<i>Adjustments for increase in operating assets:</i>		
Inventories	(18,479.36)	(3,706.81)
Trade Receivables	(36,822.10)	(14,226.07)
Loans and Advances	(40,603.91)	(22,613.35)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Liabilities and Provisions	18,861.87	(3,132.35)
Cash generated from operations	(49,428.73)	(21,797.26)
Net income tax paid	(1,634.03)	(983.04)
Net Cash Used in Operating Activities (A)	(51,062.76)	(22,780.30)
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(2,130.05)	(1,781.99)
Proceeds from sale of fixed assets	29.27	117.04
Bank balances not considered as Cash and cash equivalents		
- Placed	(1,892.78)	(1,094.81)
- Matured	186.26	-
Sale of Current Investments	900.00	-
Sale of Long term Investments	12,215.04	3,425.30
Purchase of Current investments	(900.00)	-
Purchase of Long-term investments	(12,855.28)	(4,056.70)
Interest Received	2,183.62	797.63
Dividend received	13.81	-
Net cash flow from / (used in) investing activities (B)	(2,250.12)	(2,593.53)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares	6.22	34.01
Proceeds from Borrowings	1,78,665.68	1,47,921.84
Repayment of Borrowings	(1,42,894.77)	(1,17,253.09)

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Net increase in working capital borrowings	34,842.10	29,338.80
Interest and Finance Charges Paid	(23,053.39)	(12,102.89)
Dividends paid (including distribution tax)	(620.07)	(615.25)
Net cash flow from / (used in) financing activities (C)	46,945.77	47,323.42
D NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (D)= (A + B + C)	(6,367.10)	21,949.59
Cash and Cash Equivalents as at the beginning of the year	39,598.38	17,662.16
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	61.83	(13.37)
Cash and Cash Equivalents as at the end of the year	33,293.11	39,598.38
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet	37,515.52	42,149.31
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements - Margin Money having maturity period exceeding three months	(4,222.41)	(2,550.93)
Cash and cash equivalents at the end of the year*	33,293.11	39,598.38
* Comprises:		
a) Cash on hand	50.30	27.82
b) Cheques, drafts on hand	-	29.09
c) Cheques in Transit	30,164.00	-
d) Balances with banks		
(i) In current accounts	378.81	28,706.55
(ii) In EEFC accounts	508.80	-
(iii) In deposit accounts with original maturity of less than 3 months	2,063.10	10,468.35
(iv) In earmarked accounts (Unpaid Dividend Account)	18.93	0.65
(v) Proportionate Share of Joint Venture	109.17	365.92
	3,078.81	39,541.47
	33,293.11	39,598.38

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

 For Deloitte Haskins & Sells
Chartered Accountants

 Geetha Suryanarayanan
Partner

 T. Shivaraman
Managing Director

 R. Sundararajan
Director

 Place : Chennai
Date : 30th May, 2012.

 K. Suresh
Company Secretary

 R. S. Chandrasekharan
Chief Financial Officer


Notes forming part of Consolidated Financial Statements

1. Corporate Information

Shriram EPC Limited (the "Company" or "SEPC"), the flagship company of the Shriram Group. The Shriram group has diverse interests across Financial Services, IT Services, Project Engineering & Construction, Property Development, Life Insurance and General Insurance. Company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focussed on providing turnkey solutions for Ferrous & Non-Ferrous, Cement, Aluminium, Copper and Thermal power plants, Water Treatment & Transmission, Renewable energy, Cooling Towers & Material Handling.

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

2. Principles of Consolidation

The Consolidated Financial Statements relate to Company and its Subsidiary Companies, Joint Ventures and Associates. The Consolidated Financial Statements have been prepared on the following basis:

2.1 The financial statements of the Company and its Subsidiary Companies have been prepared on a line by line consolidation by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealized profits and losses as per Accounting Standard 21 – Consolidated Financial Statements notified by Central Government of India under Companies (Accounting Standards) Rules, 2006.

2.2 The assets and liabilities of foreign subsidiaries whose operations are of non-integral nature are translated at the closing exchange rates, the items of income and expense of foreign subsidiaries are translated at average exchange rate and resulting exchange differences are classified as cumulative translation adjustment and debited / credited to Foreign Currency Translation Reserve.

2.3 Investments in associate companies have been accounted for as per Accounting Standard – 23, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post - acquisition change in the Company's share of net assets of the associate.

2.4 Financial Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures. Joint venture interests accounted as above are included in the segments to which they relate.

2.5 Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances except as stated in Note 4.3 and 4.7, the impact of which is not quantifiable.

2.6 Minority interest in the net assets of consolidated subsidiaries consists of:

2.7 The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

2.7.1 The minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.

2.7.2 Minority interest's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

2.8 The excess of cost to the Company and its Subsidiaries, of their investments in their Subsidiaries, Joint Ventures and Associates is recognized in the financial statements as goodwill on consolidation.



3. Details of Subsidiaries, Associates and Joint Ventures

3.1 List of Subsidiaries Associates and Joint Ventures included in the Consolidated financial Statements

Name of the Company	Status	Country of Incorporation	Share in Ownership and Voting Power (%)	
			Mar 31 2012	Mar 31 2011
Shriram EPC (Singapore) Pte Ltd.	Subsidiary	Singapore	100%	100%
Blackstone Group Technologies Private Limited	Subsidiary	India	55%	55%
Leitner Shriram Manufacturing Limited	Joint Ventures	India	49.48%	49.48%
Hamon Shriram Cottrell Private Limited	Joint Ventures	India	49.99%	49.99%
Shriram SEPL Composites Private Ltd	Associate	India	49%	49%
Haldia Coke and Chemicals Private Ltd.	Associate	India	48.48%	48.48%
Holdings through Subsidiaries and Associates				
Orient Green Power Pte Limited	Associate	Singapore	37.70%	37.70%
Chem Projects Private Limited	Subsidiary	India	60%	60%
Shriram Composites (P) Ltd.	Associate	India	100%	100%

3.2 The audited consolidated financial statements of Shriram EPC (Singapore) Pte Ltd. ("SEPCS") includes the share of losses of Orient Green Power Pte Ltd., Singapore ("OGPP"), an associate. The audited consolidated financial statements of OGPP includes the consolidated financial statement of its subsidiary Orient Green Power Company Limited, India.

The figures relating to consolidated financial statements of SEPCS included in the consolidated financial statements of the company for previous year 2010-2011 was based on unaudited consolidated management accounts of that company. However the loss and reserves of SEPCS as per the audited consolidated financial statements for 2010-11 was higher compared to respective figures considered in the consolidated financial statements of the company in the previous year., Consequently , group's share of loss to the extent of ₹1,148.11 Lakhs and group's share of reserves to the extent of ₹16,350.46 Lakhs, relating to the year 2010-11 have been included in the consolidated financial statements for the year.

3.3 The Consolidated Financial Statements of an associate, Haldia Coke and Chemicals Private Limited ("Haldia") as on March 31, 2012, are included in the

consolidated financial statements based on the unaudited financial statements of those companies as provided by the Management of Haldia. The share of profits ₹5,981.16 Lakhs and share of reserves of ₹1,667.33 Lakhs of Haldia for the year ended March 31, 2012 have been considered in these Consolidated Financial Statements.

4. Significant Accounting Policies:

4.1 Basis of Accounting and Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.



4.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4.3 Inventories

Inventories are valued at the lower of cost on FIFO basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Stock of land for windmill projects is valued at lower of cost and net realizable value. Cost of land includes purchase consideration, stamp duties and registration charges for transfer of title.

Contract in Progress represent work in Process on construction contracts which reflects proportionate value of inputs and expenses on contracts yet to be billed. Works in progress relating to windmill division are valued at lower of cost and net realizable value.

Work in progress in respect of consultancy services is valued on the percentage of the designing and detailing services delivered to the clients after going through the Approval and confirmation stage based on the total project size and revenue is based on the cost incurred towards rendering the services and the net realizable values as certified and valued by the management. For this purposes cost means direct man-hour cost and expenses incurred on the project.

Since it is not practically possible to use uniform accounting policy for raw material and stores and spaces, the valuation of the inventories of such subsidiaries as been coincided for the purpose consolidation. Of the total inventories of ₹44,247.34 Lakhs (March 31, 2011: ₹25,767.98 Lakhs), the inventories of a Joint Venture aggregating to ₹8,629.29 Lakhs (March 31, 2011: ₹5,346.45 Lakhs) have been valued on Weighted Average basis as against First In First Out basis followed by the Group.

4.4 Cash and cash equivalents (for the purposes of Cash Flow Statement)

Cash comprises of cash on hand, cheques in transit and demand deposits with banks. Cash equivalents are short-

term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.5 Cash Flow Statement

Cash flows are reported using the indirect method, whereby Profit / (Loss) before Tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4.6 Revenue Recognition

Income in respect of sale of goods is recognised at the time of transfer of title. Sales are inclusive of all taxes.

Contract Revenue is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method. The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs for each contract. An expected loss on construction contract is recognised as an expense immediately when it is certain that the total contract costs will exceed the total contract revenue.

Revenue from other Contracts is recognized based on completed Contract method, when rendering of service is completed or substantially completed.

Revenue from sale of windmill development rights is recognized on transfer of the rights to the buyer under the terms of contract.

Contract Revenue earned in excess of billing has been reflected as 'Unbilled Revenue' under 'Other Current Assets' and billing in excess of Contract Revenue has been reflected as 'Advance Billing' under 'Other Current Liabilities'.

Dividend Income on Investments is accounted for when the right to receive the payment is established. Interest income is accounted on accrual basis. Interest income is included under the head "other Income" in the Statement of Profit and Loss.



4.7 Fixed Assets and Depreciation

Fixed Assets are stated at historical cost (net of CENVAT/VAT wherever applicable) less Accumulated Depreciation / Amortisation. Cost comprises of direct cost, related taxes, duties, freight and attributable finance costs till such assets are ready for its intended use. Capital work in progress is stated at the amount expended up to the Balance sheet date.

Tangible Assets

Depreciation is computed under Straight Line Method at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956 except for the following:

Leasehold improvements are written off over the primary period of their lease.

Certain items of Plant and Machinery used at project sites are depreciated over an estimated useful life of 2 to 4 years.

Individual assets costing ₹5,000/- each or less is depreciated in fully in the year of addition.

Intangible Assets

Depreciation is computed under Straight Line method at the rates specified below:

Technical Know-how fees are amortised over the period of 5 to 10 years based on estimated useful life of the asset.

Software cost are amortised over a period of 5 years based on Managements evaluation of their estimated useful life.

Lease hold Land Using Rights is amortised over the primary period of lease, which is 20 years.

Of the Gross Block of ₹27,152.57 Lakhs (March 31, 2011: ₹26,206.24 Lakhs), depreciation in respect of assets of a Joint Venture aggregating to ₹1,410.23 Lakhs (March 31, 2011: ₹815.28 Lakhs) have been charged on Written Down Value method as against Straight Line method followed by the Group.

4.8 Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments / realizations and year-end restatements are dealt with in

the Statement of Profit and Loss. Investments in Foreign currencies are reported using the exchange rate at the date of the transaction.

In respect of a Jointly Controlled Entity, exchange differences, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2012 in accordance with the amendment to the Companies (Accounting Standards) Rules, 2006 (Vide Ministry of Corporate Affairs notification dated 31.3.09).

4.9 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

4.10 Employee Benefits

Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits at the balance sheet date, are recognized as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

Long-term Employee Benefits

(i) Defined Contribution Plans:

Contribution to state governed Provident Fund scheme and Employee State Insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined Benefit Plans:

The liability for Gratuity to employees as at Balance Sheet date is determined on the basis of actuarial valuation based on Projected Unit Credit Method and is not funded.



The contribution there of paid / payable is charged to Statement of Profit and Loss.

(iii) Long Term Compensated Absences:

The obligation for long term employee benefits such as long term compensated absence is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method.

Actuarial gains and losses arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss as income or expense.

4.11 Employee Stock Option Scheme

In respect of stock options granted to the employees under the stock option schemes established, the Company determines the compensated cost based on the intrinsic value method and the compensation cost is amortized on a straight line basis over the vesting period.

4.12 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses which relate to the company as a whole and are not allocable to segments are included under unallocated corporate expenses.

Segments assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

4.13 Leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such

leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

4.14 Taxation

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

Minimum Alternate Tax (MAT) paid in accordance with the laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

4.15 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is



recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

4.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the

obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements as a matter of prudence.

4.17 Derivatives

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

5. Share Capital

The authorized, issued, subscribed and fully paid-up share capital comprises of equity shares ₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Authorised :-		
6,50,00,000 Equity Shares of ₹10/- each	6,500.00	6,500.00
2,00,00,000 Convertible Preference shares of ₹10/- each.	2,000.00	2,000.00
	8,500.00	8,500.00
Issued, Subscribed and fully Paid-up:-		
4,43,44,284 Equity Shares of ₹10/- each, (4,42,62,399 Equity Shares of ₹10/- each)	4,434.43	4,426.24
Total	4,434.43	4,426.24

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

Particulars	As at March 31, 2012		As at March 31, 2011	
	In Shares	Amount	In Shares	Amount
Equity Shares				
At the beginning of the year	4,42,62,399	4,426.24	4,39,13,777	4,391.38
Issued during the year	81,885	8.19	3,48,622	34.86
Outstanding at the end of the year	4,43,44,284	4,434.43	4,42,62,399	4,426.24

5.2 Details of shareholders holding more than 5% shares of the Company

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No of Shares	% holding	No of Shares	% holding
Equity Shares				
Shriram Industrial Holdings Private Limited	1,49,29,070	33.67%	1,33,35,123	30.13%
Shriram Auto Finance (Partner: Ms. Vathsala Ranganathan)	25,17,003	5.68%	51,23,231	11.57%
Bessemer Venture Partners	1,04,81,762	23.64%	1,04,81,762	23.68%
Argonaut Ventures	23,73,364	5.35%	23,82,957	5.38%
Unit Trust of India Investment Advisory Services Ltd	37,86,779	8.54%	37,86,779	8.56%



5.3 Terms/rights attached to the Equity Shares

The company has issued equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting rights.

For the year ended March 31, 2012, the amount of dividend recognized as distributions to equity share holders is ₹1.20 per share (March 31, 2011 ₹1.20 per share). The dividend proposed by the Board of Directors is subject to the approval of the Share Holders at the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

6 Reserves And Surplus

₹ in Lakhs

Name of Shareholder	As at March 31, 2011	Additions	Deductions	As at March 31, 2012
Capital Reserve	12.92	-	-	12.92
Securities Premium	24,783.40	55.57	-	24,838.97
Share Options Outstanding Account	150.44	14.43	(55.57)	109.30
General Reserve	400.86	63.77	-	464.63
Foreign Currency Translation Reserve	(45.81)	1,250.10	-	1,204.29
Share of Reserves of Associates:				
Capital Reserve	55.46	16,295.70 [@]	-	16,351.16
Foreign Currency Translation Reserve	0.11	579.59 [#]	-	579.70
Other Reserves	-	1,099.72 [#]	-	1,099.72
Surplus in Statement of Profit and Loss	20,425.17	4,153.33	(682.92)	23,895.58
Transfer to Goodwill on Consolidation and				
Minority Interest	177.02	10.84	-	187.86
Proportionate Share in Joint Ventures	56.20	-	-	56.20
Total	46,015.77	23,523.05	(738.49)	68,800.33

@ Refer Note No. 3.2

Refer Note No. 3.3



7 Long Term Borrowings (Refer Note 7.1 below)

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Secured		
Term Loans		
From Banks	2,802.93	6,628.11
From Others	93.99	-
Finance Lease Obligations	35.06	11.83
Proportionate Share of Joint Ventures	2,906.60	3,004.85
Total	5,838.58	9,644.79

7.1 The above loans are secured by exclusive charge on the windmills, immovable properties and other fixed assets of the Group

8 Other Long-term Liabilities

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Trade Payables	6.22	-
Security Deposit Received	13.39	16.09
Loan from Directors of a Subsidiary	26.51	36.98
Proportionate Share of Joint Ventures	7.87	76.79
Total	53.99	129.86

9 Long term Provisions

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Provision for Gratuity	174.23	187.83
Proportionate Share of Joint Ventures	200.07	160.24
Total	374.30	348.07

10 Short term Borrowing

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Secured		
Cash Credit from Banks - Loans Repayable on Demand (Refer Note 10.1 below)	66,801.38	37,416.60
Short Term Loans (Refer Note 10.1 below)		
From Banks	98,624.21	60,530.92
From Financial Institutions	-	14,707.79
From Others	2,500.00	-
Bills Discounted	5,707.38	478.45
Unsecured		
Short Term Loans from Banks	2,991.00	-
Proportionate Share of Joint Ventures	18,950.10	9,289.16
Total	1,95,574.07	1,22,422.92



10.1 he above loans are secured by exclusive charge on the windmills, immovable properties and other fixed assets of the Group

11 Trade Payables

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Dues to Micro Enterprises and Medium Enterprises *	15.27	9.30
Other	53,335.71	39,207.33
Proportionate Share of Joint Ventures	16,256.91	10,121.97
Total	69,607.89	49,338.60

* As identified by Management and relied upon by auditors

12 Other Current Liabilities

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Advance from Customers	26,085.51	25,988.39
Advance Billing	7,925.50	-
Current Maturities of Long Term Loans (Secured) (Refer Note 7.1)		
From Banks	3,951.96	2,152.98
From Others	27.35	-
Current Maturities of Finance Lease Obligations (Secured) (Refer Note 7.1)	24.78	34.49
Statutory Dues	761.86	1,582.41
Interest accrued but not due on Borrowings	77.43	156.60
Provision for Expenses	291.16	434.97
Other Payables	26.80	-
Proportionate Share of Joint Ventures	4,491.48	3,705.91
Total	43,663.83	34,055.75

13 Short-term Provisions

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Provision for Employee Benefits		
Gratuity	59.36	60.35
Compensated Absences	103.80	121.59
Bonus	9.99	9.90
Provision for Warranties (Refer Note 40)	29.39	29.39
Unclaimed Dividend	0.67	0.65
Proposed Dividend	532.13	530.50
Dividend Distribution Tax	86.33	88.22
Provision for Taxes	-	885.64
Proportionate Share of Joint Ventures	244.64	142.33
Total	1,066.31	1,868.57

14 Fixed Assets

₹ in Lakhs

Sl. No.	Block of Assets	Gross Block			Depreciation			Net Block			
		As at April 1, 2011	Additions	Deletions	As at March 31, 2012	As at April 1, 2011	For the year	On Deletions	As at March 31, 2012	As at March 31, 2011	
Tangible Assets											
1	Freehold Land	473.07	-	-	473.07	-	-	-	-	473.07	473.07
2	Buildings	171.74	-	-	171.74	46.41	4.88	-	51.29	120.45	125.33
3	Leasehold Improvements	615.75	225.26	320.08	520.93	231.43	60.76	234.34	57.85	463.08	384.32
4	Plant and Equipments										
	Given under Operating Lease	1,301.51	-	-	1,301.51	242.19	68.72	-	310.91	990.60	1,059.32
	Owned	12,212.79	214.50	97.07	12,330.22	1,504.43	790.25	32.18	2,262.50	10,067.72	10,708.36
5	Furniture and Fixtures	198.90	3.91	58.12	144.69	75.31	12.95	25.98	62.28	82.41	123.59
6	Office Equipment	216.99	30.18	46.72	200.45	47.09	10.12	13.04	44.17	156.28	169.90
7	Computers	641.28	45.46	206.16	480.58	369.46	71.90	144.96	296.40	184.18	271.82
8	Vehicle										
	Taken under Operating Lease	227.71	46.93	50.84	223.80	50.87	18.31	2.00	67.18	156.62	176.84
	Owned	86.16	2.82	47.62	41.36	62.57	7.98	50.37	20.18	21.18	23.59
	Proportionate share in Joint Ventures	8,042.91	721.63	2.75	8,761.79	1,025.38	619.07	2.21	1,642.24	7,119.55	7,017.53
	Total	24,188.81	1,290.69	829.36	24,650.14	3,655.14	1,664.94	505.08	4,815.00	19,835.14	20,533.67
Intangible Assets											
9	Technical Knowhow	1,101.97	-	-	1,101.97	802.80	140.98	-	943.78	158.19	299.17
10	Software	543.11	5.58	-	548.69	208.86	95.97	-	304.83	243.86	334.25
11	Leasehold Rights	80.00	-	-	80.00	16.00	1.73	-	17.73	62.27	64.00
	Proportionate share in Joint Ventures	292.35	479.42	-	771.77	55.51	51.00	-	106.51	665.26	236.84
	Total	2,017.43	485.00	-	2,502.43	1,083.17	289.68	-	1,372.85	1,129.58	934.26
	Grand Total	26,206.24	1,775.69	829.36	27,152.57	4,738.31	1,954.62	505.08	6,187.85	20,964.72	21,467.93
	Previous Year	22,888.03	3,409.54	91.33	26,206.24	3,096.28	1,656.27	14.25	4,738.31	21,467.93	

Notes:

Pursuant to Companies (Accounting Standards) Amendments Rules, 2009, the Joint Venture of the Company has exercised the option of capitalizing the exchange differences arising on long-term foreign currency monetary items. Accordingly, during the current year exchange loss amounting to ₹ Nil (March 31, 2011 - exchange gains of ₹63.32 Lakhs), to the extent they related to acquisition of depreciable capital assets have been adjusted against the cost of such assets.



15 Non Current Investments (Valued At Cost Unless Otherwise Stated)

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Investments -Trade - Quoted		
Investments in Associate		
Orient Green Power Company Limited⁽¹⁾		
3,86,526 (3,86,526) Equity Shares of ₹10/- each fully paid up	2,827.50	2,827.50
Share of Profit/(Loss)	(5.21)	0.55
Share of Reserves	55.76	55.57
Investments - Trade - Unquoted		
Investments in Associates⁽²⁾		
Shriram SEPL Composites Private Limited		
1,16,50,001 (49,00,001) Equity Shares of ₹10/- each fully paid up	1,165.00	490.00
Share of Profit/(Loss)	(577.83)	(115.57)
Haldia Coke and Chemicals Private Limited⁽³⁾		
2,22,39,167 (2,22,39,167) Equity Shares of ₹10/- each fully paid up	4,007.22	4,007.22
Share of Profit/(Loss)	6,351.54	370.39
Share of Reserves	1,667.33	-
Orient Green Power Pte Limited Singapore		
26,08,320 (26,08,320) Equity Shares of USD 10/- each fully paid up (Including gain/(loss) on translation of ₹1,225.46 Lakhs (March 31, 2011: ₹31.19 Lakhs))	10,090.06	8,864.60
Share of Profit / (Loss)	(1,912.69)	760.32
Share of Reserves	16,350.46	-
Investments in Others		
Sree Jayajothi Cements Ltd		
50,00,000 (50,00,000) Equity Shares of ₹10/- each fully paid	1,500.00	1,500.00
Proportionate Share of Joint Ventures (Including Share of Profit/(Loss) of Associate of (₹3.92 Lakhs) (March 31, 2011: ₹1.62 Lakhs))	46.50	48.80
Total	41,565.64	18,809.38
Aggregate amount of Quoted Investments	2,827.50	2,827.50
Market Value of Quoted Investments	49.28	98.37
Aggregate amount of Unquoted Investments	16,812.70	14,912.24

(1) Includes 1,03,776 Bonus Shares received during the earlier years

(2) Includes Goodwill on Investment in Associate Companies of ₹0.10 Lakhs (March 31, 2011: ₹0.10 Lakhs)

(3) Of the above, 1,00,92,344 Equity Shares have been pledged with a lender for monies borrowed by the associate

16 Long-term Loans And Advances

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Loans and advances to related parties (Refer Note 45)	216.71	85.57
Prepaid Taxes	503.65	18.33
Deposits	245.81	243.87
Proportionate Share of Joint Ventures	1,116.13	254.63
Total	2,082.30	602.40


17 Other Non Current Assets

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Long Term Trade Receivables - Retention Monies	9,100.66	6,216.18
Proportionate Share of Joint Ventures	1,176.53	1,361.45
Total	10,277.19	7,577.63

18 Inventories (Lower of Cost or Net Realisable Value)

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Raw Materials and Components for Wind Turbine Generators	990.91	998.88
Contract Work-in-Progress	21,106.55	15,177.09
Finished Goods for Wind Turbine Generators	-	98.91
Stock in Trade	6,236.99	-
Proportionate Share of Joint Ventures	15,912.89	9,493.10
Total	44,247.34	25,767.98

19 Trade Receivables

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Outstanding for a period exceeding six months from the date they were due for payment		
Secured, Considered Good (Refer Note 19.1 below)	2,913.69	-
Unsecured, Considered Good	66,131.34	45,183.81
Unsecured, Considered Doubtful	8.68	916.33
	69,053.71	46,100.14
Other Trade Receivables		
Secured, Considered Good (Refer Note 19.1 below)	27,548.71	-
Unsecured, Considered Good	27,304.00	42,641.61
Unsecured, Considered Doubtful	3.26	-
	54,855.97	42,641.61
Less: Provision for Doubtful Trade Receivables	(11.94)	(916.33)
Proportionate Share of Joint Ventures	18,280.55	11,529.79
Total	1,42,178.29	99,355.21

19.1 Secured by a subservient charge on fixed assets and current assets of the debtor.
20 Cash And Cash Equivalents

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Cash on hand and in imprest accounts	50.30	27.82
Cheques, drafts on hand	-	29.09
Cheques in Transit	30,164.00	-
Balances with Banks		
Current Account	887.61	28,706.55
Unpaid Dividend Account	18.93	0.65
Deposit Account	1,932.81	6,639.71
Margin Money (Refer Note 20.1 below)	3,299.71	5,105.28
Proportionate Share of Joint Ventures (Refer Note 20.1 below)	1,162.16	1,640.21
Total	37,515.52	42,149.31



20.1 Balances with banks include margin monies amounting to ₹2,507.23 Lakhs (March 31, 2011: ₹1,516.66 Lakhs) which have an original maturity of more than 12 months.

21 Short Term Loans And Advances

₹ in Lakhs		
Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Loans and Advances to Related Parties (Refer Note 45)	25,127.04	12,619.45
Short-term Loans and Advances (Refer Note 45)	18,971.54	6,646.12
Loans and advances to Employees	61.14	79.57
Advances to Suppliers	24,733.94	28,686.19
Deposits	1,026.44	1,026.62
Balance with Government Authorities	579.02	1,838.15
Prepaid Expenditure	811.48	308.46
MAT Credit Entitlement	-	220.70
Proportionate Share of Joint Ventures	4,485.56	3,012.99
Total	75,796.16	54,438.25

22 Other Current Assets

₹ in Lakhs		
Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Unbilled Revenue	15,348.71	-
Others	7.75	-
Proportionate Share of Joint Ventures	1,319.87	174.50
Total	16,676.33	174.50

23 Revenue From Operations

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Revenue from Engineering and Construction Contracts	1,27,606.49	91,651.11
Sale of Wind Turbine Generators	9,061.51	16,061.40
Sale of Windmill Development Rights	-	3,200.00
Sale of Goods	839.22	16,793.45
Service Income	1,419.19	1,309.70
Other Operating Income - Sale of Power	712.81	2,853.61
Proportionate Share of Joint Ventures	46,536.99	35,098.69
Total	1,86,176.21	1,66,967.96

24 Other Income

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Interest on Bank Deposits	2,051.25	747.51
Lease Rentals Received	66.15	81.67
Management Fees Received	157.64	119.42
Gain on Exchange Fluctuation	204.86	412.02
Dividend	13.81	-
Others	128.92	112.82
Proportionate Share of Joint Ventures	320.02	300.54
Total	2,942.65	1,773.98

25 Cost Of Raw Materials And Components Consumed

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Opening Stock	481.34	409.65
Add: Purchases	8,393.10	9,028.99
Less: Closing Stock	990.91	481.34
Proportionate Share of Joint Ventures	36,366.28	25,734.58
Total	44,249.81	34,691.88

26 Erection, Construction & Operation Expenses

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Cost of Materials and Labour	93,652.66	69,373.66
Cost of Windmill Development rights	-	1,700.00
Other Contract Related Costs	4,429.20	3,866.41
Freight Charges on Purchase	7.21	0.33
Commercial Taxes	4,342.54	2,709.68
Proportionate Share of Joint Ventures	6,432.78	4,217.24
Total	1,08,864.39	81,867.32

27 Purchases Of Stock In Trade

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Windmills	6,236.99	-
Coal	767.10	15,160.49
Total	7,004.09	15,160.49

28 Change In Inventories of Finished Goods, Contract Work In Progress And Stock In Trade

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Opening Stock of Contract Work in Progress	15,694.68	17,263.51
Less: Closing Stock of Contract Work in Progress	21,106.55	15,694.68
	(5,411.87)	1,568.83
Opening Stock of Finished Goods	98.91	550.00
Less: Closing Stock of Finished Goods	-	98.91
	98.91	451.09
Opening Stock in Trade	-	-
Less: Closing Stock in Trade	6,236.99	-
	(6,236.99)	-
Proportionate Share of Joint Ventures	(2,581.71)	(509.47)
Total	(14,131.66)	1,510.45

29 Employee Costs

₹ in Lakhs		
Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Salaries and Wages	4,150.54	3,352.58
Contribution to Provident Funds	180.46	131.42
Expense on Employee Stock Option (ESOP) Scheme (Refer Note 34)	14.43	281.67
Gratuity	26.20	63.85
Staff Welfare Expenses	197.71	282.60
Proportionate Share of Joint Ventures	1,789.44	1,354.60
Total	6,358.78	5,466.72



30 Finance Costs

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Bank Charges, Letter of Credit / Guarantee charges	2,525.18	2,553.54
Interest on Cash Credits	8,169.12	2,968.37
Interest on Commercial Paper	-	359.69
Interest on Term Loans**	8,751.25	6,631.77
Interest - Others	333.10	146.80
Proportionate Share of Joint Ventures	2,900.03	1,741.58
Total	22,678.68	14,401.75

** Net of recoveries of ₹3,237.98 Lakhs (March 31, 2011: ₹791.64 Lakhs)

31 Other Costs

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Rent	460.07	379.88
Rates and taxes	49.57	59.33
Repairs and Maintenance:		
Building	85.45	46.55
Plant and Machinery and Equipments	487.02	64.15
Others	139.08	91.08
Auditors' Remuneration:		
Audit Fees	24.83	24.73
Other services	9.41	14.00
Out of pocket reimbursement	5.62	1.00
Printing and stationery	48.94	60.39
Communication expenses	108.33	115.74
Advertisement & Business Promotion	70.24	137.58
Travelling and conveyance	840.09	666.14
Electricity & water	80.66	92.15
Legal & Professional Charges	1,333.64	1,499.99
Donation	11.43	4.06
Sitting Fees	10.85	12.00
Insurance premium	405.84	251.44
Bad Debts and Advances		
Bad Debts and Advances	2,859.09	376.20
Less: Provision made in the earlier years	(916.33)	(86.80)
	1,942.76	289.40
Add: Provision made in the Current Year	11.94	509.49
	1,954.70	798.89
Loss on Fixed Assets Discarded	283.09	-
Loss on Sale of Fixed Assets	20.19	0.21
Miscellaneous Expenses	573.45	330.72
Proportionate Share of Joint Ventures	2,358.43	1,573.41
Total	9,360.93	6,223.44

32 Disclosures Pursuant to Accounting Standard (AS) 7 (revised) - Construction Contracts

₹ in Lakhs

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Details of Contract revenue and costs		
Contract Revenues recognised for the Financial year	1,36,922.40	1,00,865.04
Aggregate amount of Contract costs incurred and recognised profits (less recognised losses) upto the reporting date	3,69,382.56	2,65,752.10
Advances received for contracts in progress	26,294.85	26,402.83
Retention money for contracts in progress	11,475.28	7,904.09
Gross amount due from customers for contract work (Asset)	15,348.71	-
Gross amount due to customers for contract work (Liability)	7,925.50	-

33 Disclosures under Accounting Standard 15 (Revised) for the Group**33.1 Gratuity**

₹ in Lakhs

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Change in Defined Benefit Obligations (DBO) during the year		
Present Value of obligations at the beginning of the year	333.86	150.30
Current Service Cost	88.88	38.74
Past Service Cost	1.11	-
Interest Cost	25.43	10.73
Actuarial (Gain) or Loss	(79.05)	8.61
Benefits paid	(21.80)	(14.68)
Present Value of obligations at the end of the year	348.43	193.70
Components of Employer Expense		
Current Service Cost	88.88	38.74
Past Service Cost	1.11	-
Interest Cost	25.43	10.73
Net actuarial (Gain)/ Loss recognised in the period	(79.05)	8.61
Net Cost	36.37	58.08
Assumptions		
Discount Rate	8% - 8.57%	7.50%
Retirement rate per annum	3% - 9.88%	3%
Expected rate of Salary increases	5% - 12%	5%

33.2 Actuarial Assumptions for Compensated Absences

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Rate of Mortality	LIC - 94-96 Mortality rates	LIC - 94-96 Mortality rates
Rate of Discount	8.00%	7.50%
Rate of Salary Escalation	5.00%	5.00%

34 Employee Stock Compensation Expenses

The Company has two Employee Stock Option Schemes (A) Employee stock option scheme 2006, (B) Employee stock option scheme 2007. As per the Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India, the Company has considered the best available estimate of the number of shares or stock options expected to vest based on the current attrition rates of its employees and measured the compensation expense at fair value on the date of grant.



34.1 Shriram EPC Limited 2006 ESOP Scheme (the 2006 Scheme)

In Pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on November 20, 2006 the Company instituted an ESOP Scheme for all its eligible employees including the subsidiaries and associated Companies.

In accordance with the 2006 Scheme the Company has granted on November 22, 2006 (Grant date) options to eligible employees at an exercise price of ₹10/- per equity share. Under the terms of the 2006 Scheme the options will vest in the employees in the following proportion:

Vesting Schedule	In respect of employees who are in employment with the company prior to 01-01-2001	In respect of employees who have joined the company on or after 01-01-2001
November 22, 2007	30%	20%
November 22, 2008	30%	20%
November 22, 2009	20%	30%
November 22, 2010	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modifications in the Terms of the 2006 Scheme

The Company has carried out a modification in "The 2006 scheme" and accordingly additional grants of 4,24,952 options were made during the year ended March 31, 2008. Those grants have been made as at April 1, 2007 and will vest with the employees in same proportion as in the original scheme.

The movement in the stock options during the year was as per the table below :

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Options at the beginning of the Year		
Vested	1,42,309	1,45,953
Unvested	-	3,70,300
Add: Granted during the year	-	-
Add: Vested during the year	-	353,986
Less: Lapsed during the year	-	(37,822) [#]
Less: Exercised during the year	(66,885)	(3,36,122)
Options outstanding at the end of the year		
Vested	75,424	142,309
Unvested	-	-
Exercisable at the end of the year	75,424	142,309

[#]Out of lapsed options during the previous year, Employee Compensation Expense of ₹15.06 Lakhs recognised till date in respect of 21,508 options has been transferred to General Reserve.

Deferred Stock Compensation Expense

During the year, an amount of ₹Nil Lakhs (March 31, 2011: ₹267.04 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

The values of services rendered in return for share options granted are measured by reference to the fair value of the share options granted and this is evaluated on the basis of an independent valuation carried out as on the grant date.

34.2 Shriram EPC Limited - 2007 - ESOP Scheme (the 2007 Scheme)

The Company instituted another Scheme for all eligible employees in pursuance of a special resolution approved by the shareholders at the extra-ordinary general meeting held on September 20, 2007.



In accordance with the 2007 Scheme the Company has granted on October 1, 2007 and January 1, 2008 (grant dates) options to eligible employees including subsidiaries and associate companies at an exercise price of ₹10/- per equity share. Under the terms of the 2007 Scheme the options will vest in the employees in the following proportion:

Vesting Schedule	In respect of employees who are in employment with the company prior to 01-01-2001	In respect of employees who have joined the company on or after 01-01-2001
At the end of Year 1	30%	20%
At the end of Year 2	30%	20%
At the end of Year 3	20%	30%
At the end of Year 4	20%	30%

The employees stock options granted shall be capable of being exercised within a period of eight years from the date of grant.

Modifications in the Terms of the 2007 Scheme

The company has carried out a modification in "The 2007 scheme" in the previous year and accordingly additional grants of 10,000 options have been made. These grants have been made as at June 14, 2010 and will vest with the employee in 2 years in equal proportion from the end of 1 year from the date of grant.

The movement in the stock options during the year was as per the table below :

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Options at the beginning of the Year		
Vested	48,700	41,500
Unvested	35,700	56,900
Add: Granted during the year	-	10,000
Add: Vested during the year	24,700	19,700
Less: Lapsed during the year	-	(11,500)
Less: Exercised during the year	(15,000)	(12,500)
Options outstanding at the end of the year		
Vested	58,400	48,700
Unvested	11,000	35,700
Exercisable at the end of the year	58,400	48,700

Deferred Stock Compensation Expense

During the year, an amount of ₹14.43 Lakhs (Previous Year ₹14.63 Lakhs) being employee compensation expense to the extent of options vested net off lapses, has been charged to Statement of Profit and Loss.

34.3 Fair value of Options Granted :

The estimated fair value of each stock option granted under the employee stock option Schem 2006 is ₹80. The fair value was arrived at based on a transaction entered into between a willing buyer and a seller for purchase of shares recent to the grant date of the options.

The estimated fair value of each stock option granted under the employee stock option Schem 2007 is ₹68.42 as per the Fair value method. The model inputs were the weighted average price arrived under the following methods :



Method	Value per share	Weights Assigned
Net asset value method	43.27	1
Price Earnings capacity Method	23.74	2
Market Capitalisation method	71.10	2
Value per transaction between willing parties	122.98	2

35. The Company has considered business segment as the primary segment for disclosure. The Company's operations comprises of three segments namely Construction Contracts, Wind Turbine Generators and Trading. The above segment has been identified taking into account the organisation structure as well as the differing risks and return of these segments.

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

A. PRIMARY SEGMENT INFORMATION - BUSINESS SEGMENTS

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
External Sales	1,40,864.43	1,05,015.17	46,993.95	46,475.74	839.22	16,773.56	(453.00)	(532.69)	-	-	1,88,244.60	1,67,731.78
Inter-segmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,40,864.43	1,05,015.17	46,993.95	46,475.74	839.22	16,773.56	(453.00)	(532.69)	-	-	1,88,244.60	1,67,731.78
Result												
Segment Result	25,483.86	20,388.22	3,251.54	5,689.53	72.90	1,993.88	-	-	-	-	28,808.30	28,071.63
Less: Inter Segment Margin	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Corporate Expenditure/Income	-	-	-	-	-	-	-	-	13,245.59	9,972.31	13,245.59	9,972.31
Operating Profit	25,483.86	20,388.22	3,251.54	5,689.53	72.90	1,993.88	-	-	(13,245.59)	(9,972.31)	15,562.71	18,099.32
Finance Cost	-	-	-	-	-	-	-	-	12,783.49	10,335.70	12,783.49	10,335.70
Exceptional Items	-	-	-	-	-	-	-	-	-	2,040.50	-	2,040.50
Profit before Tax	-	-	-	-	-	-	-	-	-	2,779.22	9,804.12	9,804.12
Tax Expense	-	-	-	-	-	-	-	-	1,487.15	2,791.16	1,487.15	2,791.16
Profit after Tax	-	-	-	-	-	-	-	-	-	1,292.07	7,012.96	7,012.96
Minority Interest share of Profit/(Loss)	-	-	-	-	-	-	-	-	7.13	(47.21)	7.13	(47.21)
Share of Profit from Associates (Net)	-	-	-	-	-	-	-	-	2,868.39	357.17	2,868.39	357.17
Profit for the Year	-	-	-	-	-	-	-	-	-	-	4,153.33	7,417.34
Other Information												
Segment Assets	269,518.55	206,694.11	19,329.82	12,183.42	10,815.25	10,504.95	(1,667.90)	(1,121.54)	-	-	297,995.71	228,260.94
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	42,871.48	19,850.61	42,871.48	19,850.61
Proportionate Share of Joint Venture	-	-	-	-	-	-	-	-	51,901.41	34,993.66	51,901.41	34,993.66
Total Assets	269,518.55	206,694.11	19,329.82	12,183.42	10,815.25	10,504.95	(1,667.90)	(1,121.54)	94,772.89	54,844.27	392,768.60	283,105.20
Segment Liabilities	260,189.84	186,950.11	7,032.72	5,658.85	10.13	1,161.33	(1,666.59)	(1,121.54)	-	-	2,65,566.10	192,648.75
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	10,911.07	13,511.20	10,911.07	13,511.20
Proportionate Share of Joint Venture	-	-	-	-	-	-	-	-	43,057.68	26,501.26	43,057.68	26,501.26
Total Liabilities	260,189.84	186,950.11	7,032.72	5,658.85	10.13	1,161.33	(1,666.59)	(1,121.54)	53,968.75	40,012.46	319,534.85	232,661.21



₹ in Lakhs

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
Capital Expenditure (Gross)	573.46	666.20	-	-	-	-	-	-	-	-	573.46	666.20
Unallocated Corporate Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Proportionate Share of Joint Venture	-	-	-	-	-	-	-	-	1,555.40	2,737.80	1,555.40	2,737.80
Depreciation	1,284.44	1,124.24	-	-	-	-	-	-	-	-	1,284.44	1,124.24
Unallocated Corporate Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Proportionate Share of Joint Venture	-	-	-	-	-	-	-	-	670.18	532.03	670.18	532.03
Non Cash expenses other than Depreciation	-	-	-	-	-	-	-	-	-	-	-	-

B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS

Particulars	Construction Contracts		Wind Turbine Generators		Trading		Elimination		Unallocated		Total	
	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11	31-03-12	31-03-11
Rest of the World												
Revenue	11,370.57	1,661.17	6,397.57	4,369.17	-	-	-	-	-	-	17,768.14	6,030.34
Assets	8,738.69	2,116.00	2,547.57	2,859.12	-	-	-	-	-	-	11,286.26	4,975.12
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
India												
Revenue	1,29,493.85	1,03,354.00	40,596.38	42,106.57	839.22	16,773.56	(453.00)	(532.69)	-	-	170,476.45	1,61,701.44
Assets	269,550.43	210,928.18	59,913.07	37,967.89	10,815.25	10,504.95	(1,667.90)	(1,121.54)	42,871.49	19,850.61	381,482.34	2,78,130.09
Capital Expenditure	573.46	666.20	1,033.22	2,473.09	-	-	-	-	-	-	1,606.68	3,139.29

36. Related Party Disclosures under Accounting Standard 18

36.1 Disclosure of related party transactions in accordance with Accounting Standard - 18 notified by Central Government of India under Companies (Accounting Standards) Rules, 2006.

(As identified by the management and relied upon by the auditors)

Status of the Related Parties	Name of the Related Parties 2011-12	Name of the Related Parties 2010-11
Jointly Controlled Entities	Hamon Shriram Cottrell Private Limited Leitner Shriram Manufacturing Limited	Hamon Shriram Cottrell Private Ltd Leitner Shriram Manufacturing Limited
Associates	Haldia Coke and Chemicals Pvt. Ltd. Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd.) Wellman Coke India Ltd. (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd.) Shriram SEPL Composites Private Limited Shriram Composites Private Limited Leitwind Electronics Private Limited	Haldia Coke and Chemicals Pvt Ltd (with effect from June 21, 2010) Ennore Coke Limited (upto June 20, 2010) Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd. with effect from June 21, 2010) Wellman Coke India Ltd. (Subsidiary of Haldia Coke and Chemicals Pvt. Ltd. with effect from June 21, 2010) Shriram SEPL Composites Private Limited Shriram Composites Private Limited Leitwind Electronics Private Limited
Companies over which Key Management Personnel exercises Significant Influences (Associates)	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Ltd. P S R Green Power Projects P Ltd. Amrit Environmental Technologies Private Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Pvt. Ltd. Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Wind Farms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Powergen Lanka Pvt. Limited Orient Eco Energy Private Limited Global Power Tech Equipments Private Limited	Orient Green Power Company Limited Subsidiaries of Orient Green Power Company Ltd P S R Green Power Projects P Ltd Amrit Environmental Technologies Private Limited SM Environmental Technologies Private Limited Orient Bio Power Limited Orient Green Power Company (Rajasthan) Pvt. Ltd. Sanjog Sugars and Eco Power Private Limited Bharath Wind Farm Limited Clarion Wind Farms Private Limited Gamma Green Power Private Limited Beta Wind Farm Private Limited Powergen Lanka Pvt. Limited
Key Management Personnel	T. Shivaraman - Managing Director M. Amjad Shariff - Joint Managing Director	T. Shivaraman - Managing Director M. Amjad Shariff - Joint Managing Director



36.2 Transactions during the year

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Revenue		
Ennore Coke Limited	107.20	12,285.36
P. S. R. Green Power Projects P Ltd.	13.42	800.46
Global Power Tech Equipments P Ltd.	4.27	47.28
Orient Green Power Company Limited	968.53	7,198.00
Amrit Environmental Technologies Private Limited	34.19	36.05
SM Environmental Technologies Private Limited	977.84	753.27
Orient Green Power Company (Rajasthan) Private Limited	959.19	1,075.17
Sanjog Sugars and Eco Power Private Limited	134.74	2,697.93
Orient Eco Energy Private Limited	398.04	-
Clarion Wind Farms Private Limited	-	288.37
Gamma Green Power Private Limited	2,034.40	11,756.10
Beta Wind Farm Private Limited	27,598.11	628.97
Wellman Coke India Ltd.	824.58	-
Hamon Shriram Cottrell Private Limited	258.31	238.86
Leitner Shriram Manufacturing Limited	6,200.16	4,469.71
Leitwind Electronics Private Limited	-	39.98
Powergen Lanka Pvt. Limited	1,623.77	1,650.76
Lease Rental Income		
Clarion Wind Farms Private Limited	66.15	81.67
Rent Received		
Leitwind Electronics Private Limited	7.12	4.07
Management Fees Received		
Hamon Shriram Cottrell Private Ltd.	157.64	119.42
Purchases of Goods and Services		
Hamon Shriram Cottrell Private Ltd.	544.07	549.05
Leitner Shriram Manufacturing Limited	6,445.93	9,220.32
Cost of Windmill Development Rights		
Bharat Wind Farm Ltd.	-	1,700.00
Transfer of Margins		
Leitner Shriram Manufacturing Limited	4,384.33	32.20
Management Fees Paid		
Hamon Shriram Cottrell Private Ltd.	71.62	53.21
Interest Expense		
Hamon Shriram Cottrell Private Ltd.	9.06	9.06
Expenses incurred on behalf of related party		
Leitner Shriram Manufacturing Limited	33.40	17.23
Hamon Shriram Cottrell Private Limited	1.14	1.39



36.2 Transactions during the year (Contd.)

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Shriram SEPL Composites Private Limited	34.71	1.45
Haldia Cokes & Chemicals Pvt. Ltd.	1.60	0.67
Ennore Coke Limited	20.49	13.28
Orient Green Power Company Limited	43.95	12.69
Bharat Wind Farm Limited	7.90	0.19
Clarion Wind farm Pvt. Limited	0.16	-
Beta Wind Farm Pvt. Limited	98.15	-
Shriram Composites Private Limited	0.53	-
Leitwind Electronics Private Limited	-	0.59
Powergen Lanka Pvt. Limited	140.14	-
Expenses incurred for the company by the related party		
Leitner Shriram Manufacturing Limited	2.96	17.29
Orient Green Power Company Limited	16.83	-
Clarion Windfarm Private Limited	4.51	0.01
Bharat Wind Farm Ltd.	126.00	-
Beta Wind Farm Private Limited	315.47	-
Gamma Green Power Private Limited	0.27	-
Interest Income		
Shriram SEPL Composites P Ltd.	239.80	242.48
Hamon Shriram Cottrell Private Limited	21.27	4.53
Haldia Cokes & Chemicals Pvt. Ltd.	229.95	148.39
Ennore Coke Limited	313.82	-
Employee Stock Options Expenses transferred		
Leitner Shriram Manufacturing Limited	-	11.98
Orient Green Power Company Limited	-	4.63
Hamon Shriram Cottrell Private Ltd.	-	32.88
Shriram SEPL Composites Private Limited	-	2.10
Bharat Wind Farm Limited	-	3.93
Ennore Coke Limited	-	8.13
Recovery of SAP Cost		
Leitner Shriram Manufacturing Limited	42.20	-
Orient Green Power Company Limited	18.48	-
Bharat Wind Farm Private Limited	12.10	-
Ennore Coke Limited	7.72	-
Remuneration to Key Management Personnel		
T. Shivaraman	60.15	55.13
M. Amjad Shariff	63.99	59.41



36.2 Transactions during the year (Contd.)

Particulars	₹ in Lakhs	
	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Purchase of Investments from		
Leitner Shriram Manufacturing Limited	1,349.19	2,287.15
Hamon Shriram Cottrell Private Ltd.	200.00	364.06
Shriram SEPL Composites Private Ltd.	675.00	-
Haldia Cokes & Chemicals Pvt. Limited	-	4,007.22
Sale of Investments to		
Haldia Coke and Chemicals Pvt. Limited	-	400.80
Advance Given (Gross)		
Haldia Cokes & Chemicals Pvt. Ltd.	11,997.99	2,663.73
Orient Green Power Company Limited	21,035.40	35,532.61
Leitner Shriram Manufacturing Limited	4,394.02	9,335.47
Shriram SEPL Composites Private Limited	222.50	990.50
Ennore Coke Limited	6,409.68	2,046.80
Bharat Wind Farm Ltd.	-	1,809.00
Clarion Wind Farms Private Limited	989.00	638.50
Beta Wind Farm Private Limited	4,509.60	850.00
Gamma Green Power Private Limited	1,762.43	213.00
Sale of Fixed Assets		
Ennore Coke Limited	-	0.71

36.3 Transactions during the year (Contd.)

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Amount outstanding - Dr / (Cr)		
Leitner Shriram Manufacturing Limited	(10,654.93)	(331.25)
Ennore Coke Limited	10,357.78	9,168.98
Wellman Coke India Ltd.	78.91	754.33
Shriram SEPL Composites Private Limited	1,847.13	2,237.22
Hamon Shriram Cottrell Private Limited	771.13	341.36
Shriram Composites Pvt. Ltd.	2,869.88	140.84
Orient Green Power Company Limited	15,658.57	5,983.01
Beta Wind Farm Private Limited	(2,347.89)	(5,843.43)
Gamma Green Power Pvt. Ltd.	1,129.95	837.04
Clarion Green Power Pvt. Ltd.	1,095.50	105.07
Haldia Cokes & Chemicals Pvt. Limited	1,523.93	(10.40)
Bharat Wind Farm Limited	127.74	(1,383.91)



36.3 Transactions during the year (Contd.)

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
Orient Green Power Company (Rajasthan) Private Limited	(138.76)	-
P. S. R. Green Power Projects P Ltd.	18.54	-
Amrit Environmental Technologies Private Limited	35.33	-
Sanjog Sugars and Eco Power Private Limited	(1,332.70)	-
SM Environmental Technologies Private Limited	(866.59)	-
Orient Eco Energy	(271.69)	-
Global Power Tech Equipments Pvt. Ltd.	51.76	-
Leitwind Electronics Private Limited	(27.69)	(27.75)
Powergen Lanka Pvt. Limited	1,195.27	1,650.76
Commitments (Net of Advances)		
Orient Green Power Company Limited	5,093.69	-
Corporate Guarantees		
Hamon Shriram Cottrell Private Limited	2,100.00	2,100.00
Shriram Composites Private Limited	1,000.00	1,000.00
Orient Green Power Company Limited	1,600.00	-
Shriram SEPL Composites Private Limited	1,800.00	-

37 Finance Lease Disclosure - In respect of Cars taken on Hire Purchase

37.1 Details of Leased Assets

Particulars	₹ in Lakhs	
	As at Mar 31, 2012	As at Mar 31, 2011
a) Cost of Leased asset	282.34	272.99
b) Net carrying amount	200.82	217.13

37.2 Year wise future minimum lease rental payments on contracts:

Particulars	As at March 31, 2012		As at March 31, 2011	
	Total minimum lease payments	Present value of lease payment	Total minimum lease payments	Present value of lease payment
Not later than one year	38.43	31.23	37.00	32.62
Later than one year and Less than five years	46.68	42.38	35.25	29.36
Later than five years	-	-	-	-
Total	85.11	73.61	72.25	61.98
Less: Future Finance Charges	11.50	NA	10.27	NA
Present Value of Minimum Lease payments	73.61	73.61	61.98	61.98



38 Earnings Per Share

Particulars	Year ended Mar 31, 2012	Year ended Mar 31, 2011
Basic		
Net Profit for the Year (In ₹ Lakhs)	4,153.33	7,417.34
The weighted average number of equity shares outstanding during the year	4,43,22,506	4,40,44,886
Face Value of Share (₹)	10.00	10.00
Diluted		
Net Profit for the Year (In ₹ Lakhs)	4,153.33	7,417.34
Add: Expense on Employee Stock Option (ESOP) Scheme	14.43	281.67
Profit attributable to Equity Shareholders (In ₹ Lakhs)	4,167.76	7,699.01
The weighted average number of potential equity shares outstanding during the year including Stock Options	4,43,46,120	4,41,08,542
Face Value of Share (₹)	10.00	10.00

39 Deferred Tax - Disclosure Under Accounting Standard 22

39.1 Deferred Tax Liability (Net)

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Deferred Tax Liability		
On Depreciation	3,229.00	3,804.27
Others	21.01	-
Total Liability	3,250.01	3,804.27
Deferred Tax Asset		
Disallowances u/s 43B	85.91	161.71
Other Disallowances	12.78	336.25
Carried Forward Losses	-	336.95
Total Asset	98.69	834.91
Net Deferred Tax Liability	3,151.32	2,969.36

39.2 Deferred Tax Asset (Net)

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Deferred Tax Liability		
On Depreciation	560.60	37.90
Total Liability	560.60	37.90
Deferred Tax Asset		
Disallowances u/s 43B	53.40	24.59
Other Disallowances	66.59	49.84
Carried Forward Losses	513.04	-
Total Asset	633.03	74.43
Net Deferred Tax Asset	72.43	36.53

40 Details of Provisions

Provision for Warranty is estimated based on the terms and conditions

Particulars	Opening Balance	Additions	Withdrawals	Closing Balance
Provision for Warranty*	180.92	184.64	60.69	304.87
	(130.55)	(75.61)	(25.24)	(180.92)

Figures in bracket represent Previous Year Figures

* Includes Proportionate Share of Joint Venture of ₹275.48 Lakhs (March 31, 2011: ₹151.53 Lakhs)

41 Contingent Liabilities

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Letters of Guarantees issued by the Banks	39,325.79	25,939.92
Letters of Credits issued by the Banks	33,927.49	48,912.33
Bills Discounted	-	22,710.00
Corporate Gurantees issued	6,500.00	3,100.00
Claims against the Company not acknowledged as debts	1,294.94	905.80
Disputed income tax demands contested in Appeals not provided for Civil Cases*	1,322.80	1,058.42
Duty liability pertaining to unfulfilled export obligation under EPCG licence	125.97	-

*Management is of the opinion that the Appeals preferred by the Company will be decided in its favour.

42 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for ₹12,916.31 Lakhs (March 31, 2011: ₹42,573.06 Lakhs)

42.2 Share Purchase Obligations towards Investments

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Sree Jayajothi Cements Limited	9,340.00	-

42.3 Debenture Purchase Obligations towards Investments

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Spark Environmental Technology Limited	25,650.00	-
Sree Jayajothi Cements Limited	-	11,000.00

42.4 Other Commitments

Particulars	As at Mar 31, 2012	As at Mar 31, 2011
Windmill Purchase Obligation		
Orient Green Power Company Limited (Net of Advances of ₹22,406.31 Lakhs)	5,093.69	-

43. Sale of WEG Business

Though the Company had obtained its Shareholders' approval through Postal Ballot on August 21, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitner Shriram Manufacturing Limited (LSML) with effect from April 1, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Loss / Profit in the Statement of Profit and Loss for the year ended March 31, 2012.



44. During the first quarter of the previous year, the company had sold its entire investment in Ennore Coke Ltd. to Haldia Coke & Chemicals Pvt. Ltd. (HCCL). The profit on this sale of ₹2,040.50 Lakhs is disclosed as an exceptional item in the previous year.

45. The company has granted advances/loans to its subsidiaries and group companies for the purpose of carrying on operations, based on the business needs and exigencies on those Companies. Some of these advances/loans are interest free. However in the opinion of the management, all these advances/loans(including the interest free loans) are conducive to the interest and development of the business of the group and hence are not prejudicial to the interests of the company.

46. Subsequent to the date of approval of the annual accounts for the year ended March 31, 2011 by the Board and before the book closure date 32,559 Equity Shares (March 31, 2011: 28,149 Equity Shares) were allotted under the Shriram EPC Limited Employee Stock option Scheme 2006 & 2007 to employees and dividends of ₹0.59 Lakhs (March 31, 2011: ₹0.65 Lakhs) on these shares were paid. The total amount of ₹0.70 Lakhs (March 31, 2011: ₹0.76 Lakhs) including dividend distribution tax have been appropriated from the Surplus in Statement of Profit and Loss.

47. Subsequent Events

47.1 Subsequent to the date of Balance Sheet 2,450 Equity Shares were allotted under the Shriram EPC Employee Option Scheme 2006 & 2007.

47.2. Investment in Sree Jayajothi Cement Limited and Spark Environmental Technology Limited

47.2.1. The company had executed an EPC contract for Sree JayaJothi Cement Limited ('SJCL') in an earlier year and the total amount outstanding under Trade Receivables ₹30,472.62 Lakhs, Debentures ₹ Nil (Net of cheques in transit ₹12,186 Lakhs) and loans and advances ₹ Nil (Net of cheques in transit ₹17,978 Lakhs), is outstanding for a considerable period of time. Apart from this the company also has investment in Equity shares of SJCL amounting to ₹1,500 Lakhs. These amounts aggregating to ₹31,972.62 Lakhs have been secured by assets of SJCL.

47.2.2. On April 2, 2012, the company has invested ₹9,323.45 Lakhs in SJCL constituting 17.81% of the entire issued, subscribed and paid up equity capital of SJCL. The company has also entered into an agreement with SJCL, for recovering its balance dues over a period of time. The company has appointed its representative as a member on the Board of Directors in SJCL, to monitor the operations of the company and to ensure recovery of its dues. The company is convinced about the viability of cement vertical and accordingly, the company is hopeful of recovering all the amounts due to it and does not expect any shortfall in the recovery of the dues. With respect to the investment, the management is of the view that there is significant upside potential in the business and as the investment is of long term nature, the diminution in the value of investment is not other than temporary in nature.

47.2.3 On April 19, 2012, the company has invested an amount of ₹25,676.56 Lakhs in Spark Environmental Technology Limited ('Spark' a fellow Shareholder in SJCL), towards subscription of 2,56,76,565 Optionally Convertible Debentures (OCD) of a face value of ₹100 each, carrying an interest rate of 12%. The terms of Debentures are as follows:

- On the expiry of 5 years from date of allotment, all OCD shall be either be converted to Equity Shares, redeemed in full, or partly converted and partly redeemed.
- At or prior to maturity date, the holder of OCD has the option to either convert into Equity Shares or redeem, all or part of the OCD.
- Upon conversion, each debenture shall be converted into 10 Equity Shares.

47.2.4. Spark has subscribed to 25,67,65,645 shares of ₹10 each constituting 49.05 % of SJCL Equity during April 2012.



48. The revised Schedule VI has become effective from April 1, 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 and reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

T. Shivaraman
Managing Director

R. Sundararajan
Director

Place : Chennai

K. Suresh

R. S. Chandrasekharan

Dated : 30th May, 2012.

Company Secretary

Chief Financial Officer



Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies

₹ in Lakhs

Particulars	Shriram EPC (Singapore) Pte Ltd		Blackstone Group Technologies Private Limited	
	Consolidated		Consolidated	
	2011-12	2010-11	2011-12	2010-11
1. The financial year of the Subsidiary Company ended on	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
2. Place of incorporation	Singapore	Singapore	Chennai	Chennai
3. Number of shares in the subsidiary company held by Shriram EPC Limited at the above date				
Equity (Nos)	2,02,10,020	2,02,10,020	3,74,429	3,74,429
Extent of holding (%)	100%	100%	55%	55%
4. The net aggregate of profits of the subsidiary Company for its financial year so far as they concern the members if Shriram EPC Limited				
a) Dealt with in the accounts of Shriram EPC Limited for the year ended 31st March, 2012	-	-	-	-
b) Not Dealt with in the accounts of Shriram EPC Limited for the year ended 31st March, 2012	(2,693.89)	251.48	(2.27)	(102.73)
5. The net aggregate of profits of the Subsidiary Company for its previous years so far as they are concern the members of Shriram EPC Limited				
a) Dealt with in the accounts of Shriram EPC Limited for the year ended 31st March, 2012	-	-	-	-
b) Not Dealt with in the accounts of Shriram EPC Limited for the year ended 31st March, 2012	(2,003.00)	690.89	74.60	76.87

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Arun Duggal - Chairman
 Mr. T. Shivaraman - Managing Director & CEO
 Mr. M. Amjad Shariff - Joint Managing Director
 Mr. S.R. Ramakrishnan - Director
 Mr. R. Sundararajan - Director
 Mr. S. Krishnamurthy - Director
 Mr. Sunil K Kolangara - Nominee Director - Ascent Capital
 Mr. P.D. Karandikar - Director
 Mr. S. Babu - Director
 Mr. Vishal Vijay Gupta - Nominee Director - Bessemer Venture Partners Trust

CHIEF FINANCIAL OFFICER

Mr. R.S. Chandrasekharan

COMPANY SECRETARY

Mr. K. Suresh

AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants,
 ASVN Ramana Tower, 52, Venkatnarayana Road, T. Nagar, Chennai - 600 017.

BANKERS

Allahabad Bank Limited
 Axis Bank Limited
 Bank of India Limited
 Barclays Bank PLC
 Central Bank of India Limited
 Citi Bank N.A.
 DBS Bank Limited
 Development Credit Bank Limited
 ICICI Bank Limited
 IDBI Bank Limited
 IndusInd Bank Limited
 Oriental Bank of Commerce Limited
 Punjab National Bank Limited
 State Bank of Patiala
 State Bank of Mysore
 State Bank of Travancore Limited
 The Federal Bank Limited
 The Lakshmi Vilas Bank Limited
 Yes Bank Limited

REGISTERED OFFICE

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

BRANCHES

Kolkata, New Delhi and Beijing

FACTORY

Chennai

